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1978-1979 Session

Report of Proceedings

from 9 to 13 October 1978

Europe House, Strasbourg

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

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

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IN THE CHAIR : MR COLOMBO

President

(The sitting was opened at 5.10 p.m.)

President. — The sitting is open.

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament suspended on 15 September 1978.

2. *Death of His Holiness John Paul I*

President. — At the meeting of the ACP-EEC Consultative Assembly of 29 September in Luxembourg, we learned with surprise and grief of the death of Pope John Paul I.

Although John Paul I was barely able even to outline the tasks he wished to accomplish, the impact of his brief reign was far greater than could have been expected in only 34 days.

His choice of name was a clear indication in itself that he intended to continue the work of his two distinguished predecessors, John XXIII and Paul VI. His first statement to the world gave a clear indication of the course he intended to steer :

We are all committed to the effort to direct the world towards a growing sense of justice, a more stable peace and more sincere cooperation ; and it is for that reason that we beg and entreat you all, from those at the very humblest level in society, who are linked to the peoples of all other nations by the common bonds of humanity, to the most distinguished heads of state, to participate actively in creating a more just and more authentic order.

This message from what has been the shortest pontificate for three centuries cannot fail to have a lasting impact on the Church and on the world.

(The Assembly stood for one minute's silence)

3. *Membership of committees*

President. — At its meeting of 28 September 1978 in Luxembourg, the Bureau provisionally approved, pursuant to Rule 37 (4) of the Rules of Procedure, the appointment of

— Mr Nielsen as a member of the Committee on Budgets, to replace Mr Caillavet ;

and of

— Mr Caillavet as a member of the Committee on Agriculture.

Since there are no objections, these appointments are ratified.

4. *Petitions*

President. — I have received :

— from Mr G. Maertens, on behalf of the Europa Esperanto Centre, Brussels, a petition on the improvement of communications between citizens of the Member States of the European Community and the officials of the institutions of the European Community ;

— from Mr H. Meinardi, on behalf of the Federation against Epilepsy, a petition on a certificate of fitness to drive for epileptics.

These petitions have been entered under Nos 17/78 and 18/78 respectively in the register provided for in Rule 48 (2) of the Rules of Procedure, and, pursuant to paragraph 3 of that same rule, referred to the Committee on the Rules of Procedure and Petitions.

5. *Documents received*

President. — I have received :

a) from the Council, requests for opinions on the following Commission proposals :

I. a fourth directive amending Directive 69/169/EEC on the harmonization of provisions laid down by law, regulation or administrative action relating to exemption from turnover tax and excise duty on imports in international travel,

II. a second directive amending Directive 74/651/EEC on the tax reliefs to be allowed on the importation of goods in small consignments of a non-commercial character within the Community, and

III. an amendment to the proposal for a directive on the exemption from taxes on importation of small consignments from third countries of goods of a non-commercial nature

(Doc. 314/78),

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

— a letter on the Council's recommendation concerning the discharge to be given to the Commission in respect of the implementation of the budget and of the amending and supplementary budgets of the European Communities for the financial year 1976 (Doc. 317/78)

which has been referred to the Committee on Budgets ;

— a directive amending Directive 64/433/EEC on health problems affecting intra-Community trade in fresh meat (Doc. 323/78)

which has been referred to the Committee on the Environment, Public Health and Consumer Protection as the committee responsible and to the Committee on Agriculture for its opinion ;

President

- I. a regulation on the control of the wine-growing potential and amending in particular Regulation (EEC) No 816/70,
- II. a regulation laying down further provisions on the grant of conversion and permanent abandonment premiums in wine production,
- III. a directive on the programme to speed up the conversion of certain areas under vines in the Charentes departments, and
- IV. a regulation on collective projects for the restructuring of vineyards

(Doc. 324/78),

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

- regulation opening, allocating and providing for the administration of a Community tariff quota for wines from fresh grapes and grape must with fermentations arrested by the addition of alcohol falling within heading No 22.05 of the Common Customs Tariff, originating entirely in Greece (Doc. 328/78),

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

- a regulation on the total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey (1979) (Doc. 329/78),

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

- regulation on the opening, allocating and administration of a Community tariff quota for frozen beef and veal falling within subheading No 02.01 A II (b) of the Common Customs Tariff (1979) (Doc. 330/78),

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

- a directive amending Directive 72/159/EEC on the modernization of farms (Doc. 331/78),

which has been referred to the Committee on Agriculture ;

- a decision amending Decision 77/186/EEC on the exporting of crude oil and petroleum products from one Member State to another in the event of supply difficulties (Doc. 332/78),

which has been referred to the Committee on Energy and Research as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion ;

- a decision adopting a multinational research and development programme for the European Economic Community on the recycling of urban and industrial

waste (secondary raw materials, indirect action 1979-82) (Doc. 349/78),

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

- a decision adopting a multinational research programme for the European Economic Community in the field of Climatology (indirect action 1979-83) (Doc. 350/78),

which has been referred to the Committee on Energy and Research as the committee responsible and to the Committee on the Environment, Public Health and Consumer Protection and the Committee on Budgets for their opinions ;

b) from the committees, the following reports :

- by Mrs Dunwoody, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a decision adopting joint research programmes and a programme for coordinating agricultural research (Doc. 318/78) ;
- by Mr Lezzi, on behalf of the Committee on Development and Cooperation, on the communication from the Commission to the Council concerning the management of food aid (Doc. 320/78) ;
- by Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 3164/78 on the Community quota for the carriage of goods by road between Member States (Doc. 321/78) ;
- Regulation (EEC) No 1191/69 on action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway and
- Regulation (EEC) No 1107/70 on the granting of aids for transport by rail, road and inland waterway (Doc. 322/78) ;
- by Mr Amadei, on behalf of the Political Affairs Committee, on a communication from the Commission to the Council interim report concerning Community action in the cultural sector (Doc. 325/78) ;
- by Mr Albers, on behalf of the Committee on Social Affairs, Employment and Education, on the forthcoming 1978 Community Tripartite Conference (Doc. 326/78) ;
- by Mr Ellis, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the 6th, 7th, 8th and 9th reports of the Steel Industry Safety and Health Commission and the 12th, 13th and 14th reports of the Mines Safety and Health Commission (Doc. 327/78) ;
- by Mr Damseaux, on behalf of the Committee on Economic and Monetary Affairs, on the 7th report of the Commission on competition policy (Doc. 334/78) ;

President

- by Mr Ansquer, on behalf of the Committee on Economic and Monetary Affairs, on a draft Commission decision establishing Community rules for aids and interventions by Member States in favour of the iron-and-steel industry (Doc. 335/78);
 - by Mr Ibrügger, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission to the Council for a decision concerning the Memorandum of Understanding of 2 March 1978 between certain maritime authorities on the maintenance of standards on merchant ships (Doc. 348/78);
 - by Mr Liogier, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 525/77 establishing a system of production aid for tinned pineapple (Doc. 352/78);
 - by Mr Shaw, on behalf of the Committee on Budgets, on the proposal from the Commission to the Council for a regulation amending the Financial Regulation of 21 December 1977, applicable to the general budget of the European Communities (Doc. 353/78);
- c) the following oral questions with debate :
- by Mrs Dahlerup, Mrs Dunwoody, Mr Adams, Mr Kavanagh, Mr Lezzi, Mr Albers, Mr Cot, Mr Dondelinger, Lady Fisher of Rednal, Mrs Krouwel-Vlam, Mr Schreiber and Mr Vanvelthoven, to the Commission, on application of Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions (Doc. 336/78);
 - by Mr Fellermaier, Mr Sieglerschmidt and Mr Cot, on behalf of the Socialist Group, to the Foreign Ministers of the Nine Member States of the European Community meeting in political cooperation, on arms supplies from Community Member States (Doc. 337/78);
 - by Mr Meintz, on behalf of the Liberal and Democratic Group, to the Commission, on Community action on education (Doc. 338/78);
 - by Mr Meintz, on behalf of the Liberal and Democratic Group, to the Council on Community action on education (Doc. 339/78);
 - by Mr Notenboom, on behalf of the Christian-Democratic Group (EPP), to the Commission, on the entry into force of the Community VAT (6th Directive) (Doc. 340/78);
 - by Mr Aigner, on behalf of the Christian-Democratic Group (EPP), Mr Lange, on behalf of the Socialist Group, Mr Bangemann, on behalf of the Liberal and Democratic Group, Mr Cointat, on behalf of the Group of European Progressive Democrats, and Lord Bessborough, on behalf of the European Conservative Group, to the Commission, on implementation of the Community budget for 1978 (Doc. 342/78);
 - by Mr Forni, Mr Cot, Mr Joxe, Mr Lagorce, Mr Laurain, Mr Pisani, Mr Spénale, Mr Glinne, Mr Dondelinger, Mr Faure, Mr Brégégère, Mr Didier, Mr Zagari and Mr Lezzi, to the Commission, on the situation in Iran (Doc. 343/78);
 - by Mr Fuchs, Mr Brugger, Mr Starke, Mr Noè, Mr McDonald and Mr Schyns, to the Commission, on regional policy (Doc. 344/78);
 - by Mr Rippon, Sir Derek Walker-Smith, Mr Stetter and Mr Fletcher-Cooke, on behalf of the European Conservative Group, to the Commission, on Commission policy on the harmonization of national legislation (Doc. 345/78);
 - by Mr Glinne, Mr Dondelinger, Mr Hoffmann, Mr Laurain, Mr Pisani, Mr Haase, Lord Ardwick and Mr Dankert, to the Commission, on the crisis in the iron and steel industry (Doc. 347/78);
 - by Mr Soury, Mr Ansart, Mr Bordu, Mr Eberhard and Mr Porcu, to the Commission, on the possibility of a price freeze in dairy products (Doc. 368/78);
- d) the following oral question without debate :
- by Mr van Aerssen and Mr Aigner, to the Commission, on stateless money (Doc. 341/78);
- e) for Question-time on 10, 11 and 12 October 1978, pursuant to Rule 47A of the Rules of Procedure :
- oral questions by Mr Nyborg, Mr Kavanagh, Mr Klepsch, Mr Pintat, Mr Pisoni, Mrs Dahlerup, Mr Howell, Mr Noè, Mr Hamilton, Mr Corrie, Mr Edwards, Mr Fitch, Lord Bessborough, Mr Normanton, Mr van Aerssen, Mr Osborn, Mr Scott-Hopkins, Sir Brandon Rhys Williams, Mr Porcu, Mr Cifarelli, Mr Dondelinger, Mr Herbert, Sir Geoffrey de Freitas, Mrs Ewing, Mr Zywiets, Mrs Dunwoody, Mr Stetter, Mr Fellermaier, Mr Bertrand, Mr Edwards, Mr Soury, Mr Howell, Sir Geoffrey de Freitas, Mr Scott-Hopkins, Mr Dalyell, Mr Dankert, Mr Spicer, Mr Osborn, Mrs Ewing, Mr Hamilton, Mrs Ewing, Mr Lagorce, Mr Brugha, Mr Bordu, Mr Dondelinger and Mr Dalyell (Doc. 351/78);
- f) from the Commission :
- a report on the application of Council Directive of 4 May 1976 regarding a Community procedure for information and consultation on the prices of crude oil and petroleum products in the Community (Doc. 333/78), which has been referred to the Committee on Energy and Research ;
 - on 15 September 1978
 - a proposal for the transfer of appropriations from one chapter to another within Section III : Commission, of the general budget of the European Communities for the 1978 financial year (Doc. 313/78)
- which has been referred to the Committee on Budgets ;
- on 6 October 1978
 - a proposal for the transfer of appropriations from one chapter to another within Section III : Commission, of the general budget of the European Communities for the 1978 financial year (Doc. 362/78)

President

which has been referred to the Committee on Budgets ;

— on 6 October 1978

- a proposal for the transfer of appropriations from one chapter to another within Section III : Commission, of the general budget of the European Communities for the 1978 financial year (Doc. 363/78)

which has been referred to the Committee on Budgets ;

- a proposal for the transfer of appropriations from one chapter to another within Section III : Commission, of the general budget of the European Communities for the 1978 financial year (Doc. 364/78)

which has been referred to the Committee on Budgets ;

- a proposal for the transfer of appropriations from one chapter to another within Section V : Court of Auditors, of the general budget of the European Communities for the 1978 financial year (Doc. 365/78),

which has been referred to the Committee on Budgets ;

- a proposal for the transfer of appropriations from one chapter to another within Section III : Commission, of the general budget of the European Communities for the 1978 financial year (Doc. 366/78),

which has been referred to the Committee on Budgets.

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

g) the following motions for resolutions :

- by Mrs Walz, on behalf of the Committee on Energy and Research, on adapting the objectives of the Community's energy policy to the latest developments (Doc. 315/78) ;
- by Mr Flämig, on behalf of the Committee on Energy and Research, on the need for urgent Council decisions on outstanding Commission proposals in the energy sector (Doc. 316/78).

6. *Texts of treaties forwarded by the Council*

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

- Act of notification of the approval by the Community of the Convention for the protection of the Rhine against chemical pollution and of the additional agreement to the Agreement signed in Berne on 29 April 1963, concerning the International Commission for the protection of the Rhine against pollution ;
- Act of notification of the approval by the Community of the Agreement on the accession of Papua New Guinea to the ACP-EEC Convention of Lomé ;
- Act of notification of the approval by the Community of the Agreement on the accession of the Democratic Republic of São Tomé and Príncipe to the ACP-EEC Convention of Lomé ;

- Act of notification of the approval by the Community of the Agreement on the accession of the Republic of Cape Verde to the ACP-EEC Convention of Lomé ;

These documents have been deposited in Parliament's archives.

7. *Authorization of reports*

President. — Pursuant to Rule 38 of the Rules of Procedure, I have authorized committees to draw up reports as follows :

- *Political Affairs Committee*
- report on the situation of the Jewish community in the Soviet Union
- *Committee on Regional Policy, Regional Planning and Transport*
- report on the third annual report of the European Regional Development Fund.

8. *Urgent procedure*

President. — I have received the following motions for resolutions with requests for debate by urgent procedure, pursuant to Rule 14 of the Rules of Procedure.

- by Mr Blumenfeld, Mr Noè and Mr Fuchs, on behalf of the Christian-Democratic Group (EPP), on air-traffic control (Doc. 319/78) ;
- by Mr Fellermaier, on behalf of the Socialist Group, on the violation by European companies of the sanctions against Rhodesia (Doc. 346/78) ;
- by Mr Fellermaier, Mr Spénale, Mr Hansen, Mr Dankert and Mr Radoux, on behalf of the Socialist Group, on the situation in the Lebanon (Doc. 360/78) ;
- by Mr Klepsch, on behalf of the Christian-Democratic Group (EPP), on the situation in the Lebanon 370/78) ;
- by Mr Fellermaier, on behalf of the Socialist Group, on the situation in Nicaragua (Doc. 361/78) ;
- by Mr Klepsch, on behalf of the Christian-Democratic Group (EPP) on the violent repressions in Nicaragua (Doc. 371/78) ;
- by Mr Klepsch and Mr Bertrand, on behalf of the Christian-Democratic Group (EPP), Mr Pintat, on behalf of the Liberal and Democratic Group, and Mr Rippon, on behalf of the European Conservative Group, on the outcome of the Camp David Summit (Doc. 372/78) ;
- by Mr Dalyell, Mr Lange, Mr Lagorce, Mr Lamberts, Mr Mitchell, Lord Kennet, Mr Albers, Mr Edwards, Lord Castle, Mr Ellis and Mr Fitch, on the massacre of seals (Doc. 369/78).

Pursuant to Rule 14 (1), second paragraph, of the Rules of Procedure, the requests for urgent procedure will be put to the vote tomorrow at the beginning of the sitting.

9. Decision on urgent procedure

President. — The first item on today's agenda is the request for a debate by urgent procedure on the motion for a resolution on the numerous deaths and extensive damage caused by floods in the Ossola region of Northern Italy (Doc. 311/78). This motion was tabled at the sitting of 15 September 1978.

Are there any objections?

Urgent procedure is adopted.

I propose that this motion should be placed on the agenda for this sitting as the last item.

Since there are no objections, that is agreed.

10. Order of business

President. — The next item is the order of business. At its meeting of 28 September 1978, the enlarged Bureau drew up the order of business for this part-session which has been distributed.

The Cointat report on the discharge in respect of the budget of the Communities for 1976, which was to have been debated at this sitting, and the Howell report on degerming maize, which was to have been debated at tomorrow's sitting, have been withdrawn from the agenda since they were not adopted in committee.

Mr Meintz has informed me that his oral questions on Community action on education (Docs 338/78 and 339/78) have been postponed until the November part-session, when they will be included in the debate on the motion for a resolution on the same subject now being drawn up by the Committee on Social Affairs, Employment and Education.

The authors of the Oral Question (Doc. 368/78) on the price of dairy products have asked for it to be placed on the agenda of this part-session.

In accordance with the decision of principle made by the Bureau on 14 September 1978, I propose that this question be placed on the agenda for Tuesday, 10 October 1978, as the last item.

I call Mr Rippon.

Mr Rippon. — Mr President, I certainly see no objection to this item being taken on Tuesday, but I would request that the debate should be held after the Oral Question with debate (Doc. 345/78) which, with a number of members, I tabled on behalf of the European Conservative Group, on Commission policy on the harmonization of national legislation. This item is already on the agenda and those concerned feel that it ought to be placed higher up on the agenda.

President. — Since there are no objections, that is agreed.

I call Mr Lagorce.

Mr Lagorce. — (F) Mr President, one of the items on tomorrow's agenda is the report (Doc. 352/78) by

Mr Liogier, on behalf of the Committee on Agriculture, on the proposal from the Commission for a regulation on a system of production aid for tinned pineapple. The Committee on Development and Cooperation has been asked for its opinion, but has not been able to consider the matter. But as this subject is of some importance to the Committee on Development and Cooperation, I request on its behalf that, if Parliament agrees, discussion of the report be postponed until the November part-session.

President. — I call Mr Hughes.

Mr Hughes. — Mr President, as no other vice-chairman of the Committee on Agriculture seems to be in the Chamber, I can see no objection on the committee's part to having this postponed.

President. — I call Mr Cointat.

Mr Cointat. — (F) Mr President, I should like to ask Mr Lagorce why he doesn't like pineapple.

President. — I call Mr Lagorce.

Mr Lagorce. — (F) I said that the Committee on Development and Cooperation had quite simply not been able to consider the matter and, as it attaches some importance to it, it has asked for the debate to be postponed until after it has done so. I, as vice-chairman, am speaking on behalf of Miss Flesch, the chairman of our committee.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, could I ask for your guidance on the request for urgent debate tabled by Mr Lange, Mr Lagorce, Mr Lamberts, Mr Mitchell, Lord Kennet, Mr Fitch, Mr Elles, Mr Edwards, Mr Albers, Lord Castle and myself on the massacre of seals? In its motion for a resolution Parliament urges the Commission to make representations to the British Government to make public the scientific evidence on which they base their decision to allow the culling of seals in the Orkney islands by commercial hunters from Norway, and to allow time for it to be examined by representatives of conservation organizations, before and not after the seals are massacred.

President. — I have already said that I shall consult Parliament on urgent procedure tomorrow morning. Perhaps you were not in the Chamber, or your attention was distracted.

Mr Dalyell. — Mr President, I was in fact here. I am just trying to state coherently the point we are trying to make. I would not normally make a point like this, but if the House is to debate this matter at all it must do so at once. It is extremely urgent, since the slaughter of the seals may even be taking place

Dalyell

tonight, or tomorrow. If we are to debate it at all, we really must do so within the next 24 hours. I was asking whether it was in your power, Sir, to allow it to be debated tonight rather than tomorrow.

President. — When the decision is taken on urgent procedure tomorrow, we shall also decide when these items are to be debated and will be able to take into account your statement about the immediacy of this matter.

I call Mr Deschamps.

Mr Deschamps. — (*F*) I should like to say three things, Mr President, on the subject of pineapple.

Firstly, I should like to assure Mr Cointat, who seems to want our opinion on pineapple, that I like it very much.

Secondly, I should like to second Mr Lagorce's request. Pineapple is clearly a product that comes from developing countries and it is essential to the economies of some of them.

Thirdly, we have heard the most eminent representative of the Committee on Agriculture present in our midst say that he could see no objection to postponing the debate. I therefore presume that Mr Cointat will also have no objection.

President. — I call Mr Klepsch.

Mr Klepsch. — (*D*) I have no objection at all to the proposal that this item be held over, but I would like to remind the House of one thing: we had agreed that when a committee responsible tables a report, the opinions of any committees asked for their opinion should be obtained beforehand. We have also discussed on several occasions, both here and in the Bureau of Parliament, the time limits within which this must be done. It can of course be said today that this is a matter on which we are all agreed and that we are ready to postpone this item until the next part-session. I, too, can endorse this, only I do not want to set a precedent, as we have unfortunately often had to contend in plenary session with a report that needed to be referred back for the fourth or fifth time on account of one or other of the committees not yet having drawn up its opinion. At the time we said that, if this could not be done within the allotted time limit, we would debate the matter notwithstanding, because otherwise it would never be settled. This is, in fact, what we agreed and I would now make a request to the members of the Committee on Development and Cooperation: you, too, know what topics the Committee on Agriculture is discussing and I would, in fact, have thought that the secretariats of the Committee on Agriculture and of the Committee on Development and Cooperation were sufficiently in touch with one another for it not to be recessed, if the Committee on Development and Cooperation has comments of this kind to make and if the Committee

on Agriculture has no objections, to wait for the matter to be raised here in the House but for agreement to be reached beforehand not to place the report in question on the agenda.

I endorse this proposal but regard it as an exceptional case.

President. — I call Mr Cointat.

Mr Cointat. — (*F*) Mr President, I asked the question because the overseas departments sometimes get the impression that they are the poor relations and rather cut off from the Community, I would not like them to think, if we postpone the debate, that it is because we are not 'for pineapple'.

But as Mr Lagorce has assured me that that was not the case, I hope the Committee on Development and Cooperation will take the steps needed — especially with regard to the Commission — to obtain all the necessary information, so that the debate can be held at the next part-session.

President. — I call Mr Lagorce.

Mr Lagorce. — (*F*) As I am being forced to do so, Mr President, I will explain what happened; I do not want it to be thought that the Committee on Development and Cooperation is the guilty party. The Commission is. The day the Committee on Development and Cooperation wanted to consider the matter no Commission official was available to appear before it. I did not want to say so, but I have been forced to.

President. — I note the request for the report (Doc. 352/78) by Mr Liogier on tinned pineapple to be postponed until the November part-session.

I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith, Chairman of the Legal Affairs Committee. — Mr President, I rise to suggest an amendment of the agenda with regard to the Cailavet report on liability for defective products. (Doc. 246/78) due to be considered on Thursday. The Legal Affairs Committee's report was submitted to Parliament in July. Since then, however, the rapporteur and I, together with other members of the committee, have had informal discussions with Mr Davignon, the Commissioner responsible, who has indicated to me that the Commission is prepared to undertake amendments, within the context of its proposals. In these circumstances, Mr President, it would hardly be useful to discuss the matter at this part-session and, I accordingly propose that it be referred back to committee, under Rule 26 (2) of the Rules of Procedure.

I should, however, make clear the context in which I make this proposal. I am not proposing referral back to committee in order to allow the committee to go over the ground already covered, i.e., to reconsider the text and decisions already taken. That would be

Walker-Smith

neither procedurally correct nor democratically proper.

If the matter is referred back, Mr President, there are two possibilities. First, that the Commissioner should withdraw his text and submit another for the committee's consideration, following the precedent of Commissioner Gundelach on the Liogier report. The second would be for the Commission, without formally withdrawing his original draft, to submit his proposed amendment. In the first case, the committee would formulate and submit a new report covering the whole matter. In the second case, it would and could consider only the proposed amendments and formulate and submit a supplementary report covering only those items. In that case, both the original report and the supplementary report would be before Parliament and the rapporteur and other members could, if they so wished, submit amendments to the original report deriving from the content of the supplementary report and the Commission's amendments.

The choice between the two alternative methods is primarily a matter for the Commissioner. Both are possible, though for my part, I think the first is both simpler and better and does not seem to present any significant disadvantage. I must say, on the other hand, that the second possibility would be likely to create more difficulties not only for my committee, but for this Parliament in plenary session. I hope, therefore, that the Commissioner and those advising him will seek and have the benefit, Mr President, of your experienced and sagacious advice and that of those who sit with you at that table and indeed, of experienced Members of this Parliament in considering which of these courses to pursue. In either event, the matter would not be restored to the committee's agenda pending receipt of the Commission's proposals, whatever they may prove to be. In these circumstances, Mr President and for these reasons, and within these parameters, I respectfully ask Parliament to approve referral back to committee under Rule 26 (2).

President. — I call Mr Calewaert.

Mr Calewaert. — *(NL)* Mr President, I fully support the suggestion of the chairman of the Legal Affairs Committee. However, there are a number of things in the text submitted which might give rise to misunderstandings.

It has been said that this question need not be fully reconsidered in committee. I entirely agree. The Committee must of course decide itself what it should do. However, the chairman of the Legal Affairs Committee said that what has been decided cannot be undone, that there might be new proposals and that they will then be the subject of a second report. This is, of course, problematic, because if amendments can

be tabled when the text is referred back to the Legal Affairs Committee, it is clearly possible for amendments to be proposed to the resolutions set out in the first report.

My purpose in asking to speak is to avoid any ambiguity. As regards the substance of the matter and the comments made by the chairman of the Legal Affairs Committee, I do, however, fully agree.

President. — Since the request for reference to committee has been made by the chairman of the committee responsible, it is granted automatically pursuant to Rule 26 (2) of the Rules of Procedure. I call Mr Hughes.

Mr Hughes. — A question, Mr President, on the ruling that you have just made. I do not question the ruling itself, but I would like clarification as to whether this reference to committee is conditional or unconditional, because it would seem to me that it has to be established clearly whether reference to committee is wholly unconditional, under Rule or 26, conditional. I would like clarification from the Chair as to whether this reference to committee is wholly unconditional.

President. — I call Mr Broeks.

Mr Broeks. — *(NL)* Mr President, if I have understood correctly, you stated that if at the end of the sitting requests are received for the adoption of urgent procedure on certain texts pursuant to Rule 14 of the Rules of Procedure, they will then be referred to a committee. I assume that if such a request is received at the last moment, the matter might well be very urgent, and reference to committee is not therefore possible in every case. I assume that you will take this into account. I hope that I understood correctly what you said at the beginning of the sitting.

President. — Mr Broeks, are you referring the request for urgency on the motion for a resolution by Mr Albertini?

Mr Broeks. — *(NL)* Mr President, I thought you had made the general statement that if a request for urgent procedure is made at the last minute, pursuant to Rule 14 of the Rules of Procedure, the relevant text would be referred to committee. If I have misunderstood, I should be grateful for a further explanation from you.

President. — As regards the specific matter of the motion for a resolution on the floods in the Ossola region, I would point out that this has already been resolved with the decision just taken by Parliament. I would remind the House that Parliament agreed at the September part-session to take the decision on urgent procedure at this sitting.

President

As a general rule, I would suggest that when an item is introduced on the last day of a part-session, instead of requesting urgent procedure there and then it is better to refer it to committee so that it can be discussed between one part-session and another and then placed on the agenda of the part-session immediately following.

I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I perfectly understand that. I merely wished to point out that if a request is made at the last minute, it might be prompted by a political event of extreme urgency. In such cases reference to committee and consideration by Parliament one month later would hardly be a rational procedure. I hope that in such cases you will take account of urgency. That was all I wanted to ask. I imagine that you will do that on your own initiative; my comment was just a general one.

President. — Even if the committee has failed in its duties, there is still the question of urgency, and in this case it can be dealt with immediately.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, it has frequently happened in this House that a debate on a report from a committee has had to be postponed because a committee asked for its opinion has not been able to deliver one, as has just happened now. Would it be possible, Sir, for you to ask the Committee on the Rules of Procedure and Petitions to consider introducing a time-limit for committees to submit opinions, and could not a committee unable to meet the time-limit be entitled to give its opinion orally at a time suitable to the committee responsible?

President. — Mr Scott-Hopkins, there has already been extensive discussion of the point you have just raised first, between the committee chairmen and the President and subsequently in the Bureau. I am sure you will recall that an agreement was reached on this matter which we intend to implement. I did not want to raise this matter today in order to avoid a procedural dispute, but you did well to draw this to my attention, since we should stick to the procedures that we have agreed on.

I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I think it is extremely difficult to make a general ruling on this. The situation we are faced with now is that the Commission will probably be submitting a new proposal. We have no idea when that will happen, nor do we know long the Legal Affairs Committee will take to consider the matter. In a case like this, therefore, it seems to me extremely difficult to set a deadline. So

many different cases can crop up that it seems preferable to me that you or the bureau should give a ruling in individual cases because once something like this is laid down in the Rules of Procedure things only become more complicated. We are all confident that the President and the Bureau will be able to find an acceptable solution.

President. — I note your statement, but if we go into this now, we will never get through today's agenda. The order of business will therefore be as follows:

This afternoon:

- Procedure without report
- Statement by the Commission on action taken on the opinions of Parliament
- Oral Question with debate to the Commission on Community VAT
- Oral Question with debate to the Commission on the implementation of the budget for 1978
- Shaw report on the Financial Regulation
- Motion for a resolution on the floods in northern Italy

Tuesday, 10 October 1978 10.00 a.m. and afternoon:

- Decision on urgency of various motions for resolutions
- Pisoni report on illegal migration
- Oral question with debate to the Commission on equal treatment for men and women
- Albers report on the 1978 Community Tripartite Conference
- Dunwoody report on agricultural research programmes
- Oral question with debate to the Commission on harmonization of national legislation
- Oral question with debate to the Commission on a price freeze in dairy products

3.00 p.m.: Question Time (questions to the Commission)

3.45 p.m.: Voting Time

Wednesday, 11 October 1978, 10.00 a.m. and afternoon:

- Oral question with debate to the Foreign Ministers of the Nine Member States of the European Community meeting in political cooperation on arms supplies from Community Member States
- Oral questions with debate to the Commission and the Council on summertime
- Joint on two motions for resolutions, one by Mrs Walz and one by Mr Flämig, on Community energy policy
- Oral question with debate to the Commission on the situation in Iran

3.00 p.m.: Question Time (questions to the Council and the Foreign Ministers)

4.30 p.m.: Voting Time

Thursday, 12 October 1978, 10.00 a.m. and afternoon:

- Lezzi report on food aid
- Ansquer report and an oral question on aids to the iron and steel industry

President

— Oral question with debate to the Commission on ore supplies

— Damseaux report on the Seventh Report on Competition Policy

3.00 p.m.:

— Question Time (questions to Commission)

3.45 p.m.:

Voting Time

Friday, 13 October 1978, 9.00 a.m.

— Procedure without report

— Possibly, continuation of Thursday's agenda

— Ibrügger report on maintenance of standards on merchant ships

— Oral Question with debate to the Commission on regional policy

— Ellis report on safety and health in the steel industry and the mines

— Albers report on the carriage of goods by road

— Albers report on transport by rail, road and inland waterway (without debate)

— Oral Question without debate to the Commission on stateless money

End of sitting:

— Voting Time

Since there are no objections, that is agreed.

11. *Limit on speaking time*

President. — In accordance with our usual practice, I propose that speaking time on all reports and motions for resolutions on the agenda be limited as follows:

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

10 minutes for other speakers.

Since there are no objections, that is agreed.

12. *Procedure without report*

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

— Council regulation amending Regulation (EEC) No. 950/68 on the Common Customs Tariff (Doc. 236/78)

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

— regulation amending Regulation (EEC) No 1544/69 on the tariff treatment applicable to goods contained in travellers' personal luggage (Doc. No. 254/78)

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

— directive amending Directive 75/726/EEC on the approximation of the laws of the Member States

concerning fruit juices and certain similar products (Doc. 259/78)

which had been referred to the Committee on the Environment, Public Health and Consumer Protection as the Committee responsible and to the Committee on Agriculture for its opinion;

— regulation opening, allocation and providing for the administration of a Community tariff quota for fresh or chilled tomatoes falling within subheading ex 07.01 M of the Common Customs Tariff, originating in the African, Caribbean and Pacific States and in the overseas countries and territories (Doc. 262/78)

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

— Regulation on the total or partial suspension of Common Customs Tariff duties on certain products, falling within Chapters 1 to 24 of the Common Customs Tariff, originating in Malta (1979) (Doc. No. 271/78)

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

I. Regulation on the opening, allocating and providing for the administration of a Community tariff quota for Malaga wines falling within heading ex 22.05 of the Common Customs Tariff, originating in Spain (1979/80)

II. Regulation on the opening, allocating and providing for the administration of a Community tariff quota for wines from Jumilla, Priorato, Rioja and Valdepenas falling within heading ex 22.05 of the Common Customs Tariff, originating in Spain (1979/80)

III. Regulation on the opening, allocating and providing for the administration of a Community tariff quota for sherry falling within heading ex 22.05 of the Common Customs tariff, originating in Spain (1979/80)

(Doc. No. 273/78)

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

I. Regulation opening, allocating and providing for the administration of Community tariff quotas for Madeira wines, falling within heading ex 22.05 of the Common Customs Tariff and originating in Portugal (1979/80)

II. Regulation opening, allocating and providing for the administration of Community tariff quotas for Setubal muscatel wines falling within heading ex 22.05 of the Common Customs Tariff and originating in Portugal (1979/80)

President

III. Regulation opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within heading ex 22.05 of the Common Customs Tariff, and originating in Portugal (1979/80)

(Doc. 275/78)

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

I. Fourth Directive amending Directive 69/169/EEC on the harmonization of provisions laid down by law, regulation or administrative action relating to exemption from turnover tax and excise duty on imports in international travel

II. Second Directive amending Directive 74/651/EEC on the tax reliefs to be allowed on the importation of goods in small consignments of a non-commercial character within the Community

III. amendment to the proposal for a Directive on the exemption from taxes on importation of small consignments from third countries of goods of a non-commercial nature

(Doc. No. 314/78)

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

— Directive amending Directive 72/159/EEC on the modernization of farms (Doc. No. 331/78)

which had been referred to the Committee on Agriculture;

Unless any Member asks leave to speak on these proposals or amendments are tabled to them before the opening of the sitting on Friday, 13 October 1978, I shall, at that sitting, declare the proposals to be approved pursuant to Rule 27A (6) of the Rules of Procedure.

13. *Time-limit for tabling amendments*

President. — The time-limit for tabling amendments to the report by Mr Pisoni (Doc. 238/78) on illegal migration has been fixed for Tuesday, 10 October 1978 at 0.00 a.m.

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

President. — The next item is the statement by the Commission on the action taken by it on the opinions of Parliament.

I have received a letter from Mr Jenkins, the President of the Commission, informing me that Parliament will henceforth receive on the Friday preceding a part-session, or in exceptional cases, not later than the Monday morning of a part-session, a written statement in the various languages on action taken by the Commission on the opinions of Parliament.

I think that this request by Parliament, which has led to a considerable exchange of letters with the Commission, can now be regarded as settled.

I call Lord Bruce.

Lord Bruce of Donington. — Mr President, I am very relieved that I do not have to raise this matter in extremely trenchant terms, this being the fourth occasion since the original complaint was made on which we still have no written statement in front of us. But I am quite sure, Mr President, that in view of your successful representations, we can thank the President of the Commission for having taken action. We now look forward to receiving a written statement in future. May I, through you, Mr President, convey to the President of the Commission that we shall undoubtedly examine it with the greatest possible care.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, during the September part-session the European Parliament adopted eight opinions on the basis of Commission proposals. Parliament approved five proposals without modification, and suggested amendments, in three cases. In regard to one of these, the Herbert report on the common organization of the market in sheepmeat, the Commission indicated the reasons why it wished to maintain its proposal.

As for the two other matters on which the Commission undertook to take into consideration the suggestions of Parliament, the situation is as follows:

a) The Commission services have prepared an amended proposal, in response to the report by Mr de Keersmaeker, for a directive on the coordination of Member States' laws regarding commercial agents. This text will receive the formal approval of the Commission in the next few days before being forwarded to the Council. The Commission will not neglect to forward the new texts also to Parliament as soon as the amended proposal has been lodged with the Council.

b) In regard to the report by Mr Vitale concerning an agricultural advisory service for Italy, the Commission did not find it possible to adopt a detailed position during the September part-session, because of an unforeseen change in Parliament's agenda. I can however tell you today that the Commission accepts the views of the rapporteur in four particular respects:

1. That existing training centres may be used as appropriate for the training of agricultural advisers under this regulation;
2. That an adequate priority will be given to the training of advisers for assignment to the Mezzogiorno;

Burke

3. That diploma holders from technical institutes of higher secondary agriculture education may be accepted as participants in training courses for general advisers and, under certain conditions, in training courses for specialist advisers;
4. That provision be made for the review of the outline advisory plan every four years.

These amendments have already been approved in the course of discussion with the Council, and I hope that the proposal thus amended will be adopted at the end of the month, so that the opinion of the Parliament will in this way be taken into consideration.

The Commission has also taken note of the motion for a resolution tabled by Mr Albertini and others concerning the floods in the Ossola region, although the motion has not yet formally been adopted by Parliament. The Commission has decided to grant emergency aid amounting to 700 000 u.a. to the victims of this disaster.

In addition, I recall that on 3 September 1978, the Land of Baden-Württemberg was affected by a severe earth tremor which caused many casualties and considerable damage. With a view to extending emergency aid to the population of this region, the Commission has decided to make available the sum of 200 000 u.a.

15. *Entry into force of Community VAT*

President. — The next item is the following Oral Question with debate (Doc. 340/78), tabled by Mr Notenboom, on behalf of the Christian-Democratic Group (EPP), to the Commission:

Subject: Entry into force of the Community VAT (6th Directive)

Can the Commission state what stage has been reached in the drafting of regulations or legislation by those Member States which have not yet modified their tax systems in accordance with the 6th Directive adopted by the Council on 17 May 1977¹?

Does the Commission intend to initiate the proceedings provided for in Article 169 of the EEC Treaty against any Member State which has not taken the necessary measures by 1 January 1979?

I call Mr Deschamps.

Mr Deschamps. — (F) Mr President, please accept Mr Notenboom's apologies for his absence. He was to have moved this question but he has been retained by a very important discussion in his national parliament.

Mr President, I should like to explain very briefly what prompted our group to put this question to the Commission. It was on 21 April 1970 that a Council decision, ratified by all the national parliaments, was taken to replace Member States' budgetary contributions by Community VAT. The decision stipulated

that Community VAT would come into force on 1 January 1975. In fact, it was not until 17 May 1977, seven years later, that the Council finally adopted the Sixth Directive on the harmonization of national legislation on the subject. I do not think there is any need for me to remind you of how Parliament pressed for that Council decision. However, a year and a half after adoption of the Sixth Directive, most of the Member States have still not passed the relevant national legislation. The directive will thus perhaps or more likely, probably not come fully into force before 1 January 1980. There will thus have been a five year delay in the introduction of Community VAT and therefore — and this is important — in achieving full financial autonomy in the Community.

May I say, Mr President, that we are both surprised and disappointed that the Commission did not consider it worthwhile alerting Parliament to this situation, and that Parliament had to be reduced to constantly questioning the Commission to find out what the situation was and to prompting it to do its duty — in other words, to force the Member States to fulfil their obligations. It is because of all that, because of the time that had elapsed, because we sensed that the Commission was not going to take the initiative, that we have tabled the oral question now on the agenda, and I reserve the right, depending on the Commission's answer, to put any other questions needed to obtain fuller information.

President. — I call Mr Burke

Mr Burke, Member of the Commission. — Mr President, three Member States — Belgium, Denmark and the United Kingdom — have already adapted their VAT systems to conform with the provisions of the Sixth Directive. The present state of parliamentary procedure in the six other Member States is as follows:

France: the draft law has just been laid before the National Assembly.

Ireland: the Value Added Tax Bill (1977), which provides for the implementation of the Sixth Directive, passed its second stage in the Irish Parliament on 30 November 1977, and was referred to a special parliamentary committee. This committee has been convened for 11 October 1978.

Italy: on 4 July 1978, the Italian Parliament authorized the Government to take the necessary measures for implementing the Sixth Directive.

Luxembourg: the draft law was laid before the Chamber of Deputies on 24 May 1978, and awaits the opinion of the Council of State before being examined by the appropriate parliamentary committee.

Netherlands: the draft law was presented to Parliament on 13 December 1977. Discussions in Parliament will probably open in November.

¹ OJ L 145, 13. 6. 1977

Burke

Germany: on 15 May 1978, the Government sent the draft law to Parliament. The first reading took place in the Bundesrat on 11 April 1978, and in the Bundestag on 11 May 1978. The Finance Committee of the Bundestag began the examination of the draft law after 31 May 1978, but this examination has not yet been completed. The German Government has indicated that the implementation of the Sixth Directive cannot take place on 1 January 1979.

It clearly results from these indications that Germany will not implement the Sixth VAT Directive as from 1 January 1979. As regards the other Member States which have not yet passed the necessary legislation, the possibility that one or more may be in the same situation as Germany cannot be excluded. The Commission considers that this is a highly unsatisfactory situation, especially from the point of view of the full application of the Community's system of own resources, to which all Community institutions attach the utmost importance. I might, by the way, in parenthesis, say that, of course, the real significance for me, as fiscal Commissioner, is that this important measure of harmonization should take place in its own right. I therefore intend to renew my personal interventions with the governments concerned, with a view to obtaining respect of the 1 January 1979 deadline.

I would recall that this deadline was voluntarily accepted by all Member States as recently as 26 June 1978, on the occasion of the adoption of the Ninth Council Directive on VAT. It is also appropriate that I point out that respect of this deadline is the responsibility not only of the governments concerned but also of the national parliaments. I therefore appeal to those honourable Members directly concerned in the passage of the necessary legislation to play their part in ensuring the entry into force of the Sixth Directive.

As regards the Commission's intentions, it was made clear to the Member States when the postponement proposal was put forward, that the Commission regarded the 12-month delay as sufficient to permit parliamentary procedures to be completed, and that no further proposal for postponement would be made. The Commission also informed the Council at that time that it will initiate the proceedings provided for in Article 169 of the EEC Treaty against any Member State which has not taken the necessary measures by 1 January 1979.

IN THE CHAIR: MR BERKHOUWER

Vice-President

President. — I call Lord Bruce to speak on behalf of the Socialist Group.

Lord Bruce of Donington. — Mr President, the House will have learned with some regret of the inability of certain Member States to carry into effect

the provisions of the Sixth Directive. We in the United Kingdom had some considerable hesitation before we ourselves assented, in the Finance Act (1977) and the ancillary legislation, to the carrying out of the proposal, since it meant, so far as the United Kingdom Parliament was concerned, a permanent alienation from the control of Parliament of its direct contributions to the European Economic Community. We ourselves therefore viewed the proposal with some caution, but we did in the United Kingdom loyally abide by the requirements of the Sixth Directive and by the undertakings given by our Ministers in the Council of Ministers, and so, at the end of 1978, we found that the United Kingdom and Belgium were the only good Europeans in this respect.

Mr President, you will recall that in the debate which took place subsequently, in the earlier part of this year, I myself asked the Commission what steps they proposed to take in order to ensure that the new date of 1 January 1979 was kept to. On that occasion, we received the assurance from the Commission that, so far as they were then informed, they were of the opinion that 1 January 1979 would provide adequate time. I also asked on that occasion, on behalf of my group, what monitoring processes the Commission proposed to take so that they could keep this matter under constant review: I was assured that monitoring would take place, and Parliament as a whole was assured that, if at any time it seemed that the date of 1 January 1979 was not going to be kept to, then the Commission would give serious consideration to bringing the matter before the European Court. It now appears that once again, and despite the agreement of the Council of Ministers, comprising ministers in all the governments concerned, there is going to be this further delay. I venture to suggest that the position is becoming pretty intolerable. It is all very well for Members of the Council of Ministers, who are members of their own governments at home, to come here with a fine show of unanimity to assure us that they are going to get this done by a certain date. But a moment later they turn their heels on Luxembourg and go jet-propelled back to their own capitals, proceeding within their own cabinets to ignore the very undertakings that they gave in their dual capacity in the Council of Ministers.

Well, there is no course of action that Parliament can take on this, except to visit Parliament's contempt and displeasure on the whole proceedings, and I hope that through you, Mr President, these feelings will be suitably conveyed to those Member States that are still in default.

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

Mr Aigner. — (D) Mr President, ladies and gentlemen, I only want to make a brief comment. I would

Aigner

like to remind the Commission and, more especially, the Council that we have adopted two budgets subject to a *conditio sine qua non*, i. e. that, as we expressed it at the time, financial autonomy for the Community must be achieved by 1977, then by 1978 and now by 1979. This now applies with added force — I hope there is no doubt about that — to the 1979 financial year.

I feel we should remind the Council in particular that it has itself agreed to and adopted this condition stipulated by Parliament. My request to the Commission is that it take all the necessary steps to ensure that this undertaking given to Parliament is fulfilled.

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

Mr Spinelli. — (I) Mr President, for my part, I wish to inform the Commissioner that a month ago, in Parliament, I took the initiative of asking the Italian Government what were the reasons for the delay and whether it intended to keep its promise to adopt the Sixth Directive before the end of the year. The answer was positive and I would hope that this time, Italy at least will keep its promise to adopt the Directive by the end of the year. On this point, should there still be some Member States who have not taken the necessary measures by the end of the year — as a deadline — I would ask the Commission to take the last resort and initiate proceedings for infringement without delay. We are in fact in a tragi-comic situation: we are approaching a stage when the 1 % VAT will cease to exist and new resources will have to be found, and we have not yet implemented the provisions for obtaining that 1 % !

In my view, therefore, the time has come for the Commission to stop exerting guarded pressure and to initiate the proceedings for infringement.

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

Mr Cointat. — (F) Mr President, I will be very brief, especially as Mr Deschamps has explained the problem so clearly and the Group of European Progressive Democrats fully agrees with all he has said.

Our colleague, Mr Notenboom, has got into the habit of asking the same question every year, and he is anxious to know how many more years he will have to ask it, but he sincerely hopes that this will be the last. I listened very attentively to the Commissioner who said that some progress had been made, but, as Jean de la Fontaine said, they hastened slowly. I am grateful to him for having said that the Commission would be very firm, since we lay great store by the 1 January 1979 deadline for Community VAT. I also noted Lord Bruce's humorous reminder that the United Kingdom had been the first to comply with

Community regulations. May I just say that I hope the United Kingdom will always be the first to comply with Community regulations.

(Laughter)

But it is essential, Mr President, for these own resources, created in April 1970, to be introduced, and for two reasons: firstly, we see in one budget after another that the Member States' contribution increases in relation to current Community resources such as levies, customs duties, etc. It would be running counter to the concept of own resources if we did not introduce Community VAT, and that would be contrary to the Community's political will. Secondly, one of the arguments in favour of elections to the European Parliament by direct universal suffrage in June 1979 is precisely that, as from 1 January 1979 when the Community budget will be entirely composed of own resources, national parliaments would no longer have any control over it. But on the other hand, if we do not create these own resources we will be providing further arguments for those who have doubts about elections by universal suffrage, and I do not want that to happen.

Those are my views, Mr President. I should like to thank Mr Notenboom and Mr Deschamps for having put this important question.

President. — I call Mr Cunningham.

Mr Cunningham. — Mr President, I am afraid I must fracture the agreement between Members with which the Commissioner's remarks have been received. I am not rising to make any national point, because, as my colleague Lord Bruce has said, the United Kingdom has complied with the directive, nor am I making a point about whether it is a good thing or not that the directive should be complied with by 1 January 1979. I rise because of the nature of the remarks made by the Commissioner, and I am surprised that his remarks were received as calmly as they were. I do not accept that national parliaments are in any way bound, legally or morally, to comply with decisions made in the Council of Ministers. He not only implied that, but positively said it in his remarks: he said that this was an obligation resting not only upon national governments, as having been represented in the Council of Ministers, but on parliaments as well. Now, insofar as democracy exists in the European Community, it exists in the national parliaments, not here, and national parliaments are free to do or not to do what they consider to be in the interests of their populations. If they, in their wisdom or unwisdom, decide that they want to proceed more slowly or not to proceed at all, they have the right to do that, founded in the fact that they are elected by their electorates, and it is for them, not for the Commission, to decide whether or not they should act in a particular way.

Cunningham

I think it is high time the Commission got accustomed to the fact that democracy is a good thing and that democracy exists here, as I say, in the national parliaments. Speaking as a national parliamentarian, albeit from a parliament which has in fact complied with the directive, I say that if it applied to another subject I would resent the remarks which have been made by the Commissioner; indeed, I resent them even in this case, because the point of principle is just as much involved here though Britain has complied. It is not for the Commission to lecture national parliaments in that way, and as a member of one national parliament I say I will not stand for it. We decide whether or not to do the things we are permitted to do or not to do, and the Commission is facing an almighty battle, and a battle which it will lose, if it attempts to treat the national parliaments in the way it has just done.

President. — I call Mr Lange.

Mr Lange. — *(D)* Mr President, the last speech really calls for a major discussion about the obligations entered into by countries that have joined the Community.

(Applause)

On this issue I cannot in any circumstances share the view that has just been expressed by my colleague and fellow member of the Socialist Group, George Cunningham. That is completely out of the question. There exist Community framework laws which the Member States are obliged to act on. They cannot get round them, neither can they decide whether they want to act on them or not, but they must comply and they must comply in the best possible way. This is quite definite. No national Parliament may decide whether to do or not to do what is required under a European framework law — in other words, a directive. The House of Commons cannot get round this either and, this being so, there will not be any kind of holy war, because the House of Commons will continue to act as it has acted in connection with the Sixth Directive. The other question is simply whether this eminently European attitude is a sufficient basis for long-term drawing rights on the European attitude of the United Kingdom. But that is another matter altogether!

The issue now at stake is that Parliament has, in very clear terms, called on the Commission to proceed under Article 169 of the EEC Treaty against all those Member States that have not brought into force by 1 January 1979 the necessary legislative measures required by the Sixth and Ninth Directives.

Mr Burke, I hope — and I deduce this from what you said — that the Commission sticks to this line, because Parliament really means business in pressing for appropriate sanctions against Member States that do not comply with what were originally their own decisions. The other piece of advice you gave, Mr

Burke, has in fact already been followed, as attempts are now being made to remind the dilatory parliaments — I deliberately use the phrase 'dilatory parliaments' — of their obligation to put these arrangements into effect or cause them to be put into effect by 1 January 1979. There is really no way round this. It was certainly very interesting to hear what you said about the communication from the Government of the Federal Republic of Germany, but this does not release the Federal Republic from the requirement to settle the matter by 1 January 1979 so that the new arrangements can enter into force on that date. I do not believe that any country, and, least of all, the country at present exercising the presidency, would find it pleasant to have to appear before the European Court of Justice to answer a complaint.

I hope, therefore, that the means open to the Commission of influencing the Member States will also be used in exactly the same way as they have been used, and will continue to be used, by the Members of this House in their national parliaments.

President. — I call Mr Patijn.

Mr Patijn. — *(NL)* Mr President, like Mr Lange, I should not have asked to speak if my friend Mr Cunningham had not given rise to a misunderstanding. The whole question of compliance with Treaty obligations is not a matter for debate between parliaments and the European Parliament. The EEC Treaty is perfectly clear. It is a matter for the Commission, the Council and the Member States. And if someone commits an infringement by not complying, that someone is a Member State. The EEC Treaty does not give the slightest explanation as to what is meant by 'Member State': the Parliament, the government or whatever body of that Member State. Now, in the matter of responsibility for non-application of the Sixth Directive, the Commission will approach the British Government and the Dutch Government, or the German Government. For a government to point to the fact that its Parliament has done or failed to do something is of no consequence to the Commission. The Commission deals only with the Member State. We know that the British Parliament is autonomous, the House of Commons takes its own decisions — and that is true of the Netherlands' Parliament too — but the Community rules do not allow the Commission to dialogue with any entity other than the Member State. And in most cases it is the government of that Member State which has to account for its actions to the Court of Justice. And that government can then say: 'we were in favour but our Parliament wasn't'. That does not, however, mean that the Court will not rule against that Member State if Treaty obligations are involved. I think the situation is perfectly clear and that no one needs to worry about one parliament encroaching upon the autonomy of another parliament.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, it remains for me to thank Parliament for the way it has approached this very important matter this evening. I should like to stress that not only have I got responsibility for the harmonization of tax in the Community with my colleagues in the Commission, but as a minister of a national government, I was present at the meeting in October 1976 when the first and important steps were taken in this regard. I would also like to remind the House, as I think has already been done in fact, that in February of 1977 a crucial and important Council decision was taken in Brussels on this very matter. I was personally involved with the various governments in seeing that any difficulties that could have been obviated at that stage were dealt with as far as we in the Commission could do so.

I take the points made, particularly that by Lord Bruce when he pointed out the importance of the United Kingdom's lead in this area. It is fair for him to say — and I would like to underline it — that in this case they have shown an example to the Community. I know that this point was taken up by Mr Cointat — and I appreciate that there are mine-fields here if I were to pursue it any further.

May I point out that I raised the matter with the German Government in July of this year in the course of a meeting in Bonn with responsible people in that government. I have already mentioned in my introduction that I shall be contacting the Member States again in the near future. I would point out something which is probably obvious: that it is still possible for other governments to come into line on this matter before 1 January 1979. I have got a specific indication only from one such government. May I point out also to those who would ask us what our intentions are in regard to Article 169, that I have already tried to answer that in my opening remarks. I would just like to emphasize that, of course, the Commission cannot bring matters before the European Court until infringements exist. In this case, of course, infringements will not exist until 1 January 1979, if they do at all.

In regard to the point raised by Mr Cunningham, may I say that in my judgement he has been answered admirably by two members of his own group, and I therefore don't want to pursue this, except to say that I understand he is a Member of the United Kingdom Parliament, and that that Parliament passed the Finance Act of 1977 which implemented the directive insofar as the Sixth VAT Directive was concerned. To quote my own words again: 'I appeal to those honourable Members directly concerned in the passage of the necessary legislation to play their part in ensuring the entry into force of the Sixth Directive. I did not say precisely what they were to do, because parliamentarians can use their own discretion in these matters. There are all kinds of avenues of influence open to parliamentarians. In this regard, may

I say that the Commission can only do so much in their diplomatic and ministerial contacts with governments and I can only appeal — and I do so again — to Members here to share with us in that diplomatic and ministerial contact.

I thank the House for the various points made, and I note the efforts of various Members in their respective domains to pursue this matter. I would make a suggestion to Parliament, if I might be permitted to do so with the utmost respect. This I think echoes the feelings of some Members of the House; this matter should be put back on the agenda of Parliament in the very near future, preferably on a Wednesday when we might have an opportunity of having a full discussion. I do this because I think the time is now approaching when we must face up to our responsibilities on this matter. I would put that respectfully before the Bureau of Parliament, through you, Mr President, and hope that it might find your acceptance.

President. — I call Mr Deschamps.

Mr Deschamps. — (F) I should like to thank Mr Burke for his answers. If not exactly encouraging, they were at least detailed. He explained that the Commission was not entirely guilty and that it intended to insist that the governments who have not yet fulfilled their obligations as regards the Sixth Directive should do so.

Let me add that the standard of the debate proves how pertinent the question was, and thanks are due to the persistence of our colleague Mr Notenboom and to our group, which supports him. The unanimity that emerged has been fully understood by the Commission.

Lastly, we have taken note of the fact that the Commission is ready to use all the means at its disposal to put pressure on those who have not fulfilled their obligations by 1 January 1979. You have heard the basic legal and budgetary reasons for the need for progress and speedy decisions; several of our colleagues raised that point. We are counting on the Commission, Mr President, and we hope to have the opportunity to return to this problem soon and obtain any further information that you may be able to give us.

President. — The debate is closed.

16. *Implementation of the budget of the Communities for 1978*

President. — The next item is the following Oral Question with debate (Doc. 342/78), by Mr Aigner, on behalf of the Christian-Democratic Group (EPP); Mr Lange, on behalf of the Socialist Group; Mr Bangemann, on behalf of the Liberal and Democratic Group; Mr Cointat, on behalf of the Group of European Progressive Democrats; and Lord Bessborough, on behalf of the European Conservative Group, to the Commission:

President

Subject: Implementation of the Community budget for 1978

On 15 December 1977 the European Parliament finally adopted the budget of the European Communities for 1978. By virtue of the powers conferred on it by Article 203 of the EEC Treaty, the European Parliament entered the following amounts by amendment — this is non-compulsory expenditure — in the following articles of the budget, against which the Council had entered nothing or very little, with a view to implementation of this expenditure under the budget by the Commission (Article 205 EEC Treaty).

	<i>Amendments</i>	<i>Total</i>
— Art. 266	Regional studies (Irish border regions)	frozen 500 000
— Item 2729	Information projects relating to direct elections	+ 160 000 2 000 000 (frozen)
— Art. 293	Promotion of human rights	+ 200 000 200 000
— Art. 307	European Trade Union Institute	+ 500 000 500 000
— Art. 316	Vocational training of farmers	+ 81 100 131 100
— Art. 321	Prospecting for uranium deposits	+ 3 000 000 5 300 000
— Art. 322	Aids for coal stocks	Token entry Token entry
— Art. 323	Use of coal in power stations (commitment appropriations)	+ 10 000 000 10 000 000
— Item 3240	Community energy-saving programme	+ 2 000 000 2 000 000
— Item 3241	Coal gasification and liquefaction	+ 2 000 000 2 000 000
— Item 3242	Exploitation of geo-thermal resources	+ 2 000 000 2 000 000
— Item 3333	Physical protection measures of the JRC establishments (commitment appropriations)	+ 4 455 000 4 455 000 + 5 500 000 5 500 000
— Item 3358	Irradiated fuel re-processing	Token entry Token entry
— Item 3359	Phasing-out of nuclear installations	Token entry Token entry
— Chapter 100	(Item 3358 and 3359)	+ 1 500 000
— Item 3361	Primary raw materials	+ 2 000 000 2 000 000
— Item 3362	Long-term forecasts and assessments	+ 532 600 532 600
— Item 3363	Light-water reactor safety	Token entry Token entry
— Item 3364	Uranium ore prospecting and processing	+ 800 000 800 000
— Item 3620	First and second three-year projects (information)	+ 1 750 000 2 850 000
— Chapter 100		
Item 3710	Technical research in the aerospace sector	+ 1 000 000 1 000 000
— Item 3711	Aids to the aerospace industry	Token entry Token entry
— Chapter 100	(Article 373) Financial operations in transport infrastructure projects	+ 1 000 000
— Item 3750	Loan interest rebates (structural changes in industry)	+ 2 000 000 2 000 000
— Item 3751	Investment premiums (structural changes in industry)	+ 15 000 000 15 000 000
— Chapter 100	(Art. 390) Research projects in the field of technology and industry	+ 2 000 000
— Chapter 59	Disaster aid	+ 5 000 000 5 000 000
— Item 9001	Actions intended to favour the export to the EEC of beef originating in ACP States	Token entry Token entry
— Art. 909	Operating costs of the Commission delegations to the ACP States	Token entry Token entry
— Art. 930	Financial cooperation with non-associated developing countries	+ 6 000 000 40 796 000
— Art. 945	Community contribution towards schemes concerning developing countries carried out by nongovernmental organizations (NGOs)	+ 2 000 000 6 000 000

As the implementation of the 1978 budget is one aspect to be covered by the debate on the 1979 budget, we find it necessary to put the following questions to the Commission:

1. What use did the Commission make in the first half of 1978 of the funds voted by the European Parliament?

President

2. How does the Commission intend to implement the budget by the end of the year in accordance with the decisions of the European Parliament?
3. Does the Commission consider that the budget as adopted constitutes a legal basis for using and spending the appropriations?
4. Has the Commission met difficulties in implementing the 1978 budget in respect of articles or items other than those listed above?
5. Will the Commission also indicate the progress made in the budgetization requested by the European Parliament of
 - Euratom loans (Art. 329)
 - Community loans (Chapter 42)
 - European Development Fund (Chapters 90 and 91)?

I call Mr Aigner.

Mr Aigner. — (D) Mr President, ladies and gentlemen, I should like, on behalf of all the authors of this question, to make a few preliminary remarks.

You will appreciate that, given our wish to incorporate in the discussions on the 1979 budget the appropriate lessons and conclusions drawn from experience of implementation of the budget for the 1978 financial year, we are simply bound to table this question at this particular time. I would draw attention first and foremost to the fact — and this seems to me to be the starting point for all the authors of the question — that the Council and Parliament constitute the budgetary authority and that Parliament occupies the strongest position in respect of non-compulsory expenditure — this consisting primarily of the new measures by the Community — quite irrespective of the provision that a budget can only ever be adopted at all by virtue of Parliament having the final say and granting its consent.

The aim of our budgetary policy has always been, through majority decisions in Parliament, to open the way for new policies, particularly in areas blocked by a unanimous Council. We are therefore also naturally interested now, with an eye to the 1979 budget debate, in what has become of our initiatives in the field of energy policy, industrial policy, research, etc.

Mr President, we are naturally aware of the problem inherent in the fact that, while Parliament has budgetary rights and hence, together with the Council, constitutes the budgetary authority, it does not, however, have any legislative powers. This is, by its very nature, a potential source of conflict and it was, of course, for this reason that the budgetary authority, Council and Parliament, devised machinery for eliminating this element of conflict, namely the conciliation procedure.

I would, however, point out, Mr Tugendhat, that if something is adopted by both parts of the budgetary authority, then both parts are in practice obliged to implement this budget, and that means the Council too. Parliament has no legislative powers, but the Council does. As joint budgetary authority it has accepted a shared obligation to implement the budget

as adopted by both parts. This is the primary legal basis for implementation of the budget. We are not, therefore, unaware of the problem but we do need a solution. We are naturally interested, therefore, Mr Tugendhat, particularly after last year's discussions, in the answer to the third question: does the Commission consider that the budget as adopted constitutes a legal basis for using and spending the appropriations?

Mr President, I should like to say here straightaway for the benefit of the Commission and Council that for the 1979 budget — if there is a budget — we will in no circumstances continue to condone the failure to formulate the legal basis in the justification of the individual entries in terms such as would enable the Commission, when the Council is in default to implement this budget even without the Council and in accordance with the wishes of the budgetary authority. This is our firm intention and the general rapporteur has already spelt it out in appropriate terms in his report.

authorizing Mr President, allow me to address one last remark to the Council. We all regret the fact that the Council is not, in practice, as capable of action and of operating effectively as a Community institution as the proper functioning of the Community as a whole would warrant. What is the reason for this? I believe the reason is that the ministers attending Council meetings are simply inadequately briefed on the various issues. The ministers themselves, i.e. the members of the Council, must find the answer to this state of affairs.

Another major point, however, seems to me to be in fact that very few members of the Council see our policy, or the funds earmarked for this policy, as an investment in their own future but, in practice, more as an investment for an anonymous third party that is only of marginal interest. Our chief criticism of the implementation of this budget is therefore primarily levelled at the Community institution called 'the Council of Ministers'; that this is the case — and the Commissioner will of course be replying on this point — is clear from the question, which lists the 1978 figures side-by-side with the 1979 figures, thus making it plain for any member of the general public

Aigner

that the Commission has incorporated our policies virtually wholesale in its preliminary draft but that the Council has nevertheless gone on to question them. I should be very grateful, Commissioner, if you could perhaps somewhat alleviate our main misgivings in this respect.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, the House is grateful, I am sure, for the very brief introduction which Mr Aigner gave to this debate. I hope it will bear with me in the very much longer speech that I find myself forced to make. It is a long and rather complicated speech so I think it will be better if I stick fairly closely to a prepared text and go through a number of difficult points in as much detail as I possibly can.

I begin, of course, by welcoming the fact that this debate on the implementation of the budget has become a traditional part of our budgetary discussions, even though it is not technically part of the budgetary process. I think it is an example of the best sort of pragmatic improvisation and I think that the debate we had last year certainly served to pinpoint a number of important issues. I have no doubt that this debate will do so as much.

It is certainly right that before the first reading of the draft budget for next year, Parliament should know how, and to what extent appropriations entered partly or entirely on Parliament's initiative have been, or are likely to be, spent. The Commission also welcomes the opportunity to state once again its position regarding its responsibility for the implementation of the budget and to remind the House of its constant efforts to achieve a full and transparent budgetization of all activities. I should like to begin by dealing in detail with the situation on the thirty items to which this year's question refers. Thirty items is a great deal more than last year.

As far as the implementation of the budget is concerned, these items fall into three main categories. First of all there are those where the expenditure could be committed at once, because the budget entry alone is sufficient basis for the expenditure. Then there is a second category: those where a separate legal basis is needed, which has been adopted by the Council only recently, thus delaying implementation. And thirdly, there are those where the Commission, for reasons I shall explain, has not been in a position to act. These are the three categories into which I want to divide the points.

The first category includes eleven items covering activities executed by the Commission on its own responsibility and without a separate authorizing regulation.

First of all there is *Art. 266 — regional studies*. The total amount voted by Parliament has been committed.

Item 2729 — information projects related to direct elections. The implementation of this action started after the information programme was agreed between the Commission and Parliament. It is clear, however, that because elections have been put off until next June, the whole amount will not, and indeed should not, be spent before the end of this year. The Commission has already explained that it intends to request a carry forward of 3 million EUA for 1979.

Art. 293 — subsidies for organizations pursuing humanitarian aims and promoting human rights. I know that this is an issue in which Mr Aigner, in his capacity as a Member of Parliament, as distinct from his membership of the Committee on Budgets, takes a particular interest. The Commission will soon decide on the allocation of that part of the appropriation which has not yet been committed. This decision has been considerably delayed by long talks with the possible beneficiary and in particular with Amnesty International; which shows that these organizations have been taken somewhat by surprise by the Community's offer.

Art. 316 — vocational training of farmers. Eighty per cent of the amount has been spent, and the whole amount should be spent without difficulty before the end of the year.

Art. 321 — prospecting for uranium in the Community. Almost the entire amount can now be committed since, following the tendering procedure, the Commission has selected nine projects which conform to the Community intervention criteria.

Art. 307 — the European Trade Union Institute. The amount in the budget was an estimate for a full year. But the agreement laying down the relationship between the Institute and the Community was only concluded in June. So far one instalment has been paid; the second instalment is likely to be paid before the end of the year, but the total amount provided for will not be needed this year.

Item 3333 — physical protection in the JRC.

The preparatory work and contact with national and regional authorities have taken longer than expected. However, by the end of the year the Commission hopes to have committed 90 % and paid 20 % of the 1978 allocation. We also took account of this situation in our request for 1979, in which we assumed that appropriations not used would be carried forward.

Art. 373 — transport infrastructure projects. The Commission has selected three studies to be carried out in this field. The request for a transfer of the amount from Chapter 100 is about to be approved by Parliament. That is the only obstacle to the commitment of this expenditure.

Tugendhat

Chapter 59 — aid to disaster victims in the Community. I imagine that the fact that 75 % of the total sum has been spent will not be regarded by Parliament as something which it can be particularly happy about. After all, by definition the disaster fund is only activated when disasters occur. But it does mean that Parliament's wish is being met, i.e. that the Community should be present in the measures taken to help the victims of severe disasters, and that I think is an important point.

Art. 930 — financial cooperation with non-associated developing countries. The Commission has submitted a proposal for a Council regulation in this sector, which has not yet been adopted. But as you know, the Commission has taken the view in this case that, until the regulation is adopted, money could be spent on the basis of a mere entry in the budget, and will act in the same way this year.

Art. 945 — aid to non-governmental development organizations. We are satisfied with the rate of both commitment and payment. Commitments have to wait for examination of the investment projects involved, but there is a good flow and payments follow commitments at the normal rhythm of such activities.

This brings me, Mr President, to the second category of items which I mentioned earlier and which includes three cases where the Council has only recently adopted the necessary legal basis. Those are three research programmes: *Item 3361, primary raw materials*; *Item 3362, long-term forecasts and assessments*; and *Item 3364, uranium ore prospecting and processing*. The first and the third were adopted in March 1978 and the second in July 1978. This explains why there was a delay in the first half of the year. The Commission is now doing its best to use the appropriations in time.

The third and last category includes all the cases in which the Commission has not been in a position to act. Only in one instance is the Commission itself at fault *Article 375 Community participation in reorganization and redeployment operations in certain industrial sectors*. We are now, Mr President, on the point of adopting the proposal for a framework regulation. The drafting of this regulation certainly involved much preparatory work including long consultations with the industry. But I am quite prepared to recognize that it should have been submitted earlier. As I said, it is the one instance in which the Commission itself is at fault. That is certainly not a reason for letting the Commission off lightly. But I think that we can perhaps remember some of the things which were said in the Bible about all the fuss that is made about the one lamb that goes astray and is returned, and the lack of fuss that is made over the lambs that actually stay under the shepherd's control.

Item 3711, aids to the aerospace industry, is a special case. The Commission cannot finalize a proposal on the financing of an aeroplane research and development programme while current negotiations, which will vitally affect the shape of this sector, still continue. I think Parliament itself recognized this situation by voting only a token entry, and certainly I am sure that everybody in this house like myself, hopes that those negotiations will reach a satisfactory conclusion.

As for the rest, Mr President, on all the items I have not yet quoted, the Commission is still awaiting a Council decision. And here we have a positive flock of sheep, I may say. There are three main areas. First of all there is energy: *Art. 322, aid for coalstocks*; our proposal dates back to 14 October 1977. *Item 3230 use of coal in power stations*; our proposal was submitted in December 1976. And even *Art. 324, aids to demonstration projects under the Community energy programme*, for which the Council has adopted regulations, but which will not enter into force before all the relevant implementing regulations are adopted. Then we have *Item 3358, irradiated fuel reprocessing*. The Commission cannot be expected to prepare a programme before the Council has approved its communication on a Community strategy in this sphere; and this was presented in July 1977. *Item 3359, the phasing out of nuclear installations* and *Item 3363, the light water reactor safety programme*, bring up the rear of that particular category.

As far as industry is concerned, we again have a number of items: *Item 3620, the three-year programme in documentary research*; *Item 3710, technological research in the aerospace sector*; *Item 390, research projects in the field of technology and industry*. I would like to point out, Mr President, that in almost all these cases the Council has had a proposal on its table for a good twelve months and often for substantially longer.

Finally, Mr President, there are two items which I have set aside in order to deal with them separately. The first of these is *Item 9001*. Parliament felt it necessary last year to enter this new line for actions intended to favour export to the EEC of beef originating in ACP states. There is no disagreement between the Commission and the Parliament on the substance of this action, which amounts in practice to granting preferential treatment for imports of ACP beef into the Community. But since it does not involve any movement of funds, the Commission thinks that it should not appear in the budget. That is the problem.

Then we have *Art. 909 — operating costs of the Commission delegations to the ACP States*. Here the legal situation is clear. It is part of the Lomé Convention that such cost will be borne by the European Development Fund. There is, therefore, no altering

Tugendhat

this particular point before the end of the fourth EDF. But the question can certainly be looked at again in the framework of the renegotiation of the Lomé Convention and of the budgetization of the EDF, a subject to which I will return in a few moments.

The authors of this question, Mr President, also ask whether the Commission has met difficulties in implementing the budget in respect of items other than those listed by them. I would therefore like to mention another case of failure by the Council to decide. It is *Item 3201: exploration projects in the hydrocarbon sector*, where the Commission proposal dates back to 1974 though we modified it, it is true, in October 1977.

Problems also arise because, in certain important areas, the Commission has little or no influence over the rate at which the funds available are used. This can be entirely in the hands of the Council, which has, for example, kept to itself the right to select all the development projects in the hydrocarbon sector, *Item 3200*. It can also depend very much indeed on the rate of applications received from individual firms or national governments for assistance from the Social and Regional Funds. This the Parliament knows. The delays are particularly important now in the Social Fund. With the Regional Fund, we also have this year the difficulty that the use of payment appropriations will be low in relative terms because, as this House knows very well, the level of payment appropriations this year is unrealistic.

Against this background, Mr President, I turn to paragraph 3 of the question:

Does the Commission consider that the budget adopted constitutes a legal basis for using and spending the appropriations?

Mr Aigner mentioned this point particularly in his introduction. On this point, I do not think that I can add to the statement I made a year ago. I shall, however, briefly restate it. To the Commission, the budget, as adopted, constitutes the legal base indispensable for the use and expenditure of appropriations; without the appropriate budget entry there can be neither expenditure nor receipts. However, this basis is not always alone sufficient. The Community can only operate on the basis of the powers attributed under the Treaties to each institution and within the framework of regulations and decisions relative to each Community policy. That point I hope is clear following the specific reference that Mr Aigner made. I agree that it is a very important one.

I turn now to some points illustrated by reference to the thirty items referred to in the question on which the total increase in payment appropriations at Parliament's initiative was 61m u.a. Of these, the sum of those eleven items on which payment is being engaged on the basis of the budget entry alone is 24m EUA, or some 36% of the total. A further three items

for some 3m u.a., or 4%, is covered by recent Council decisions. Of the balance, one article, Article 375, accounts for 17m u.a. or 25%. I have explained that on this Article the failure so far rests with the Commission. The remaining twelve items represent some 35% of the total voted by Parliament on this list of amendments. For those items the inability to engage expenditure rests entirely with the Council. So for twelve items, representing some 35% of the total, it is the Council that must carry the responsibility.

I believe, Mr President, that these figures put our present debate into perspective. To a large extent the wishes of Parliament expressed by its budget amendments are being implemented, because on many items it is clearly recognized that inscription in the budget is alone an adequate basis for expenditure. On the others, Parliament has increased the provision for actions where the Council decision exists. In these cases also, there is no legal obstacle to expenditure. If the Regional Fund has been covered by the question, the share of Parliament's amendments which could be implemented without legal obstacles would have been greatly increased. It is true that this is not the case for all actions, as is explained by the inability to spend on other actions, where, in all but one case, the Council has failed to decide on proposals from the Commission. But on the basis of the Commission's interpretation, Parliament's wishes can be met to a very significant degree.

In the light of these remarks, Mr President, I should like to repeat again that the Commission hopes that there can soon be a concertation on the interpretation of Article 205 as envisaged by both Parliament and the Council, as well as by the Commission, during the discussions on the financial regulations last year.

This, Mr President, prompts me to make a more general remark. A considerable part of the difficulties underlying the present question relates to failures on the part of the Council, or to different interpretations by the Council of Article 205 — interpretations that in effect mean that they don't wholly share the interpretation of the Commission. As I stressed in the debate on the preliminary draft budget and draft budget, the Commission has to remain reasonably realistic about the limits of action the Council will be ready to accept, even if this is disappointingly low compared with the Commission's hopes or with the Community's needs. As it is, it constantly exceeds what the Council will tolerate. In these circumstances, I would suggest that it would be useful if, when, as I hope, this question is asked again next year, it could be addressed not only to the Commission but also to the Council, which has to bear most of the responsibility for Parliament's frustration. Certainly we should bear our share of the responsibility. I hope that the next Parliament will also be able to get the Council to bear its share.

Tugendhat

Lastly, Mr President, I turn to the separate issue raised in part 5 of the question about the budgetization of loans and of the EDF. Here, in contrast to earlier parts of my speech, I can be extremely brief. Insofar as the Euratom and Community loans are concerned, the principle of the budgetary basis is already agreed. The Commission has this year prepared a new presentation in the budget with the corresponding modification of the Financial Regulation. We shall have an occasion to debate this specifically later on tonight. So far as the EDF is concerned, the Commission has not only often said, both to Parliament and to the Council, that it wishes to see the EDF included in the Community budget when the existing Lomé Convention is renewed in 1980; we have, of course, also formally proposed this. The matter will shortly be discussed in the appropriate groups of the Council. The Commission hopes that Parliament will again urge the Council to make this very important change, and that we won't find ourselves facing the kind of deplorable delay to which my colleague, Mr Burke, was referring in a different context earlier this evening.

Mr President, I have had to make a rather long speech, but I felt that it was best to go through the points item by item trying to show what has been done, what hasn't been done, why what hasn't been done has not been done, and also trying to show where the responsibility lies for failure to implement or for only partially implementing.

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

Mr Spinelli. — *(I)* Mr President, I can see from this question and the Commissioner's reply how right our Group was to vote against last year's budget. I think that the Commission is perfectly right to draw our attention to the fact that its failures are far outweighed by its inability to keep certain political commitments as a result of the Council's inability to take the necessary decisions.

I think that this is an important point which should be made clear to the directly elected Parliament, since it ought to be aware that the present Community is founded on a mistaken principle, namely that the legislative decisions necessary for its development must be taken by a body such as the Council!

It is not true, Mr Aigner, that the Ministers arrive unprepared: they arrive extremely well prepared. They are surrounded by an entire information network comprising permanent representatives, officials from the various administrations, etc. etc. It is precisely because there are nine decision-making processes, each ignorant of the other and proceeding in separate ways, that it is impossible to express a common European will. We have examples of this every day, whether it is a question of the budget or

the European monetary system which, although adopted by the Council, cannot be implemented because of the Council's own chronic inability to find an agreement.

If our Community is to develop, it must transcend its present institutional situation or we will just go on making our complaints year in year out, the Commission will make its complaints and the Council, sphinx-like, will remain impassive since it is incapable of expressing its opinion just as it is incapable of taking decisions with the necessary continuity.

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

Mr Cointat. — *(F)* Mr President, this is another oral question that is put every year, and, apart from a few subtle differences, the wording is practically the same. But an identical question obviously deserves an identical answer, for we have not changed our opinion, and I would like to thank Mr Aigner for his explanations.

I, for my part, will simply refer you to what I said last year without going into details, since Mr Tugendhat has been kind enough to give us the justification for each heading and chapter in the budget.

The purpose of my comments is, like last year, twofold; behind the rather technical exterior lies a more political aspect. In other words, this oral question raises two basic problems: the role of the budget and parliamentary control of it.

The budget must be the instrument of Community policy and an economic forecasting tool. It must provide information on all Community activities and expenditure, either as a guide or as an integral part of the budget. That is the first point.

The second basic question is implementation of the budget, and more important, parliamentary control of implementation. In the opinion of my group, approval of the budget means that the budgetary authority has appended its signature, that Parliament and the Council have approved the budget and that therefore it must be implemented. That would seem simple and evident.

We have been concerned about the legal basis for the appropriations for a long time. We have often discussed it, but it has to be admitted that we have not made much progress. As far as the Group of European Progressive Democrats is concerned, there are two possibilities; either we have appropriations of a secondary nature or appropriations for specific projects, in which case we feel there is no need for a supplementary Council decision; no special legal bases are needed. That has been the practice followed in recent years. You have never wanted to acknowledge the fact, honourable members of the Commission, but in practice you have done so. The second

Cointat

case is when an activity leads to a new policy. In that case, we think a regulation is needed, but because the Council has approved the budget without reservation it has to approve the regulation in the financial year in question. That also implies that the Commission for its part has put forward proposals which — it must be admitted — is not always the case. We cannot therefore always hold a grudge against the Council for not taking a decision if the Commission has not put forward the relevant proposals. I wanted to make this point because it has never been raised until now.

Once again, I draw your attention to the need for a perfectly defined budgetary policy before elections to the European Parliament by direct universal suffrage, otherwise we will have insurmountable difficulties with the directly elected Assembly. That is why we want everything to be clear and transparent as regards the budget, so that there is no misunderstanding as to who is responsible for what.

These are the two basic problems that prompted me to support his oral question on behalf of the Group of European Progressive Democrats.

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

Mr Shaw. — Mr President, first of all, I must thank the Commissioner for the very helpful way in which he replied to this debate. I believe that he has done it better than it has ever been done before. It has given us a very clear understanding of the problems involved and of the achievements made by the Commission — and we mustn't overlook them — and indeed the shortcomings, which he himself drew to our attention. But I think the most important matter that he drew to our attention was the fact that the intentions of the budget, and indeed of the Commission, are too often thwarted by lack of action on the part of the Council. And perhaps I could say just one word about that later on.

I speak as the rapporteur for last year's budget, and I remind the House that we had lengthy discussions with the Council on the subject of the budget, discussing amendments and total amounts involved in a very thorough way indeed. And at the end of it we did achieve success — here in this very building. I think it is a great sadness to feel that expenditure and projects that were agreed in those hard discussions are now being held back because the necessary legislation has not been agreed by the Council.

Perhaps I could just pick up that earlier point now: we have a certain view in this House — or most of us do — about the implementation of the budget and the authority that goes with the budget. The House well knows that I do not entirely agree with the majority view. I agree with the objective as to what we should have, but I do not agree with what the law is at the present time. But the point is this: since we

obtained our new powers, since we became the joint budgetary authority, since we achieved by agreement what I believe are very proper and fair financial regulations. I have had a growing feeling that the Council has realized that we have some real power and authority vested in us as the joint budgetary authority. I feel that too often they are looking round corners to find ways in which they can baulk the use of budgetary authority in the implementation of the budget. I suppose that at every conciliation meeting I have attended — and I have attended a few now — I have said that, in my view, the overriding subject that we all ought to be discussing is implementation. Until we are agreed on what is meant by implementation, and what our powers exactly are, we shall continue to have serious divergences of view. I hope that this matter will come before some conciliation meeting in the near future so that we can thrash it out — even if at the end of the day we reach a disagreement, because at least we shall know what the difference is, and we can then set about tackling it.

So far as the implementation by the Commission goes this year, I would commend the two substantial documents that have been prepared by the Commission. They act as a background to the very thorough review that the Commissioner has made this evening. I am not going to go through them all tonight, save to say that they do provide a tremendous amount of background for all the specialist committees who want to see how their own projects are getting along. I would commend to the specialist committees of this House the speech of the Commissioner tonight. I would hope that each one of them would go through that speech and pick out the items that are being held up — not through any fault of the Commission — but are being held up for one reason or another — and usually, it seems by the Council — and would start bringing pressure to bear on the Council by way of questions as to why these things are not being implemented.

So I conclude, Mr. President, by saying the Commission has a very important job to do. We too have considerable power, but we cannot look at the whole picture, much as we should like to, until the end of the year. So we welcome this progress report by the Commission, and we promise you that even though we approve of what has been done we shall still examine the end result most carefully indeed.

President. — I call Mr Lange.

Mr Lange. — (*D*) Mr President, ladies and gentlemen, this debate is repeated each year, as Mr Tugendhat said. Why? Because there are certain points at issue between Commission, Council and Parliament regarding the implementation of the budget, with the Commission on one side and the Council and Parliament on the other, being part of

Lange

one and the same budgetary authority, with the Council failing to fulfil the legislative responsibility it incurred when it approved the budget. That is the crucial point; although the question is addressed to the Commission, fundamentally this debate should involve the Council, and not simply the Commission and Parliament.

As much as two or three years ago we proposed talks between the three parties on the interpretation of Article 205 of the Treaty establishing the European Community. Last year, when the then President-in-Office Eyskens voiced the concern of the Council that Parliament's budgetary powers could undermine the legislative powers of the Council, we agreed to talks with the Council on the matter. But we said at the same time that we did not wish to undermine the Council's legislative powers, but felt that, quite on the contrary, the Council should not attempt to use its power as a legislative authority to undermine Parliament's budgetary powers, and to put itself in a completely altered relationship to the Commission, by acting, with its dilatory attitude to legislation, as a delaying executive body. I am convinced that this is wrong.

At this point I should like to ask Mr Tugendhat to reconsider carefully what he said, repeating his remarks last year, on the role of the budget as the proper legal basis for the expenditure of appropriations and on the need for certain further bases to be established by the Council. If the Commission persists in taking this view it will only encourage the Council, acting either unanimously or at least by a majority, to delay or even prevent the achievement of political goals on specific matters in what we have agreed are essential policy areas. I myself regard it as vital that what is entered in the budget and agreed between the budgetary authorities be actually carried out, and if, for example, we freeze appropriations pending clarification of procedure or objectives — and this has happened in the past — it should not be taken to mean that the Council has for ever to decide; it must without delay ensure that there is a basis for implementing the budget during the financial year.

This means assessing the Council's legislative powers concerning the implementation of the budget differently from its legislative powers in general. This is a topic requiring further discussion. I would ask you, Mr Tugendhat, to rethink your position, and see whether you cannot come round to my way of thinking, as agreement between us would simplify the implementation of the budget for the Commission, if we found the right solutions. I am assuming that we shall find solutions, and not simply argue the matter out, as Mr Shaw put it, to find that we do not agree or that we agree to disagree.

It would therefore be useful if the Commission approached the Council again on the matter. We shall there-

fore take the first opportunity of pressing this point in our discussion of the budget with the Council under conciliation procedure. In the same way the new Financial Regulation gives rise to a number of changes regarding the compulsory nature of decisions on financial and staffing figures in proposals for directives, in directives as such or in regulations, and the amended Financial Regulation states categorically that these items are non-compulsory, as we have long maintained.

So it would be a good thing, Mr Tugendhat, if this line of thinking — and what we have said here about the role of the Council/Parliament budgetary authority and the Council as legislator is a line of thinking — were to be pursued, and you did not, as I understood from your remarks, retreat to your position of a year ago. There has been a great deal of discussion since then, which might have moved even the Commission to go a stage further than last year's position, and embark on a joint effort with us and the Council to clarify this problem of the budget and the legislative powers affecting the budget. I should be grateful to you if it did so.

President. — I call Mr Aigner.

Mr Aigner. — *(D)* Mr President, ladies and gentlemen, I believe that this debate has been valuable, and would have been necessary even if there were no conflict with the Council, in order to introduce experience of implementation into the negotiations and in connection with the new budgetary privileges. I turn to Mr Spinelli. Your name did not appear on this question because you rejected the budget. By doing so you refused responsibility for its authorization and it was reasonable to assume that you would not wish to take any responsibility for its implementation. Speaking for myself, I should welcome a different attitude on your part in our deliberations on the 1979 budget.

Mr Tugendhat, what I have to say will not take long. I value your reply as highly as did Mr Shaw. We have seen a great step forward on implementation and in the Commission's attitude, as all political actions advocated by Parliament have been incorporated in the 1979 draft, even where the Council was in default.

On one particular point I entirely agree with Mr Lange, and it was my main reason for believing that we should discuss the matter with the Commission first, and that is question No. 3. Your analysis of the legal position when one arm of the budgetary authority is in default, Mr Lange was excellent. Here I feel you should incline more to our view, especially in order to avoid possible conflict with the Commission over the implementation of the 1979 budget, for, as I said at the outset — and I hope I was speaking not merely for myself, but for all political groups we should word the justifications of budget entries where

Aigner

the Council is in default so that we may hold the Commission alone responsible.

One could sum up in Galileo's words 'E pur si muove'. However slow progress might be on the powers of Parliament and the implementation of the budget, the Community does move.'

I feel that one of the major points of the debate should be the conclusion — as the interpretation of Article 205 has given rise to certain differences between Council, Commission and Parliament — that we should proceed to conciliation as rapidly as possible. I am convinced that we shall soon have a cogent reason for conciliation, and I feel that, in the mean time, the Commission should again review its legal opinions, and attempt to align them fully with Parliament's views, for only then will we be able to address these questions to the Council next time, and officially to conduct this debate with the Council. That is the point I wanted to put.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, may I first of all thank the Members of Parliament who expressed appreciation for the work done by the Commission. It goes without saying — and the House will quite understand it — that a speech of that sort and the preparation that goes into it is a tribute not to the Commissioner, but to the department that reports to him. In that respect I am particularly glad to have Mr Strasser, the Director-General of DG XIX, as well as my chef de cabinet, present with me this evening.

The most important point raised was, I think, the point about the Council and the Parliament as joint arms of the budgetary authority. This does seem to me a matter of very particular importance, because the Commission has no aspirations — I must emphasize this — the Commission has no aspirations by itself to be a legislator. The task of legislation in this area lies with the joint arms of the budgetary authority. And in that respect I would like to draw attention to the remarks which I made earlier about the legal basis of the budget. I said — and I think this is a very important distinction that the budget constitutes an indispensable legal base, but that it is not always of itself a sufficient base. I think that it is very important for me to make that distinction, because it would be a great pity if the impression grew up that the Commission was aspiring to build the budget up into an independent form of legislation. I know from difficulties I had in the Council at the back end of last year that there were a number of people who were only too anxious to try to put an interpretation on my remarks that took them somewhat further than I had intended. So I emphasize that particular point.

I would also like to welcome the suggestion made by a number Members of Parliament, including Mr

Lange and Mr Aigner, about the need for concertation. This does seem to me a particularly necessary thing in the context in which we are talking. I hop very much that it will be possible to arrange it.

We will otherwise look at all the ideas which were put forward, particularly a point made at the outset by Mr Spinelli about passing these matters on to the directly elected Parliament. That after all is where the nub of it all is going to lie in the not too distant future.

President. — The debate is closed.

17. Regulation amending the Financial Regulation

President. — The next item is the report (Doc. 353/78 drawn up by Mr Shaw, on behalf of the Committee on Budget, on the

proposal from the Commission to the Council for a regulation amending the Financial Regulation of 21 December 1977 applicable to the general budget of the Communities.

I call Mr Shaw.

Mr Shaw, rapporteur. — Mr President, the changes in the Financial Regulation that we are discussing tonight come in Document 353/78, my report and the Commission document that goes with it. The Financial Regulation, let me remind Members of this House, is a document in the nature of a working rule-book. The text clarifies Parliament's role, it sets out the responsibilities of the Commission, shows how the budgetary authority functions and spells out the various responsibilities in regard to auditing and control.

Last year we had a major revision of the Financial Regulation, and at the end of it we had to confess that there were one or two matters that we left aside because they had not been finally worked out, and also because the Court of Auditors, being newly instituted, had not had a chance to make, as was its right, comments and recommendations. I think that, in the main, we were all agreed that rather than hold up procedure for those comments and for the matters that still had to be resolved, we completed our work, and as a consequence we now have the amendments put forward in this document.

There was one small difficulty in looking at these matters, and that was that the Court of Auditors did in fact send a report to the Council. But unlike documents such as the budget, copies were not automatically sent to us. Rather than hold the procedure up to discuss the matter — and technically of course they were right — we have gone ahead with our review in the Committee on Budgets and we hope that, as a matter of courtesy, if no more, the Court of Auditors well see their way to supplying us with copies of any reports that they may make in future.

Shaw

The proposal before us falls into three broad headings: first, budgetization of borrowing and lending operations; second, added clarity in the presentation of research and investment appropriations; third standardization of the procedure for handling requests for the carry-over of appropriations. As I pointed out in the explanatory statement, the formula put forward by the Commission for dealing with the budgetization of borrowing and lending activities is relatively simple. It is transparent, readily comprehensible and makes for improved political control. The amendments relating to research and investment operations also represent some advance on the presentation we had a year ago. This is a rather tangled area of the budget, and we have experienced considerable difficulties in our efforts to improve transparency. But I do feel Mr President, that the proposal now under consideration represents an advance and merits being endorsed.

On the last item, appropriations carried over, Parliament has had grave reservations in the past, mainly because it had not been possible for Parliament to control the disposal of sums carried over from one financial year to another. In fact, amounts carried over could in the past be diverted to purposes not approved formally by Parliament. Now, however, under the revised Financial Regulation, Parliament has the last words in regard to the approval of transfers of a non-compulsory nature. This, of course, now applies to transfers of carry-overs as well as to all other transfers. Therefore, our concern about this matter has been considerably allayed. The Commission proposes that the deadline of one month within which Council has to pronounce on carry-over applications should be extended to six weeks, and I feel that this is acceptable.

I hope, Mr President, that colleagues will see their way to endorsing this package of amendments to the Financial Regulation. Colleagues will notice that the Committee on Budgets did not demand that recourse be had to the conciliation procedure should the Council tend to depart from the proposal for amendments to the Financial Regulation endorsed by that committee in this report. As I see it, when it comes to the Financial Regulation, recourse to the conciliation procedure is, if necessary, an automatic right of Parliament. I confidently recommend this report to the House for its approval.

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

Mr Aigner. — (D) Mr President, I should like to say just a few words. First, I want to thank the rapporteur for the work he has done. We — I speak on behalf of my group — agree completely with his report and conclusions. Of course, we hope that we shall go on discussing this, since, in two years' time at the latest, we are to review the situation in the light of experi-

ence, above all since the opinion which the Court of Auditors has to deliver in the light of its own experiences will be available to us. On conciliation, I should like to say that I — and all those of us who were present — found this first exercise in conciliation very gratifying: it was in fact the first time conciliation of a legislative nature had taken place between Council and Parliament, and the outcome was exceptionally positive; if this kind of conciliation were to become the rule, we could both count ourselves fortunate and I think, judging by our experiences with the Council, that we ought to take the short-out proposed here.

Just a brief word on loans. I am glad that the Commission has now changed its attitude on one decisive question. My group and I have never understood how the Commission could propose that an institution other than the three decision-making bodies of the Community, that is, the European Investment Bank, should become the actual decision-making centre of the Community, with the Commission demeaning itself in an advisory role. That could not possibly be tolerated by a Parliament which is, after all, the parliamentary control body in respect of the Commission, too.

Mr President, in saying this I do not wish to give the impression to outsiders that this Parliament does not have complete confidence in the EIB. On the contrary, we have had the best possible experience in that regard. But the basic structure of the Community's decision-making procedures obviously cannot be changed in such a way that the centre of gravity lies outside the Community with the result that Parliament's rights are also seriously affected.

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

Mr Spinelli. — (I) I wish simply to thank the rapporteur and to say that we share Parliament's opinion on the amendment of the Financial Regulation.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, the French, I believe, have an expression: *les absents ont toujours tort*, and I am afraid that this is the position that we are getting into with the Council tonight — though it is not our fault that they should be absent, and no doubt next year they will be more present.

The position is quite clear, I think. Parliament has made its views absolutely apparent: there is no doubt that our proposals are extremely important, and I hope very much from what has been said that they will receive a sympathetic response. I think it is also extremely important to bear out that the fact that the Financial Regulation has not yet been fully approved is no reason at all why the budget should not

Tugendhat

proceed : only last year we had a very good example of how that can very easily happen. On this occasion we are dealing with something which is, perhaps, of not quite such overwhelming importance as the introduction of the EUA but which is by any standards a very important development of the budget. It is very important that the budgetary authority in both its arms should exercise the control which it ought to be able to exercise, and I therefore hope very much, Mr President, that you will excuse me from further words, and support my proposal.

President. — I note that no one else wishes to speak.

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

The debate is closed.

18. Floods in Northern Italy

President. — The next item is the motion for a resolution (Doc. 311/78) tabled by Mr Albertini, Mr Noè, Mr Ajello, Mr Lezzi, Mr Amadei, Mrs Squarcialupi, Mr Mascagni, Mr Ripamonti, Mr Brugger and Mr Vitale, on the numerous deaths and extensive damage caused by floods in the region of Ossola in Northern Italy. I call Mr Albertini.

Mr Albertini. — (I) The flood disaster of 7 August 1978 which caused exceptionally serious damage — as witnessed by the North-East region of Piedmont — has prompted us, as on the occasion of similar occurrences in France and Italy, to table the motion for a resolution which we are considering today and whose two-fold aim is :

1. to ask the Community to provide emergency aid for the disaster victims ; this the Commission has in fact already done with commendable speed by granting the sum of 700 000 u.a. I am sure that I speak for the people concerned when I thank the Commission for the concern and solidarity it has shown,
2. to propose that the Community further a return to normality in the disaster areas by providing aid commensurate with the serious losses incurred and the repairs required.

The extensive floods which particularly affected the Ossola valley and its neighbouring valleys (Isorno, Vigezzo, Anzasca, Antrona) and to a lesser extent the Valstrona and Valsesia valleys (in Italy) and the Val Maggia region in the adjoining Swiss Canton of Ticino, caused loss of human life : 15 dead, 4 missing and several injured in Italy ; 6 dead and one missing in Switzerland.

Moreover, large-scale damage has been done to primary services, infrastructures, houses, business activities, small industries, agriculture and the tourist industry in the disaster areas, with serious disruption of the hydrogeological system.

The region worst affected is Vigezzo which is one of Italy's finest beauty spots.

The disaster was the result of hydrological factors which caused a through of low pressure to lie over a wide area of western Europe during the days preceding 7 August.

This baric situation, accompanied by a rapid change in temperature, caused a series of atmospheric disturbances in the western Alps, with thunderstorms, heavy rain and extensive flooding in the river basins, particularly in the abovementioned regions of Piedmont and Ticino.

In this situation created by the intensity and concentration of the rainfall on 7 August which, at its focal point in the Vigezzo valley, exceeded 300 mm in 24 hours, reaching a level of over 150 mm in two hours between 6 p.m. and 8 p.m. as registered by the Domodossola pluviometer, disaster was bound to follow, particularly in view of the geological character of the area, the steepness of the mountains surrounding the valleys, the inability of the river beds to take the enormous amount of water and debris so suddenly released and other natural causes which further aggravated the situation.

If we go on from this brief outline of the causes to consider the actual damage, it will be possible to have some idea of the disastrous results of the flooding.

In addition to the irremediable loss of human life and the damage to the hydrogeological system in the disaster areas, which will entail an enormous amount of work and expenditure, including the implementation of plans for the construction of basins to prevent the recurrence of similar disasters, considerable damage has been done to the communications system and long stretches of the 339 State road linking Val Vigezzo with the Ticino Canton and the 549 State road in the Anzasca valley have been destroyed or damaged, motor and pedestrian traffic has been completely stopped and several bridges have been destroyed. Various connecting provincial roads and the 229 State road in the Sesia valley have also been damaged, albeit to a lesser extent.

The Centovalli railway has also suffered serious damage. As a direct link between the Ticino Canton, the Ossola valley and the Vallese Canton via the Vigezzo valley, it forms an important part of the Italo-Swiss international transport system and is used daily by the many frontier workers who commute to and from their work in Switzerland. The collapse of four bridges on this line, the total disappearance of hundreds of metres of railway line and the destruction of long stretches of line, will necessitate considerable financial outlay and work over a long period and it would seem desirable to examine various technical solutions which would of course have to be carried out in conjunction with the re-establishment of the valley's hydrogeological system. To complete the disaster, aqueducts and other primary services were also destroyed.

Albertini

Not only have services and infrastructures been damaged but business, handicraft, agricultural and tourist activities have also been adversely affected with wide repercussions, particularly since several important industries are involved such as SISMA, the semi-State iron and steel industry, Rumianca in the Ossola region and SILT in the province of Vercelli which together employ thousands of workers. SISMA has been worst hit since two electric power stations which supplied energy for the operation of the Villadossola works have been completely destroyed.

The Italian Government has drawn up legislation providing for the allocation of 80 000 million lire (over 75 million EUA) for the necessary rehabilitation work, to which must be added the heavier expenditure required for the hydrogeological and infrastructural changes. It is to be hoped that the European Community, which on similar occasions in the past, has shown its solidarity through practical and effective aid, will also demonstrate its concern now, not only through the emergency aid which it has already granted so promptly and for which we are extremely grateful, but also by examining the possibility of adopting measures which will contribute to the rehabilitation and readjustment of the disaster areas.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, I make no apology for speaking as a non-Italian because I went to Friuli at the request of the Committee on Budgets, and have been interested in the Community's role in emergencies ever since.

Now the motion for a resolution from my colleague, Mr Albertini and others, highlights a particular and a general problem. I believe that, as regards the particular case which is the subject of this resolution, no one in their right mind would question the gravity of the disaster, nor the need for help from as many sources as possible. The European Community and its institutions have normally shown an appropriate degree of urgency in dealing with domestic disasters, and Mr Albertini in his speech paid tribute to what has been done, and done quickly. I merely need cite the examples of Friuli, of the oil pollution in Brittany, and of the drought and flood damages of 1976 and 1977 respectively. Now the question that I would like to put to Mr Tugendhat is this. We proceed, it seems to some of us at the moment, on a purely case-by-case basis. Is there any clear notion as to the degree of Community responsibility, or to the appropriate policy instruments? Because it really does seem to some of us on the Committee on Budgets that it is a question of a few million units of account here and a few million units of account there, without regard to any discernible objective criteria. If I am wrong, perhaps I will be told what these discernible objective criteria are.

The truth is that we have a tiny reserve in the budget at Chapter 59, under the heading 'aid to disaster victims in the Community', with 5 million EUA earmarked in 1978. But we have no clear idea as to how these funds should be released, and according to what priorities they ought to be released. If a major catastrophe involving the lives of hundreds of people occurred, then clearly, if it was thought that the Community should do something, a supplementary budget would have to be introduced. But I really do think it would be helpful, even at this late hour tonight, if the Commission could undertake to submit some kind of a paper indicating its own criteria for Community action. I do not ask this on the spur of the moment, and if the Commissioner says, 'Look, I want to think about it', of course that would be wholly reasonable. But I do say this in all frankness to my colleagues: surely the Community cannot take responsibility for every accident, every mishap and every disaster which takes place in any one of our Member States.

Now one final point, and I suppose I ought to declare an interest as a vice-chairman of the Control Subcommittee. Can the Commission include in any paper or in any reply a few ideas on control in this situation? Wherever aid has to be distributed quickly in the wake of a disaster, as we saw in Friuli, it is sometimes difficult to strike a satisfactory balance between the need for speed and that for careful control.

I do not think that one can talk in terms of absolutely exact control, and in a situation such as has happened at Ossola or elsewhere in Northern Italy, I would not like to be finicky about control. I must say to my Italian colleagues, that I had nothing but admiration for their fellow countrymen that I saw in those camps at Friuli, so this is not a criticism of the Italian authorities at all. On the contrary, from what I saw, I thought the funds were being used pretty well by those regional authorities in Friuli. But having said this, there is a general question that arises, and it really ought to be put. If there is a misuse of Community funds destined to help disaster victims, it is particularly difficult to protect the good name of the Community. We must be particularly vigilant on this, and this need for vigilance requires us to move away from what one can only call the 'ad-hocery' of policy that is practised at the present time, by which I mean that which is done, it seems, purely on the basis of a reflex action, without any clear criteria or any clear ground rules for action. That is why my intervention, Mr President, is simply to ask how we can move towards some kind of ordered framework in these emergency situations. I would be relatively satisfied tonight if the Commissioner was to say, 'Well look, we will think seriously

Dalyell

about these things and reply at a later stage'. But I do hope some thought will be given to it.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, I hope that having been asked, as it were, for a snack, I will be able to provide a meal, because in answer to the first speaker, I can of course say that we have already granted the money under the emergency aid procedures — 700 000 EUA — and I am delighted that we were able to do so: the need was certainly very great. It is, of course, too early yet to say whether the Commission will be able to give more, but clearly whatever it is able to give — and I must stress that it is too early to decide whether it should be given — can hardly be designated 'emergency aid' because it comes after the emergency itself. Therefore we would have to consider the matter very carefully in the light of further information from the Italian authorities on the damage sustained. That, I think, shows an acceptable position.

Now so far as Mr Dalyell's question is concerned, I would like to make two points. First of all, the Commission does have a set of criteria against which it measures applications and requests to provide aid in emergencies. The first is the general seriousness of the disaster. The second is the financial cost of the damage suffered. The third is the budgetary figure available — the amount we have available. Fourthly, the need to conserve a certain amount in the fund against possible further emergencies in the year, and finally — an important point, I think — the probable psychological effect of any aid. Now in the nature of things, these are not very absolute criteria. They are, in the nature of things, I think, guidelines rather than firm instructions. But I would not like the House to feel that we simply react on an absolutely *ad hoc* basis. Inevitably, since the amounts of money at our disposal are quite small, and since we receive a good number of requests, and since we are also anxious to maintain as far as possible an equally open approach to all parts of the Community who might submit a request — we gave some money, for instance, in Baden-Württemberg recently — inevitably it may appear as if we are just scattering little bits here and little bits there. But I think it is important to recognize that behind that there are criteria against which the requests can be measured. Nonetheless, I will certainly convey Mr Dalyell's points to the President of the Commission, because the emergency fund is one of his services.

The other point that I should make is that the question of having a standing committee to consider emergency cases of this sort has indeed been raised recently in the Council. The idea was that there should be a standing committee to deal with applications coming in from different parts of the Community, so that they could be handled on a Community basis. The President-in-Office of the Council, Mr Genscher, when asked whether this would be a good idea, felt it would not be. Indeed, he flatly refused to accept the idea, saying that private initiatives and Member State initiatives should be kept. Well now, as we have said in earlier debates, this is something which affects not just the Commission but other institutions as well. So I will bear what Mr Dalyell has said to the President of the Commission, and though the Parliament will no doubt form its own views on what should be done, I think it is also important to bear in mind that this matter has been raised in the Council, with on the whole rather an unpromising reception.

President. — I note that no one else wishes to speak.

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

The debate is closed.

19. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Tuesday 10 October 1978, at 10.00 a.m. and 3.00 p.m., with the following agenda:

10.00 a.m. and afternoon:

- Vote on urgency of eight motions for resolutions
- Pisoni report on illegal migration
- Oral Question with debate to the Commission on equal treatment for men and women
- Albers report on the 1978 Tripartite Conference
- Dunwoody report on agricultural research
- Oral Question with debate to the Commission on the harmonization of national legislation
- Oral Question with debate to the Commission on the prices of dairy products

3.00 p.m.:

- Question Time (questions to the Commission)

3.45 p.m.:

- Voting Time

The sitting is closed.

(The sitting was closed at 8.00 p.m.)

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IN THE CHAIR : MR COLOMBO

President

President. — The sitting is open.

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

1. *Approval of the minutes*

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

Are there any comments ?

The minutes of the proceedings are approved.

2. *Documents received*

President. — I have received from the Council requests for opinions on the following Commission proposals :

- for a directive on the approximation of the laws of the Member States relating to the roll-over protection structures of wheeled agricultural or forestry tractors — static tests — (Doc. 354/78) which had been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Regional Policy, Regional Planning and Transport for its opinion ;

— for

I. a Community programme on codes and standards for fast reactors

II. a Council decision adopting a research programme for the European Atomic Energy Community on codes and standards for fast-breeder reactors (structural integrity of components) (Doc. 355/78)

which had been referred to the Committee on Energy and Research as the committee responsible and to the Committee on Budgets for its opinion ;

- for a decision concerning the acceptance by the Community of Resolution No. 119 (revised) of the Economic Commission for Europe on the standardization of forms used for authorizations for international goods transport by road (Doc. 356/78) which had been referred to the Committee on Regional Policy, Regional Planning and Transport ;

- for a regulation on trade in oils and fats between the Community and Greece (Doc. 357/78)

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

— for

I. a regulation opening, allocating and providing for the administration of a Community tariff quota for wines of fresh grapes falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Cyprus (1979)

II. a regulation opening, allocating and providing for the administration of a Community tariff quota for liqueur wines falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Cyprus (1979) (Doc. 358/78)

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

- for a regulation on the abolition of postal charges for the presentation to customs of consignments of goods from another Member State which are relieved of internal taxes payable at importation (Doc. 359/78)

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

- for a regulation temporarily and partially suspending the autonomous Common Tariff duties on certain types of fish (Doc. 367/78)

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

3. *Transfers of appropriations*

President. — By its letter of 6 October 1978, the Committee on Budgets has informed me that at its meeting of 21 September 1978, it delivered a favourable opinion on the proposal for the transfer of appropriations from one chapter to another within Section III — Commission — of the general budget of the European Communities for the financial year 1978 (Doc. 267/78).

This is a transfer of appropriations within the meaning of Article 21 (2), 4th and 5th subparagraphs, of the Financial Regulation.

Are there any objections ?

The transfer is approved.

4. *Decision on urgency*

President. — Pursuant to Rule 14 of the Rules of Procedure, voting will now take place on the requests for urgency announced during yesterday's sitting.

I consult Parliament on the adoption of urgent procedure for the motion for a resolution tabled by Mr Blumenfeld, Mr Noè and Mr Fuchs on behalf of the Christian-Democratic Group (EPP) on air traffic control (Doc. 319/78).

Are there any objections ?

Urgent procedure is adopted.

I propose that this motion for a resolution be placed on the agenda for Thursday, 12 October 1978 as the last item.

Are there any objections ?

That is agreed.

President

I now consult Parliament on the adoption of urgent procedure for the motion for a resolution tabled by Mr Fellermaier on behalf of the Socialist Group on the violation by European companies of the sanctions against Rhodesia (Doc. 346/78).

I call Mr Prescott on a point of order.

Mr Prescott. — Mr President, the adoption of urgent procedure for some of these items is presumably agreeable to all concerned, and will not require debate. I am not so sure that this will apply to this motion for a resolution, and I wonder whether I can claim my right to speak in favour of urgent procedure on behalf of my group.

To be specific, Mr President, is there not the right, under Rule 14 for one of those tabling a motion officially to move it? Can I claim that right?

In other words, may I be allowed the opportunity to state, pursuant to Rule 14 of the Rules of Procedure, why I believe urgent procedure should be adopted?

President. — I call Mr Deschamps.

Mr Deschamps. — Mr President, we are well aware of the importance of this matter. At its meeting in La Napoule, the Christian-Democratic Group made a detailed study of the problem of sanctions against Rhodesia and against countries practising apartheid. We have no hesitation whatever on the principle involved. In the words of the first recital, the continuing importance of the economic sanctions decreed by the United Nations against the Rhodesian régime is a principle with which we are in full agreement.

On the other hand, Mr President, we do not wish to engage in arguments based on reasons of political expediency; in this particular case, the British are most directly concerned since debates have been opened on this subject by the opposition in Westminster. According to newspaper reports and other information at our disposal, an enquiry is to be opened. Therefore, while we agree that Parliament should continue to study developments in this area with close attention and that the Political Affairs Committee should be responsible for further consideration, we fail to see the need for an urgent debate today. The new elements — the Bingham Report and the report of the UN special delegate — are not of an urgent and immediate nature. In consequence, while we approve the principle and its application, we cannot approve the adoption of urgent procedure.

President. — Pursuant to Rule 14 (2) of the Rules of Procedure :

Where a request for urgent debate relates to the placing of a report on the agenda, only the person making the request or one speaker in favour, one speaker against, and the Chairman or rapporteur of the committee responsible may be heard, in each case for a maximum of 5 minutes.

I therefore call Mr Prescott to explain his request.

Mr Prescott. — I thought the Rule stipulated one speaker for and one against, plus the group chairman or rapporteur. I have some difficulty in understanding how Mr Rippon comes into the debate.

Mr Rippon. — Mr President, if Mr Prescott is going to make a little speech on the merits of this motion for a resolution, then someone ought to have the opportunity of speaking against before a man has spoken for.

President. — I call Mr Klepsch to speak on a point of order.

Mr Klepsch. — On a point of order, Mr President : at this stage in the proceedings we should confine ourselves to the question of urgency and not open a debate on the substance of the issue ; we can hear one speaker for, and one against ...

President. — Pursuant to Rule 14 (2) of the Rules of Procedure, which I have just quoted, I shall now call Mr Prescott to justify his request.

Mr Prescott. — Mr President, I think I only need to justify to the House the urgency of the matter. I do not think that there is any dispute about the substance of motion for a resolution, i.e. the importance of maintaining sanctions against the illegal régime in Rhodesia. That indeed is the policy of all our nations and the Foreign Ministers meeting in political cooperation.

What the motion seeks to bring to the attention of this House is that certain events have occurred within the last few weeks which make it necessary for it to address itself to the topic as a matter of urgency. The motion specifically mentions two areas where substantial evidence has come to light justifying a number of the allegations of breach of sanctions made over the last few years. The report of the United Nations' special delegate clearly shows that many European companies, registered in the Community, have been actively involved in violating sanctions against the illegal régime in Rhodesia.

The more substantial report, the Bingham Report, commissioned by the Labour Government and published last month and which is available to this House, reveals the role of oil companies in actively conspiring to break the laws of a number of the Members States and to defy the political objectives laid down by the Foreign Ministers meeting in political cooperation. The Bingham Report shows that European and American oil companies, i.e. British Petroleum, Shell and Total, acted in concert to supply and sustain the illegal régime, in clear defiance of our laws and the political objectives of our countries. The conspiracy, which involved companies, civil servants and politicians, is described in detail in the Bingham Report.

Prescott

The motion for a resolution calls for an urgent debate. We think these are matters of substance to which this House should address itself and therefore justify an urgent debate. The need for such a debate is urgent in two respects. First, we were informed that this very matter was on the agenda of the Council of Ministers, and if this House could have a debate, we would provide the opportunity for the Council to give us a report on what was said at their last meeting, instead of attempting to extract this information by means of questions. Secondly, we would call on them to make a more deliberate and definite report on what they intend to do, in the light of this evidence, to improve the sanctions policy with regard to Rhodesia.

In conclusion, Mr President, I think the substance is considerable; it is a matter of urgency and anyone attending the ACP-EEC meetings two weeks ago will know that to be so. The Americans are investigating the role of American oil companies; I think hearings are being held in Holland, and we hope that they will take place in Britain. I do not know of any action regarding the French oil companies. Surely, Mr President, this European Assembly, which claims the right to deal with problems of a European dimension, has here one of considerable substance in that European oil companies have been acting together in a conspiracy to defy our laws. We feel that the Political Affairs Committee might investigate the evidence and request the oil company chairmen who will be attending the American hearing to appear before our committee and explain their companies' policies regarding the future. We hope this Assembly will take this step now in this emergency debate.

(Applause from the left)

President. — I call Mr Rippon.

Mr Rippon. — Mr President, there is no doubt that this is a matter of substance, in the way that Mr Prescott has suggested. I am not so sure that we would be right, in a continuing discussion of this character, to say that we should have a debate as a matter of urgency simply because certain things have happened in the last few weeks. I can see a situation arising in which we could make the same claim at every meeting of this Parliament for several part-sessions to come. I think we must be a little concerned about the number of debates that we have on matters of urgency. It is quite true, as Mr Prescott has said, that since we last debated the subject of Rhodesia certain new events have taken place, but if the resolution of the Socialist Group were accepted, we in the Conservative Group would certainly want to delete all the words after 'Parliament' and substitute an entirely different and much more constructive resolution. We would certainly want to take note of certain things

that have happened recently, as Mr Prescott has said — for example, the very welcome initiative by the United States to invite members of the Rhodesian Council to make a presentation of the internal settlement to world opinion. We would certainly want to take the opportunity to deplore the attempts by outside political forces to interfere with the self-determination of the Zimbabwe people. We would certainly wish to take an opportunity to deplore the support that is given to Marxist terrorist guerillas, and on the other hand we would like to note and express our full understanding for the recent initiative taken by President Kaunda to open the frontiers of his country to trade with Rhodesia, which, of course, gives a new twist to the argument about sanctions. There is certainly room for a great deal of debate; there is certainly room for a discussion of recent events; but I do not believe that this is a matter which ought to be thrashed out time after time in this Assembly, in this form. Perhaps we should set aside a whole day for the discussion of the Rhodesian problem, and it may be the enlarged Bureau could take that into account.

I also think certain difficulties are created by establishing a precedent whereby the proposer of a resolution for which he demands urgency takes the opportunity to canvas the merits of it. I find it a little difficult to rise and put shortly all the feelings which my group have about the nature of the deplorable resolution which the Socialist Group have tabled.

(Applause from the right)

President. — I call Mr Bertrand.

Mr Bertrand. — Mr President, having regard to the discussion that has just taken place, I propose that the motion for a resolution should be referred to the Political Affairs Committee to enable it to prepare a text which Parliament might then endorse.

President. — I put the request for urgent procedure to the vote.

Urgent procedure is not adopted.

Pursuant to Rule 25 of the Rules of Procedure, the motion for a resolution is referred to the appropriate committee which in this case is the Political Affairs Committee.

I now consult Parliament on the adoption of urgent procedure for two motions for a resolution on the situation in Lebanon, that tabled by Mr Fellermaier, Mr Spénale, Mr Hansen. Mr Dankert and Mr Radoux on behalf of the Socialist Group (Doc. 360/78), and that tabled by Mr Klepsch on behalf of the Christian-Democratic Group (EPP) (Doc. 370/78).

Are there any objections?

Urgent procedure is adopted.

President

I propose that these two motions for resolutions be placed on the agenda for Wednesday, 11 October 1978 for joint debate before the joint debate on the Community's energy policy.

Are there any objections?

That is agreed.

I now consult Parliament on the adoption of urgent procedure for the motion for a resolution tabled by Mr Fellermaier on behalf of the Socialist Group on the situation in Nicaragua (Doc. 361/78/rev.).

The motion for a resolution by the Christian-Democratic Group (EPP) on the same subject has been withdrawn as that group has supported the motion for a resolution by the Socialist Group.

Are there any objections?

Urgent procedure is adopted.

I propose that this motion for a resolution be placed on the agenda for Wednesday, 11 October 1978 before the joint debate on the two motions for resolutions on the Community's energy policy.

I call Mr Cunningham.

Mr Cunningham. — Mr President, clearly the House does want to discuss these matters. I voted against on both occasions, because I think that the House ought not to concentrate on matters for which it has no responsibility. If we are to continue in this way, we shall be debating everything except what we are responsible for. We are leaving out matters for which we are responsible in favour of matters for which we are not responsible. However, that is a decision which the House has taken, in my view unwisely. But surely it would be preposterous to take a matter like this which is—let me put it as impartially as I can—marginally the concern of this Parliament and to put it on the agenda ahead of matters which are much more our direct concern, such as energy policy. If we are going to discuss it, for goodness' sake let it take its proper place in the agenda, after matters which are more directly the concern of the European Parliament and the European Community as such.

President. I call Mr Rippon.

Rippon. — I think I would like, on this occasion, to associate myself with the views which have been expressed by Mr Cunningham. It is clearly the wish of the House that this matter should be discussed, but I think I endorse what he has had to say about the importance of giving proper priority to the matters which are already on the agenda and which are of direct concern to the Community as a whole.

President. — I should like to make two observations: the first concerns the statement by Mr Cunningham that this subject is not of interest to this Parliament. This seems to me a somewhat restrictive opinion. This Parliament discusses everything which

is the subject of political cooperation, in other words everything which is discussed or can be discussed by the Council of Ministers meeting in political cooperation. And it would be very serious if we ourselves were to place a limitation on Parliament's competence to intervene.

The second, in reply to Mr Rippon, concerns my reason for proposing that the motions for resolutions on Lebanon and Nicaragua be placed on the agenda before the joint debate on the motions for resolutions on energy. Given that these two subjects are of a political character and as such can only be discussed in the presence of the President-in-Office of the Council, I beg my colleagues to respect the planned order of business since at that sitting the representative of the Council will be present in the Chamber.

I now consult Parliament on the adoption of urgent procedure for the motion for a resolution tabled by Mr Klepsch and Mr Bertrand on behalf of the Christian-Democratic Group (EPP), Mr Pintat, on behalf of the Liberal and Democratic Group and Mr Rippon, on behalf of the European Conservative Group on the outcome of the Camp David meeting (Doc. 372/78/rev.).

I call Mr Mitchell.

Mr Mitchell. — Mr President, I wish to oppose urgent procedure in this case, so perhaps Mr Klepsch, or perhaps Mr Rippon, should put forward his reasons for urgency first.

President. — Since the item in question is a motion for a resolution, the dispositions of Rule 14 (2) of the Rules of Procedure are applicable.

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

Mr Bertrand. — Mr President, the reason for urgent procedure is that Parliament has not yet had an opportunity to discuss the fortunate turn of events represented by the Camp David agreement between Israel and Egypt, brought about at the initiative of the American President. We discussed the situation on 15 December last year when the President of Egypt visited Jerusalem. There had been no further important development until this new agreement.

The negotiating phase is to begin next Thursday in Washington and it would be incomprehensible for the European Parliament not to deliver its opinion on these developments in the Middle East and on their importance for the attainment of peace. I therefore felt it necessary to request urgent procedure so as to make our opinion known to the parties directly concerned before the negotiations begin.

(Applause)

President. — I call Mr Mitchell.

Mr Mitchell. — I had no intention whatsoever of opposing urgent procedure for this resolution until I heard the speech by Mr Rippon opposing the one on Rhodesia. Exactly the same arguments apply to this resolution as he put forward in his speech, and I will quote what he said. He said: 'We have far too many motions for urgency; we cannot have a motion for urgency merely because something has happened in the last few weeks, Well, Camp David has happened in the last few weeks, and precisely the same argument applies to this resolution as applied to the other one. Mr Bertrand's argument is that we have not had a chance to discuss it yet: Nor have we had a chance to discuss the Rhodesian sanction-breaking yet either. Exactly the same arguments apply in both cases. So I hope that both the Christian Democratic and the European Conservative Group will join us in opposing urgency here as they did on the other one.'

President. — What is it for, Mr Klepsch?

(Interruptions)

Mr Klepsch. — Mr President, I want to speak in favour...

(Continued disturbances)

President. — I should like to recall that Rule 14 permits the rapporteur or one speaker to speak in favour and one speaker to speak against and also permits the chairman or rapporteur of the committee to be called. Since Mr Bertrand has already spoken, I can only call you if you still wish to speak as chairman of the Political Affairs Committee.

Mr Bertrand. — I shall merely ask for the urgent procedure to be approved, Mr President.

President. — I put the request for urgent procedure to the vote.

Urgent procedure is adopted.

I propose that this motion for a resolution be placed on the agenda for Wednesday, 11 October 1978 before the joint debate on the two motions for resolutions on energy.

Are there any objections?

That is agreed.

I now consult Parliament on the adoption of urgent procedure for the motion for a resolution tabled by Mr Dalyell, Mr Lange, Mr Lagorce, Mr Lamberts, Mr Mitchell, Lord Kennet, Mr Edwards, Lord Castle, Mr Ellis and Mr Fitch on the massacre of seals (Doc. 369/78).

I call Mr Dalyell.

Mr Dalyell. — May I just make two very brief points. The first is that this is emphatically a matter which concerns all the Member States bordering on the North Sea. Although the grey seal is increasing in numbers in British waters, there is evidence that its

numbers are decreasing in German, Dutch and Danish waters. It is therefore a matter not just for one Member State but probably for five or six Member States.

Secondly, is it not a matter of principle that those who propose to slaughter 5 000 seals should make available the scientific evidence for what they propose, before and not after the event takes place? They should allow sufficient time to enable knowledgeable people to challenge their findings before irrevocable damage is done. The reason for requesting an urgent debate is that the slaughter may take place today, tomorrow or possibly the next day. That is why I am asking colleagues to allow a short speeches — for the urgent debate.

President. — I call Mr Hughes.

Mr Hughes. — I do not question that the cull of seals is imminent. It will clearly take place this week. What I question is, the position of other countries outside the Community, such as The Faroes, Norway and Iceland which are also affected by the grey seal population. In the case of those countries the seal population is clearly increasing and there is considerable evidence that they pose a threat to their fishing resources. The suggestion that the evidence has not been made public is unfounded. The fisheries sub-committee, which I chair, has considered this evidence at great length, in particular the special report of the Cambridge group which looked into it. This has been made public. What is clear is that scientists disagree about the evidence. The evidence has been published, but marine biologists disagree about what ought to be done.

Finally, I do not quite see what authority the Commission has for making representation to the British Government about the cull of seals. I would be very grateful if a representative from the Commission could indicate to this House, when we discuss the urgency, how they set about making these representations. Was it through normal channels, i.e. through Mr Gallagher Director-General for Fisheries?

President. — I note that no one else wishes to speak. I put the request for urgent procedure to the vote.

Urgent procedure is adopted.

I propose that this motion for a resolution be placed on the agenda for today as the last item.

Are there any objections?

That is agreed.

I call Mrs Walz, on a point of order.

Mrs Walz. — I protest against the way in which the agenda has now been drawn up; it means that the energy debate has gradually been relegated to the end of the list. You know how vital the whole matter of energy is to our countries, but now that preference has

Walz

been given to all these urgent topics our debate will be held late in the evening and nobody will be interested any longer. Energy is one of the most important topics with which we have to deal, and I would ask you to consider whether we would not do better to consider it early on the following day instead of in the evening; once our agenda has been drawn up there should not be all these changes. It is unacceptable for preference to be given to so many requests for urgent debate so that Members who have previously put down important topics for discussion no longer have a chance to raise them.

(Applause)

President. — Mrs Walz, I take note of your regret which to some extent I can share, even if many of those who applauded it were among those who voted in favour of urgent procedure.

As I have already mentioned, the precedence accorded to these political subjects is due to the fact that the President-in-Office of the Council will be present in the Chamber at the beginning of the sitting. At the same time, I shall make personal efforts to chair these debates in such a way as not to prejudice the debate on energy and to order Parliament's business in the way that you desire.

I call Mr Cunningham.

Mr Cunningham. — Mr President, I would just like to ask you, very briefly, if you would give further consideration to the point in the Bureau of the Parliament. It is clearly going to create a problem for the future if so many motions for urgency are not only accepted, but if having been accepted, they then take precedence over other items on the agenda. One could perfectly well vote to discuss one of these topics but still feel that it ought not to take precedence over other matters which are more central to the responsibility of this Parliament, I would, therefore, ask you to give further consideration to this problem, otherwise Parliament is going to be in real difficulty in the future.

(Applause)

President. — Mr Cunningham, I assure you that account will be taken of your two points. Nevertheless, I must point out that a concentration of numerous requests for urgent procedure, as we have had at this sitting, is exceptional.

5. Directive on illegal migration

President. — The next item is the debate on the report (Doc. 238/78) drawn up by Mr Pisoni on behalf of the Committee on Social Affairs, Employment and Education on the amended proposal from the Commission of the European Communities to the Council (Doc. 58/78) for a directive concerning the

approximation of the legislation of the Member States in order to combat illegal migration and illegal employment.

I call Mr Pisoni.

Mr Pisoni, rapporteur. — (I) Mr President, my motion for a resolution and report relate to the proposal for a Council directive on the approximation of the Member States' legislation to prevent illegal migration and illegal employment.

It is a subject that was discussed not so long ago in this House when we debated the Commission's first proposal in the matter; on that occasion, we gave a clear response in approving the Commission's proposal but one of the specific requests we made was that it should be supplemented by social measures to protect and safeguard the rights of migrant workers, including those who had entered the Community illegally. We saw this as a fundamental point and as a vital addition to the proposed directive if the objectives proposed by the Commission were to be properly pursued. And now that those points have been included in the proposal, we should record our appreciation of the efforts made by the Commission and by Mr Vredeling in submitting this new regulation so promptly and for their sympathetic response to the requests submitted by Parliament.

To make a general point, I would say that it would be a good thing if the Commission were always so attentive to Parliament's opinions: it would add to the powers of both institutions and make it possible to introduce regulations with a much more obvious Community content. Very often, the lack of cooperation between the Commission and Parliament leads to measures which are Community in name only but further what in fact are national interests. I would therefore again thank the Commissioner for having accepted Parliament's advice.

We cannot let the occasion pass, however, without pointing out that a number of Member States put up strong resistance to the proposed directive, which was virtually tantamount to refusal in the case of the United Kingdom and partial refusal in the case of France. I fear that this negative attitude towards the proposal and the attempt to reduce it to the status of a recommendation would rob it of all significance and rule out any chance of taking action to combat and remedy a state of affairs which is taking on extremely serious proportions.

I therefore welcome the fact that the Council has taken a different attitude than in the past and accept the proposed directive. I hope that Parliament will confirm its approval today for it is purely and simply a matter of confirmation, not only of the text proposed by the Commission but also of the proposals made and approved by Parliament in its last motion for a resolution on the subject.

Pisoni

Measures to combat illegal migration do not imply a self-centred attitude towards less highly skilled workers or towards poorer countries than our own even if we say that their effect must be to refuse entry to the Community to persons who do not have the proper papers, do not already have a job or the possibility of legal employment in the Community. We are perfectly well aware that there are many countries outside the Community that are worse off than ourselves and that many people see us as a sort of haven in which they can seek a new livelihood. Our campaign against illegal migration, however, is also intended as a campaign in defence of the fundamental rights of the worker and citizen. It is a defence of the weakest; we all know to what hardship the migrant worker is exposed even when he migrates legally through normal channels. We can therefore easily imagine how much harder it is for the illegal migrant perpetually forced to hide and to suffer exploitation and abuses without being able to claim the protection of the law, as this would mean his expulsion. It is all the more important to approve this directive in that, if we succeed in reducing the length of the working week, the conditions will arise in which new migrant workers can be absorbed. Furthermore, with the accession of further countries to the Community, the labour pool will grow much larger with all the problems which this implies. For this reason too, the adoption of the directive is a matter of urgency.

The proposal before the House incorporates the requests made by the Council of Ministers, the Council of Europe, the International Labour Office and the Economic and Social Committee in the matter of harmonization of the regulations to combat illegal migration, the introduction of penalties, including penalties under criminal law, against exploitation, and the social protection of workers who despite themselves, end up as illegal immigrants in other countries. I should like, if I may, to explain briefly the main points of the directive; first and foremost, it introduces harmonization, in other words uniform Community measures to prevent persons from entering the Community without the proper authorization; it alerts public opinion by denouncing the adverse effects of illegal immigration and it involves both employers and trade unions in the campaign to abolish it. It seeks to draw public attention to the problem, not only in our own countries but also in third countries, by pointing out that all that glitters is not gold and that, even in the Community, illegal immigrants are exposed to great hardship. However, it also guarantees to migrant workers the full social and civil rights enjoyed by other workers. It requires the employer to pay the full social security contribution and the full salaries and fiscal charges as they would do for normal workers, the intention being that migrant workers should enjoy the benefits of an assured situation and be able to 'buy back' the periods of work for which those contributions cannot be transferred to their country of origin. These workers are

also given the opportunity to seek redress in the courts and to claim free legal assistance if necessary.

The resolution previously approved by Parliament contained two other points which were not accepted. I should like to recall them here as they may be useful to the individual Member States when they come to implement the directive: the first had to do with the harmonization of the penalties provided for under criminal law in order to prevent disparities in the treatment of exploiters, those merchants in the trade with human lives; the second point — and this can be no more than a recommendation to the individual States — is that when they come to apply the regulations on illegal immigration, they should take as broadly sympathetic an attitude as possible towards workers who are already in the country and make every effort to spare them further hardship and legalize their situation. We regard this as a dutiful act of human solidarity.

I shall conclude by recalling that Parliament has made it clear on more than one occasion that illegal immigration can only be successfully fought by striking at the roots of the problem, by seeking to establish an economic system in which wealth is shared more fairly, in which industrial plant and the sources of prosperity are allocated differently and which leads to uniform and not to haphazard growth. Present disparities are the real and primary cause of forced emigration. The distinction I make between forced and free emigration is a deliberate one: we *ought* to have free emigration which is a factor that genuinely contributes to growth and trade. Forced emigration, on the other hand, is simply the consequence of the huge disparities in growth which we have at the present time and of poverty in general. This is the goal which we should set ourselves in all our Community policies, whether they are aimed at the new Member States or, above all, at the countries of the Third World; and I mean *all* the countries of the Third World and not only those which are members of the Lomé Convention.

I trust that this House will approve this new proposed directive and that it will be implemented in the Member States as soon as possible and without any further delays.

(Applause)

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

Mr Albers. — *(NL)* Mr President, in the discussion of the phenomenon of migrant workers and illegal migration which has been continuing for several years now in Parliament, we have seen how the positions of the Socialist and Christian-Democratic Group — initially quite different — have gradually moved

Albers

closer together. A broad measure of agreement has been reached between the two groups on the nature of the phenomenon and the measures which must be taken against it. I must congratulate my colleague, Mr Pisoni, on his report on behalf of the Committee on Social Affairs, Employment and Education in which he once again draws specific attention to aspects which we have already discussed several times here in Parliament, in particular when dealing with the action programme submitted by the Commission in December 1974; it was noted at the time that illegal migration accounted for some 10 % of total migration in the European Community — without even counting members of migrants' families.

It was then pointed out that there are some 600 000 illegal workers in the European Community. We have seen how these people are exploited and exposed to intimidation. We also discussed the attendant risks to public health. There are health checks on legally employed workers but not for illegal employees; this brings with it a risk to public health in general. We also discussed the risk that the social position of legal migrants might be seriously damaged by the phenomenon of illegal migration. It is by no means impossible that the present high level of unemployment among legal migrants is attributable in no small measure to the existence of illegal migration. Illegal migrants are of necessity prepared to work for lower wages and under worse conditions: they have no existence in law and cannot defend themselves. They take up jobs which could otherwise be filled by legal migrants.

In the resolution which it adopted almost unanimously in October 1976, Parliament stressed the need for the fullest possible coordination at Community level of penalties for the recruitment of illegal migrants and asked for appropriate sanctions. Parliament thus called for a unified policy in this matter and this view was supported by the Council of Ministers in its resolution on the action programme. In its resolution of February 1976, the Council of Ministers stressed the need for joint action by the Member States to combat the illegal immigration of workers from third countries. Suitable sanctions must be provided against the practices of the intermediaries who procure employment and against all the other abuses connected with illegal immigration. Action must also be taken to ensure that the obligations of the employers are met and the rights of workers in respect of the work done by them safeguarded, without prejudice, however, to the other consequences which must be drawn from the illicit nature of their residence and employment.

I think that there can be no misunderstanding on this point. The Commission, Parliament and Council have all spoken out clearly on this matter, and agree on the need to combat this unacceptable situation. However, the original proposal on which Parliament delivered its opinion in November 1977 does not in every

respect meet the requirements I have just outlined; it does not fully reflect the views of Parliament or even those of the Council. The fact that the original proposal left too much latitude is all the more regrettable as Convention 143 accurately defines what is meant by illegal migration, what possibilities exist to combat it and what rights and duties may result from illegal migration. The statute drawn up last year by the Council of Europe for migrant workers also sets out clearer provisions than the original directive. In dealing with the original directive we took the view that we should not make too many amendments — that was the Socialist Group's feeling — because too much time had already been lost. As I have already said, we have been discussing this subject for years and no concrete measures have yet been taken. But the Commissioner responsible did eventually feel that an effort must be made to improve the directive. Mr President, on behalf of the Socialist Group I welcome this amended proposal, as far as it goes. It does have a number of merits: it sets out a better definition of migration and illegal migration and also explains more fully what must be understood by illegal employment. The need for information, which is a most important factor, is fully defined in this directive — particularly the information which must be given to the outside world to prevent people from chancing their hand in coming to our countries to look for work.

I support Mr Pisoni's observations about free legal aid, and I would stress the desirability of suspending proceedings where an illegal worker is discovered by the authorities and lodges an appeal in order to show that he was acting in good faith.

I note that the amended draft directive no longer speaks of the harmonization of legislation but only of 'adaptation', which is a less binding concept. I imagine that the Commission has made this change in order to increase the likelihood of gaining acceptance for its proposal in the Council. That is a question which I want to put to the Commissioner responsible: how likely does he in fact think it is that the Council will now approve this amended text? Is it now possible that the Council will take an early decision, thus enabling the proposal to enter into force, or are there likely to be further difficulties? You all know that opinions differ on this problem and I well remember that the resolution of February 1976 contained a paragraph 'stressing the political resolve to take the steps indicated in this resolution, having regard to the powers of the Community institutions on the one hand and to those of the Member States on the other.' That was of course a most important paragraph and it is important to know whether the text of the amended draft directive also satisfies this provision in the Council's resolution: is there still sufficient latitude for the Member States to exercise their own powers and is sufficient account being taken of the powers of the Community institutions?

Albers

Mr President, we cannot of course be satisfied with these measures. We must also look into the cause of this phenomenon and consider why so many people from the Mediterranean countries try to find work here without having the necessary employment permits. Time is short and I do not need to dwell on this aspect here; it is perfectly clear that there are great differences in economic development between the countries of the European Community and those of the Mediterranean region. We cannot therefore be satisfied with measures to combat illegal migration but must also seek solutions enabling the wide differences in economic development to be lessened.

It is unacceptable for the Member States to seek to export their own difficulties to other EEC countries and it is just as unacceptable for the Community as such to try to solve certain problems by unilaterally passing them on to the countries from which these people come.

In the past we have strongly advocated the organization of a conference by the Commission with migrants' organizations from the entire Community in order to discuss these problems fully again. I regret that no such conference has ever been held. I believe, and this view has been clearly stated by Parliament, that such a conference is highly desirable to provide a forum for an open exchange of views.

I therefore greatly welcome the fact the European Union organization will shortly (in November) be holding a conference on migrants' problems in Greece; it will then be possible to discuss all these issues in the wider context of the enlargement of the Community. The return of migrant workers to their home countries, and the creation of job opportunities in them, will no doubt also be an important point on the conference agenda. Finally, Mr President, a word about the two amendments which I have tabled with the support of my group. The first amendment concerns Article 1 (2) which refers to the bad faith of illegal workers. Bad faith must be demonstrated by the judicial authorities. I find this description to be too wide. The real issue here is whether the illegal worker is guilty of repeating a punishable act and I consider that this should be clearly stated in the text; it is then for the judiciary to show that the worker concerned has repeated the offence. If that is the case he merits a different treatment from migrants who in a sense have acted in good faith.

My second amendment relates to Article 7 (2) which refers to the recording and payment of premiums to which there is still an entitlement. I think that this approaches the problem from the wrong angle. The issue is not the payment of premiums after the event; the real point is that illegal workers must be given the possibility of enforcing their rights to benefits in

respect of which premiums have or should have been paid — I think that this should be clearly stated in the directive.

Mr President, I believe that it is in the interest of Parliament to adopt both these amendments and I hope that they will be duly approved.

(Applause)

IN THE CHAIR : MR BERKHOUWER

Vice-President

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

Mr Jahn. — *(D)* Mr President, ladies and gentlemen, on behalf of my group, I should like to say that I approve Mr Pisoni's excellent report and motion for a resolution. With your permission, I shall comment on the facts of this problem and put forward one example. Like many Member States, the Federal Republic of Germany is also faced with the problem of illegal immigration and illegal employment. Week in, week out, hundreds of Turks and Pakistanis are illegally smuggled into West Germany via West Berlin. We can have no sympathy for this influx as it threatens to create havoc on our labour market, quite apart from the terrorist implications involved.

The German Democratic Republic is obviously interested in creating disturbances on the West German labour market by sending in those illegal immigrants who land at their home airports and travel on to Berlin. I am convinced that we must use every legal means at our disposal to stop this practice. We must as a matter of urgency put an end to this uncontrolled influx and here, all of the Member States must act in concert, for not all those immigrants stay on in West Germany. Those who do not find work there cross over the border and try to find jobs in other areas of the Community with the assistance of highly suspicious helpers. This is where I am convinced that the Member States must act together and much can be done to achieve our objective by the stringent application of the Commission's directive, amended as recommended by this House. I am sure that we are all agreed on this point.

Appropriate action must now be taken in the individual Member States. Mr Pisoni referred earlier to the difficulties which arise in the United Kingdom and France. We believe that unless we stop this, confidence in the official processes of labour recruitment will also be undermined. I therefore agree with the Commission when it says in its explanatory memorandum on the extension of this directive that illegal migration and illegal employment must be prose-

Jahn

cuted. The disadvantages suffered by illegal immigrants as a result of their situation must be alleviated by defending their rights and by ensuring that they themselves and also their employers fulfil their obligations. In the countries I have mentioned — I referred to two — the governments too must undertake the task of informing migrant workers as part of the campaign against misleading methods of recruitment, for if they do not, they will run into difficulties when they are asked officially to provide manpower.

The most important thing of all is that there should be effective control. In the Commission's view there is no effective control at the Community's internal frontiers. If that is the case — and I believe that the Commission's experience is sufficient — then control should be exercised at the place of work, in other words with the employer, for he after all must know where his workforce comes from. In Germany we have the labour office which directs manpower to the companies that ask for it, so that we have continuous control. If an undertaking employs illegal immigrants, the records are falsified which means that the existing control procedures do not show that there is anything untoward.

Here, of course — and this is a point mentioned by Mr Pisoni — we must pay particularly close attention to working hours. We are also convinced that when it comes to prosecution, it is essential — and here my group is in full agreement with the Commission — group strongly deterrent penalties should be imposed.

Like the previous speaker I particularly welcome the fact that the Commission has added a provision to the directive under which the rights of illegal immigrants in respect of work already performed must be protected and employers must fulfil the obligations thus entailed. Under Art. 7 (1b), employers convicted of employing workers illegally are required to comply in full with the obligations arising from such employment as if it were a normal case of employment. I am thinking here, of course, of the entire social sector.

To this extent I feel that the proposed directive is properly balanced and does not load the dice against the employer. In the interests of even greater balance, however, I agree with the amendment proposed by the Legal Affairs Committee to the arrangements contained in Art. 5 in the matter of repatriation costs. It is only fair that the employer should not be required to pay those costs if he was unaware that the employment was illegal, in the case, for instance, where he was provided with forged papers by the manpower agency.

Ladies and gentlemen, we are all agreed that this is an urgent matter which must be speedily dealt with. We have already considered it as such and my own feelings have been confirmed today by what Mr Pisoni has said. I therefore fail to understand why no one has

thought of cutting back the time allowed under Art. 10 (1) for incorporating the directive in national legislation from two years to one year, and I shall therefore take steps in this direction this afternoon. It would be quite a feasible thing to do considering that the Member States need not make any basic changes to their present regulations which are designed in any case to restrict and control immigration from third countries.

Nor are there any major legal problems as the Commission, in its amended proposal, does not recommend that the penalties for infringements should be harmonized at Community level, which in itself would have been a desirable thing. The differences in the Member States' criminal law — and here I address myself particularly to my colleagues from the United Kingdom — will not therefore be affected by the present directive; this is why I am surprised that so many difficulties have cropped up in this area.

Furthermore, it is no fault of this House that so much valuable time has been lost. It should be remembered that the first Commission proposal in this matter was put forward back in November 1976. We all agreed at the time that the matter was urgent. In order to make up for at least some of the time that has been lost, I feel that there is a good case for cutting a year off the time allowed for implementation. I am familiar with the objections of an administrative nature, etc. that may be made, perhaps also by the Commission and the Council, but I consider the proposal to be justified in view of the fact that we have so far made a point of stressing how urgent the matter is.

You must remember, ladies and gentlemen, that the planned measures cannot be implemented until 1980 at the earliest. I therefore propose an amendment on those lines to Art. 10 (1) of the proposed directive and hope that we can agree to it this afternoon.

Finally, I should like to say how much I welcome the requirement placed on Member States under Art. 10 (2) to inform the Commission of *all* and not only the most important legal and administrative measure planned under the directive, for if it is not informed, we shall not have a clear picture. I therefore stress the point that the Commission must be informed of all, and not only of the most important legal and administrative measures planned under the directive so that it can state its views far enough in advance. On many other occasions in the past, we have recommended that more extensive information be required in the interests of uniform implementation of Community directives in the Member States.

Our group will approve the motion for a resolution.

(Applause)

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

Mr Cifarelli. — (I) I wish to say, on behalf of my group, that we approve the amended proposal for a directive before the House.

We have listened to what the other speakers have had to say and I do not intend to repeat their arguments. I should simply like to recall that when we came to discuss the report tabled by Mr Pisoni — whom I should like to thank on behalf of my group for the work he has done — we expressed our approval after having reviewed the thorny problem of illegal migration and employment.

We have already drawn attention to the serious human, economic and political problems caused by this type of migration and employment. We should therefore like to express our approval for what the Commission has done, for in submitting a directive that is binding on the Member States and must be incorporated in their legislation, it has not been content with the weaker types of arrangement that are possible under the Community's legislative system. Personally, I am in favour of regulations and — *a fortiori* — I am in favour of this draft directive.

The aim we are pursuing is essentially to prevent and sanction illegal migration and employment, to mitigate the adverse effects which this has on the work situation of migrant workers and to ensure closer cooperation in this respect between the Member States.

What is fundamentally new in this draft directive is that it safeguards the rights of illegal migrant workers as far as work already performed and fulfilment by employers of the relevant obligations are concerned. This is a vital point and it must be implemented as radically as possible if we are to bring the situation under control, for here we are striking at one of the roots of the problem. It is clear that those who work illegally do so because of the unsatisfactory economic situation in their own countries and, more specifically, because of the scourge of unemployment. The countries which import labour of this kind are the gainers in that it helps their own economic development. It would, of course, be going too far to encourage illegal employment, making it cheaper with expulsion as the only alternative, as this would completely fail to recognize the position of the workers involved and the work they had already performed.

From this point of view, wage-earners are the veritable scapegoats of existing economic imbalances and we have always protested against this short-term view, in accordance with which workers are taken on in large numbers when the economic situation is favourable and made immediately redundant and repatriated when it takes a turn for the worse.

We are also convinced, Mr President, that what we are faced with is a structural problem which must be tackled at its roots. In order to combat illegal immigration and employment effectively, it is not enough to take preventive and punitive measures but, as Mr Pisoni said in his report, we must do something to put an end to the economic advantages that are obtained from taking on illegal labour. In this context, the need to harmonize legal penalties must be borne in mind. We all know that as matters stand, there is no Community criminal law and that claims are made in support of separate bodies of criminal legislation based on appeals to genuine federal structures such as obtain in the United States of America. But we must realize here that if there are differences in penalties under criminal legislation and in the underlying basis and effects of such legislation, it will be difficult for the Community to close the door on illegal immigration, with the full consequences which this implies for the Member States.

I shall conclude by stressing, Mr President, that beyond the immediate measures advocated by the Commission to settle this problem once and for all, we must come to grips with its structural aspects. If we wish to have a broader based regional policy, we must therefore grant practical assistance to develop the economies of those countries whose workers illegally enter the Community. What we also need in the Community is a change in mental and social attitudes towards certain types of work that are considered degrading and are shunned because they are not well enough paid. The result is that people in the Community prefer to sign on the dole rather than accept this type of work. This is an immoral and harmful attitude and raises serious questions about our system of education, our social organization and the vocational training that we provide. We must attend to this problem if we wish our economic systems to remain viable in our own day and age which has seen a change in many of our traditional assumptions about economic relations between countries, both within the Community and between the Community and the rest of the world, and particularly with the developing countries.

I shall conclude my remarks by confirming that my group will vote in favour of Mr Pisoni's report.

(Applause)

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

Mrs Kellett-Bowman. — In redrafting this directive on illegal migration and illegal employment, the

Kellett-Bowmann

Commission has alas, in the view of the European Conservative Group, tackled the problem with a lack of sensitivity, both to the fact that the circumstances of illegal migration differ very considerably indeed within the Community.

I am very sad indeed that, because of the very different circumstances in the United Kingdom, we are at variance with our friends and colleagues in the other Member States on this particular directive. When we discussed this matter in committee, I was astounded to hear the representative of the Commission admit, when pressed a second time, that no talks of any sort, shape or kind had taken place with any immigrant groups in the United Kingdom, despite the very great anxiety which this proposed directive is causing to all our immigrant communities and to everybody in the United Kingdom who is seeking to promote racial harmony — and heaven knows, Mr President, we are doing our best in the United Kingdom to do exactly that.

I shall address myself, Mr President, on this occasion mainly to the draft directive itself. As I said in committee, we do not believe that Mr Pisoni's report — although he put it forward very moderately and persuasively this morning — gives sufficient consideration to the important differences between the first and second drafts of the directive as put before this Parliament. We simply cannot give our agreement to the blanket support which he expresses in his motion for a resolution. I can assure Mr Pisoni that our opposition is by no means negative, as he described it in his opening remarks. We are indeed very positive in our opposition to this directive as it stands; we wish to amend it positively, and have put forward amendments to that effect.

The nub of our objections to the directive is that it interferes with national law and creates, in the case of the United Kingdom, the wholly new crime of illegal employment. I am very well aware that in other Member States this would not be regarded as extraordinary or as being in any way as important as the benefits which the directive would confer on illegal immigrants who are being exploited and for whom we have considerable sympathy. But that is not the case in the United Kingdom. For us, the concept of illegal employment and the need to police the law on illegal migration and employment through checks at the place of employment would place a grave strain on race relations. I do not agree with Mr Jahn that our checks at the place of entry — we are an island community — are in fact ineffective. It would damage the chances of immigrants with employers and, because of the possible need to introduce some kind of identity card system, would render the Community extremely unpopular in the eyes of the general public — and this just on the very eve of direct elections.

Let me make this point step by step. The draft directive we now have before us removes the alternative that existed in the earlier draft whereby Member States could exercise controls either at the place of employment or the place of entry; and it is by no means as flexible in its terms as Mr Albers implied in his remarks. One of the more damaging aspects of the Pisoni report is that it fails to mention this change, even though its social reverberations in the United Kingdom would be very considerable indeed. At the present moment, the United Kingdom authorities exercise control on illegal migrants at the place of entry, but not — except perhaps in very isolated instances — at the place of employment. British employers are under a legal obligation to obtain from their employees their tax and social security details, but there is no obligation whatsoever on them to ascertain whether the employee is or is not a legal migrant. Indeed, there exists no system, as there appears to in Germany, of documentation which would give the employer this information. Hence, people in Britain have tended to conclude that a directive like this would mean identity cards for everybody, as indeed it well could.

We agree with the Commission that the present situation is very far from ideal. Our problem in Britain is not so much with the illegal migrants who come in on false papers or attempt to evade the authorities altogether, but with what we call the 'over-stayers' — those who have come in with visitor or student status and have stayed on to work illegally. Their numbers may well be considerable. We have no means of knowing, and they may well be liable to exploitation by unscrupulous operators. It is for that reason that the next Conservative Government in Britain will set up an enquiry to investigate ways of controlling illegal immigration and unauthorized overstaying, which is our main problem.

The Commission, I believe, tends to regard British controls at ports of entry as so patently inadequate that they think the United Kingdom would be willing in time to conform to the directive's terms. They cite the Home Secretary's statement of 9 February 1977 that methods of ensuring that all applicants for employment are entitled to take it will be discussed with both sides of industry. They refer also to the statement by the British Junior Minister for Employment, Mr John Grant, of 15 June 1977, that employers should be prepared to count workers within minority racial groups. They point out that the British Home Office and Department of Employment, through the use of computers, should one day be able to have a much more accurate picture of the size of the 'over-stayer' population than it does now, and that this could make policing of illegal immigration after entry much easier.

Kellett-Bowmann

But there is a long way from these statements and possible developments to a directive which says that there must be controls at the place of employment — a directive which, if Mr Pisoni has his way, will be adopted by the Council in the shortest possible time, and, if Mr Jahn's amendment is successful, in an even shorter time still. We believe that it should be left to the Member States to decide whether they wish to institute controls of employers at the place of employment, or whether they consider their existing controls at the place of entry are adequate or can be made adequate. This much direction must be left to the Member States, and this is the purpose of our amendment to Article 3.

It follows from our arguments on this point that we cannot agree with the language of the directive in Articles 1, 4 and 5, where provision is not made for the fact that employers may not, in certain countries, be liable or able to ascertain whether or not workers are illegal migrants. This is certainly the case in our country at the present time. Unless a system exists whereby employers can ascertain the legal status of potential employees, then the sanctions against employers, the placing on them of deportation costs and so on, are quite manifestly unfair. This is the reason why we are proposing amendments which would restore safeguards for those employers who could not reasonably have known that they were employing illegal migrant workers.

We have two further objections to the directive in its present form, Mr President. Firstly we do not feel that a directive should be as specific about legal penalties as this one is in Article 4(b). Again, this a question that should be left to Member States. Secondly, we feel that the Commission has taken too little account of the differences in national law in drafting Article 6. At present, anyone who has entered the United Kingdom legally but stayed on illegally has a right of appeal against deportation. But anyone who has entered illegally may be deported without the right of appeal. This may be a distinction which the United Kingdom authorities will wish to continue to observe, and again we feel that this is a matter for them. For these reasons, I have put forward, in the name of my group, Amendments Nos 7, 8, 9, 10 and 11; though if we failed to get all our amendments through we would in fact be supporting those of the Legal Affairs Committee. We feel that our amendments are absolutely vital if this draft directive is to stand the slightest chance of being passed in Council. I was interested to hear this point raised by a Member. We wish to redraft Article 1 (1b) and insert the words:

illegal employment shall mean the *knowing and deliberate* paid employment of a person.

Because we believe that it is wrong to punish an unwilling fault.

In Article 3, we wish to delete the word 'especially' and insert 'if necessary', thus restoring the option which was in previous drafts of the directive, so that we will still be able to control our immigrants only at the port of entry. In Article 4a, we wish to insert the word 'knowingly', so that this will read, 'sanctions are applied to persons who knowingly organize, etc.' Now when we had the House of Commons Select Committee discussing this matter, they were very concerned with the fact that in this re-drafted directive the word 'knowingly', which they believe was a safeguard, has been omitted. As to Article 4b, we wish to delete this sub-paragraph, on the grounds now expressed by the Legal Affairs Committee in its opinion, namely that under Article 189 of the Treaty, a directive should be binding as to the result to be achieved, but national authorities are free as to the methods to be used therein. As to article 5, we would like in fact to delete this because we think it is wrong, but failing that we would support the Legal Affairs Committee on this matter.

Mr President, I end as I began. Mr Pisoni likes this directive, and all the other speakers who have spoken also like it. He feels that it would greatly improve the lot of the many illegal migrants in this Community, who, driven by economic necessity, are cruelly exploited by unscrupulous traffickers and employers. He is, in my opinion, absolutely right as regards their exploitation, but not in believing that this directive, as it stands, would improve their lot. He is perfectly correct, of course, in saying that we must set up a tool for combating the problem, but in the view of my group this is not the proper tool. I therefore beg him and the Commissioner to see that there is another side to this question.

In the context of the United Kingdom, this directive is bound to seem extraordinarily insensitive to those whom it is intended to help, namely the migrant population. Our migrant population has to contend not simply with social prejudice but very often with deep racial prejudices. Over the years we have made remarkable progress in the United Kingdom towards the creation of peaceful multi-racial communities. This directive could blow that apart. It can be interpreted to mean the necessity of police raids on factories, in which dark-skinned or black immigrants would inevitably be the focus of attention. It could sour relations between employers and workers. It could damage the employment chances of minority groups. We think this is a question which needs far more delicate and sympathetic handling than the Commission has given it. This, Mr President, is the

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reasoning behind the position we have adopted on this directive, and the reason for our amendments. I do hope that other groups will sympathize with us and support us in our amendments, because this, I would respectfully suggest, is the only way that this directive will go through the Council.

(Applause)

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

Mr Pistillo. — *(I)* Mr President, ladies and gentlemen, the problem before the House concerns the package of measures that have been or are to be adopted in order to combat effectively illegal migration and illegal employment and our group finds itself in agreement with the draft directive. The subject is one which has already been discussed on many occasions and has often given rise to heated and, I may add, unbalanced debate. Our view is that this problem calls for specific measures at Community level and for this reason, we are in agreement with the Commission's directive on the approximation of Member States' legislation. We realize that this is not an easy matter and that it cannot be resolved in a short space of time. There are too many legal differences, too many established situations and (why should there not be?) too many interests at stake to make it an easy matter to approximate the legislation of the nine Member States on uncontrolled and non-assisted immigration. This having been said, Mr President, we should have the courage to affirm the need for progress in this field through a series of measures to aid workers, to protect their social security and to uphold their dignity and equal status with all other workers; it is equally necessary to adopt measures against those who make a living out of illegal employment, against those who speculate on the need to work of millions of human beings in other countries who come here without adequate assistance only to find that they are not fairly rewarded for work which, in certain countries, no one else is prepared to do.

As I have already said, we therefore approve the draft directive and call on the Commission and Council to ensure that it is duly implemented in all nine Member States, even although we recognize that this must be a gradual process.

What is important — and this point, I feel, is clearly made in Mr Pisoni's report — is not so much the prosecution of speculators — although this should be part of the process — but preventive action either under the general policy of the Community to create new employment — particularly in poorer areas — or in the form of measures designed to protect the workers in question. In our opinion, the problem also calls for greater trade union commitment at European level.

There is a further point to which I should like briefly to call your attention: many of the illegal immigrants come from the poorer countries of the Mediterranean basin and the Third World as a number of other speakers have already pointed out. The reason seems perfectly clear. There are large numbers of people concentrated in those regions who are without work and who are anxious to escape from hunger, despair and misery. It is from those regions that huge numbers of men, women and children are recruited in circumstances which are invariably dreadful. What we have is a full-scale slave trade with modern methods but it is no less ignoble and inhuman than the slave trade of old. I am struck and not a little surprised by the somewhat hypocritical arguments I hear from those who claim that there is no illegal immigration and illegal employment and who call for greater liberty. What they are in fact calling for is greater liberty to exploit labour, especially when it is non-assisted and undefended. Sometimes those arguments are advanced in the name of racial parity but it is the need to accord the same treatment to all workers, regardless of their country of origin, which underlies our own support for the proposals and the other measures which should be adopted in this field.

If it wishes to provide a political and moral lead, the Community must wage a sustained campaign against exploitation, against the humiliation of countless workers and against the serious disparities that need to be gradually removed. We agree with Mr Albers' proposal that it might be useful to convene for this purpose a European conference on emigration; it is not a new proposal but a conference of this kind should be held as soon as possible; it should be attended, first and foremost, by representatives of the immigrants themselves who would have much to say about their condition, the rights they have been denied and the claims they wish to make (I am thinking here not only of illegal immigrants but also of workers from other Community countries). The Europe which we wish to build, Mr President, ladies and gentlemen, should set an example by showing a new way of treating workers, regardless of their race or country of origin. With the draft directive before us today, our Parliament should be able to give an earnest not only of its political sensitivity but also of its concern for man.

(Applause)

IN THE CHAIR: MR SPÉNALE

Vice-President

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

Mr Nyborg. — *(DK)* Mr President, the problem of illegal migration and illegal employment has clearly

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been made topical by the economic crisis in the Community and the consequent increase in unemployment. It is necessary, firstly, for the Community and its companies to protect themselves against unfair competition harmful to the interests of workers in the EEC, and secondly, to apply provisions protecting illegal workers against exploitation and excessively arbitrary methods. We must therefore, in our view, make policies for preventing illegal immigration more stringent, in order to tighten up controls on entry-points into the Community from non-Member States.

If we are to achieve satisfactory results, both sides of industry must take part in the implementation of this preventive policy. Both management and labour must therefore comply with all obligations and rights connected with work already being performed illegally. This means that, when such cases are discovered, employers must fulfil their social obligations as regards working conditions, just as workers are naturally bound by related obligations such as having to pay taxes. In cases where the illegal worker is not expelled immediately, it would also be reasonable that, as regards notice of dismissal, his length of service should be taken into account.

Close cooperation on the penalization of persons or organizations exploiting illegal workers is called for at EEC level. However, as the Commission also stresses, it would hardly be reasonable to harmonize penalties in this field. The argument in the report advocating support for third countries' economies as a contribution to the elimination of illegal migration and illegal employment carries little weight, for I cannot imagine that this will solve the problems in either the short or the relatively long term. The proposed amendment by the Legal Affairs Committee concerning employers' good faith with regard to the fixing of the cost of repatriating illegal workers is extremely fair. The Group of European Progressive Democrats supports that amendment and also recommends the House to vote in favour of the motion for a resolution.

(Applause)

President. — I call Mr Lezzi.

Mr Lezzi. — *(I)* Mr President, I too should like to congratulate Commissioner Vredeling on the job he has done within the Commission and I hope that irrespective of the decisions subsequently taken by the Council of Ministers the directive will be scrupulously complied with. The Council must clearly bear in mind that the European Parliament has made a substantial contribution to the drafting of the directive as evidenced by the modified proposal that emerged from one of the most significant phases of the action pursued by our friend and colleague Mr Pisoni in the Committee on Social Affairs and also in the course of the general debate.

At a time when one of the topics discussed in Europe and elsewhere in the world is human and civil rights, the amended proposal recognizes at long last that the position of the illegal worker should be assessed essentially in terms of the work he performs and not in terms of the infringement of rules of sojourn. Finally, thanks to the Commission's initiative, there is recognition of a right to fair remuneration, to payment for holidays which have been earned but not taken up and to social security contributions. In other words, immigrants affected by expulsion measures should in the last analysis enjoy the same treatment as accorded to national workers.

Earlier on, Mr Pistillo expressed the hope that the trade unions would play their proper part in the process. I share this hope, in the awareness and certainty that at Community level, the trade unions have always had the situation and fate of the unemployed and of illegal immigrants very much at heart and are well aware that measures of this kind may well have a substantial revolutionary content.

We all know very well that illegal immigrants have found employment in the major industrial democracies of Europe. But where have they found employment? In jobs which other workers have refused to take, and this at a time when there is a shortage of unskilled labour.

Clearly, we must very soon lay the foundations — and we shall probably discuss this in connection with the report on the tripartite conference — for a different manpower structure and for a revaluation of manual work. Otherwise it will be extremely difficult to provide occupational outlets for the young generation, who may well possess the academic and professional certificates required but will be unable to find employment and thus take part in the process of economic development.

Finally, the problem of illegal immigration has been tackled not in legal but in political terms. I am aware of the tremendous difficulties there are in harmonizing the various legislations and of the deep-rooted concerns that lie behind those difficulties, but the central issue is the recognition of the rights acquired by illegal workers in the performance of their work. This is the nub of the matter and all other questions can, in my view, be more closely considered and reconsidered in order to ensure that the aim of harmonizing legislation at the earliest possible date is not thwarted.

I believe that this directive will help to create the conditions in which — at a time of crisis and growing unemployment — we can begin to plan the various aspects of the national and international labour market and to remove the distortions in the implementation of investments and development plans in the sectors of production in order to upgrade the

Lezzi

status of manual work and also to create a different wages dynamic, for we know perfectly well that illegal and uncertain employment have hitherto resulted in extremely low wages.

Mr President, Mr Commissioner, the draft directive which this House is about to approve forms a link between the labour policy guidelines of the European Parliament and the Community institutions and those adopted by the various international labour organizations and by the 60th International Labour Conference.

The Europe forged by the Community, the Europe which will shortly be seeking the votes of hundreds of millions of electors must show a human face and a moral commitment in tackling the problems which lie in the forefront of public international interest.

(Applause)

President. — I call Mr Cunningham.

Mr Cunningham. — Mr President, I think there are some points on this subject which virtually go with out saying and on which we would all be agreed. First of all, it is a very important subject. It is an area in which great hardship is caused to individuals and to families. It is an area in which there is a great deal of abuse and exploitation of individuals. It is a subject-matter on which legislation is clearly required, whether that legislation is at Community level or national level, and that legislation, at whatever level it is made, needs constantly to be reviewed. Changes may therefore be required in the laws which apply in each of our countries to this subject. All that can be taken without argument. But the question before us is surely first of all whether this is a subject on which Community legislation is appropriate at this particular time and time, stress 'at this particular time' because it might well be that if it is not appropriate now it would become appropriate as, by a voluntary process, there is a greater approximation of laws in the years to come.

This directive is being offered under Article 100 of the Treaty. That, of course, is a very curious article, elastic to an infinite degree, because it allows the making of directives for the approximation of laws wherever it is thought that the lack of it directly affects the establishment or functioning of the Common Market, and pretty well any approximation of laws would be legally permissible, I think, under that definition. I am not suggesting, though I think it could be contended, that this directive is *ultra vires* with respect to the Treaty. It would be an interesting argument and it is about time somebody tried it, but I am not contending that for the moment. What I do say is that a directive providing for the approximation of laws on this subject — and, indeed, on many others — may be legal but may not be wise at a particular

point in time. Article 100 should always be used with an infinity of caution; otherwise, we are going to have a resentment built up against Brussels which is both unnecessary and unhelpful to everyone, whatever view they take of the pace of unification in the Community.

I would argue that whenever the Commission brings forward a proposal under Article 100 it ought quite specifically to argue the need for the approximation of laws on that particular subject. In this debate so far it seems to be taken for granted that there is an infringement of free competition entailed in having different national laws on this subject. Does anyone seriously contend that an employer in the Federal Republic has either a significant — I underline the word 'significant' — advantage or disadvantage *vis-à-vis* an employer in Italy or the United Kingdom as a result of our not having Community law on this subject? I should have thought that there were very many other differences in our countries' conditions and laws which were far more significant in giving to employers in one country an advantage or disadvantage over employers in another country.

And so the case has not been made out that there is a justification in practice as against in law for the invocation of Article 100. This subject, we would all agree, is highly sensitive politically in all our countries and I doubt whether, with the greatest respect, any Commission sitting in Brussels could ever possess that degree of responsiveness to varying national conditions which would make it appropriate for them to draw up a directive on this subject at this point in time. So in the absence of evidence having been convincingly brought forward that there is a significant infringement of free competition entailed in going on as we are now, I would argue that the case for the directive has not been made.

It has already been said that in the United Kingdom we have the particular problem that our form of control is different in nature from that adopted in all the other countries of the Community except the Irish Republic. That is, of course, because we are an island. I happen to believe that the method used on the continent is better and that we ought to move towards the internal method of control instead of our normal method of control; but I must say, speaking as a Member of the House of Commons, that the chances of getting such a change through the House of Commons are virtually nil. And as for the notion that that you could pass legislation of that kind through the House of Commons by the expedited procedure permissible for legislation under a directive in the course of twelve months, well, that is laughable. There is just no chance of that, I would say, at all. And therefore to proceed on the basis of complying with such a directive within twelve months is simply to invite non-compliance by at least one member of the Community.

Cunningham

However, if the Community does go ahead with a directive on this subject, then I have one particular grievance about the particular text which is before us and, if I may say so, more particularly with the general content of Mr Pisoni's report. The implication both in the directive and in that report is that the main responsibility for the breaches of law entailed in illegal immigration rests with the employer. Now I cannot speak about other countries, although I know that there is very great abuse in the south-western parts of the United States, where I dare say the main responsibility will lie with employers, and the same may be true, for all I know, of some parts of the Community, but it is certainly not so in the case of the United Kingdom. There are, perhaps, occasional employers, particularly in the hotel trade, who make a practice of trying to recruit labour from outside the country, and they are not very interested in whether it is legal or illegal. But as a general rule there is no practice in the United Kingdom of employers trying to recruit and to hold illegal labour because they know that they can employ them on cheaper terms. That is not our problem, but the responsibility for the illegal immigration which takes place in the United Kingdom, in my view, rests virtually entirely with the illegal immigrant.

Now the illegal immigrant may not know precisely what subsection of what law he has infringed. He would find it difficult to explain to you what his citizenship status in the United Kingdom is, because in the United Kingdom we have such a citizenship law that hardly anybody comprehends it, including, I would say, half the members of the Cabinet. However, though he doesn't know exactly what law he has infringed, he does know that he has infringed the law; because everyone all over the world knows that you cannot simply enter a country as, let us say, a visitor, which, as my colleague Mrs Kellett-Bowman said, is a very common way of entering the United Kingdom, and then stay on and take a job. He asserts, of course, when he is caught that he didn't know he was breaking the law, but you wouldn't expect him to do anything other than that. Therefore, at least in our conditions — and, I would have thought, in those of other countries in the Community too — far more blame attaches to the individual illegal immigrant than is implied in the Pisoni report and in this draft directive, and that, if we are going ahead with the directive, needs to be reflected in the measures that are laid down for placing the blame and the penalty for the criminal action.

My preference in this case would be to say that the directive should be dropped for the moment, since our laws and our conditions are not sufficiently similar for it to be sensible to have a directive of this kind at this time. However, I do accept, by contrast with some other subjects on which we have attempted to approximate laws, that this is a subject on which

some coming together of the law is desirable; and so what I would hope to see — and I think the Commission has a useful part to play in this — is: drop the directive, but do not drop the work; organize meetings between national authorities on this subject, as has happened in the past, so that there is a voluntary harmonization of legislation and conditions over a period of years. Then we can look forward to a time when we can expect it to become appropriate to have a directive on the subject.

(Applause).

President. I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — *(NL)* Mr President, allow me to begin with a word of recognition for the tenacity of Parliament in dealing with this difficult subject. On the last occasion when our proposal was discussed the overwhelming majority of Members of Parliament made certain critical observations to which the Commission listened closely. We have adapted our proposal to the amendments adopted. We have taken account of the wishes expressed by an overwhelming majority in Parliament and adjusted our text accordingly, particularly in the matter of social protection for illegal workers in the Community. Mr Pisoni's report is logically argued and I wish to congratulate him on its clear and systematic structure. To find out how matters have developed you need only read the Pisoni report which contains a succinct and clear statement of the facts.

For all these reasons I do not think there is any need for me to repeat what I said last time when I explained the reasons for bringing out a directive. But I do want to make a few remarks prompted by the reactions of Mrs Kellett-Bowman and Mr Cunningham.

First a general observation. The problem of illegal employment does not exist in our Community on the same gigantic scale as in an industrialized country like the United States. The number of illegal workers in that country is many times higher than the number that we estimate to be present in the Community. When I visited the United States early in September, I heard various estimates ranging from 6 to 12 million. If the true figure lies somewhere between these two extremes, you will have an idea of the scale of the phenomenon in the United States where practically nothing has been done through appropriate legislation to regularize the migration of Mexicans and people from the Caribbean. That is why the problem of illegal migration has become so vast in the United States. It is so difficult that the Secretary of Labour, Mr Marshall, asked me whether he could visit the Community to see how we tackle the problem on our

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side. He has the impression that he and the other responsible authorities in the United States can learn a great deal from the way in which we are trying to solve the problem of migrant workers, and I think he is right.

We in Western Europe have no reason for self-satisfaction but, in comparison with the United States, we are pursuing a relatively active policy in this area at national level. We are now engaged in the definition of a Community policy. The free movement of workers is an example of what we are trying to do. The Community has thus taken the right path and must continue on it by dealing now with measures to combat illegal migration.

Mr Albers, Mr Cifarelli and Mr Nyborg made a number of remarks about the fact that we have not referred to sanctions but only drawn attention to the need for suitable measures in this area in the Member States. They feel that we should really take more uniform action. I already pointed out on the last occasion that it is very difficult to reach uniform agreements in this area at Community level because criminal law falls outside the sphere of Community responsibility. We can make recommendations or try to attain certain objectives, but it is very difficult to lay down uniform criteria for the penal measures to be taken in the Member States when the rules are broken; a directive is certainly not a suitable instrument for this purpose.

It is not impossible that we may have to do more about this in the long run but it will take a lot of time and we did not want to delay the directive by making this particular aspect our central concern. That is why we have simply spoken of appropriate sanctions without specifying exactly what form they should take.

Mr Albers rightly supposes that the conference on migrant workers in Thessalonika will also be dealing with the problem of illegal workers. I am sure that the conference organized by the union movement will include that point on its agenda.

Mr Albers referred to certain amendments which I shall be looking into when they come up for discussion. I shall then be able to discuss his observations further. With your permission, Mr President, I shall return to the amendments later.

The other speakers all supported the broad outline of the Commission's proposal. I agree with Mr Pistillo who drew attention to the less well-known phenomenon of clandestine migration into Italy. We know that the phenomenon also occurs in that country. We are also familiar with the phenomenon of migration into Berlin. Mr Jahn referred to this point. Only recently I had a visit from Mayor Stobbe of Berlin

who spoke to me about this. He also referred to the measures which the Berlin authorities were planning to take. In particular, better educational facilities are to be provided for workers who migrate to Berlin and we can provide assistance for this purpose from the Social Fund.

I must now inevitably deal with the views put forward by Mrs Kellett-Bowman and Mr Cunningham. It is of course difficult to deal with both of them in the same terms: the remarks by Mr Cunningham were much more sensitive than those of Mrs Kellett-Bowman and also somewhat more courageous. He was right when he said that it is exaggerated to claim that the employers are always at fault. We have made no such claim in our directive. Both parties may be to blame — the illegal immigrant and the employer. But we must obviously take account of the fact that they are not equal partners in the economic context, and there are also great social differences. But Mr Cunningham was right to say that it is not always the employer who bears the sole blame. Illegal workers sometimes also know very well what they are doing: they go to work in a particular country even though they know that it is illegal to do so. They are thus perfectly aware of the risk they are taking. We are understandably concerned at the social lot of illegal workers but we would certainly not go so far as to describe these social outcasts — I use the word advisedly — as angels who know no wrong. That would be perfect nonsense. No one is wholly good and illegal workers certainly cannot be put into that category. But when we come to take practical measures, we must remember their weak social position. This distinction must be made. Mr Cunningham stressed the need for legislation at national or Community level. Well, if we agree on that point we can engage in further discussion. The question then arises of expediency and of whether this is the best time to take action. A word now on this aspect. Mrs Kellett-Bowman wondered whether the Treaty in fact gave us powers in this area. We discussed the matter last time, but I want to make it perfectly clear that the principle of free movement of workers is enshrined in the Treaty of Rome. Workers are thus able to move freely within our Community. We all agree that the phenomenon of illegal migration exists and if it is tackled differently in one Member State than in another, that still does not affect the underlying principle of the free movement of workers. The fact that the free movement of workers is one of the four fundamental freedoms of our Community, and that illegal migration is so closely bound up with it, constitutes in itself full justification for Community action in this area.

Then there is another reason which is also enshrined in the Treaty itself. One general principle of the Treaty is the improvement of living and working conditions for workers in the Community. That is one of the objectives which were set down in the first Articles of the Treaty. However, in many parts of the

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Community the phenomenon of illegal employment detracts from the possibilities for regular improvement of working and living conditions of Community workers. In practice, serious discrimination often exists between different groups of workers. Given the fact that the situation on the labour market in the Community today is so unfavourable, it is therefore all the more necessary to introduce legislation at the Community level.

Mr Cunningham said that in formal terms Article 104 of the Treaty could also provide the basis for the proper exercise of powers at Community level, but that it was not reasonable to make use of that possibility.

I would draw Mr Cunningham's attention to the fact that it was the Council itself which asked us to take action in 1976. The Council invited us to put forward proposals to solve the problem of illegal employment. That is one point. And when we did come up with a modest little proposal the European Parliament told us, by an overwhelming majority, that our proposal was acceptable. It said that we must broaden our measures and we then submitted our new proposal. Even if I agreed with Mr Cunningham and Mrs Kellett-Bowman — and I repeat that I do not like to mention them in the same breath — I should still be obliged to make this proposal. But there is much more to it. I myself am able to put these proposals forward with very great conviction. All in all, I find that Mr Cunningham's criticisms overlook the fact that his views are opposed to those of the Commission and of an overwhelming majority of members of the European Parliament. He said that there would be resentment against Brussels. But there are two sides to the matter. If we do nothing, the union movement in the countries where this is an urgent issue will say that we never do anything for which they ask. That would create dissatisfaction. Obviously we cannot make arrangements for the United Kingdom alone. Let us be perfectly clear on that point. Probably that was not what Mr Cunningham was asking for anyway. It is quite impossible. We must look at the situation in all the Member States. We have chosen the instrument of the directive, precisely because its application can be fully adapted to the local situation. It is entirely up to the national authorities and national parliaments to apply the directive in the way which best suits their own situation.

I therefore do not feel that dissatisfaction with Brussels will be increased by our proposal. With one proviso, however, which is that responsible persons, among whom I number members of parliament, must not say — and Mr Cunningham did not in fact do so — that our proposal implies police checks on factories and other things of that kind. If you talk in those terms you run the risk of bringing about just what you claim to oppose. At the very least you will get a round

of cheap applause. In reality there is nothing whatever in our proposal which points in that direction. Mrs Kellett-Bowman mentioned a statement by John Grant that it would have to be possible to count the number of workers coming from other countries. But he sees no reasons of principle to oppose such a count — he merely said that it would take a long time before it could be done. In our directive, we have proposed a period of adaptation of two years. Someone may say that the period should be extended by half-a-year. Here it is being said that the period of adaptation is too long and should only be one year. I am inclined to agree with Mr Cunningham. One year is too little to make the necessary adjustments, but a period of two years seems to us very reasonable to enable the changes necessitated by our directive to be made.

Our proposal is in reality confined to illegal, paid employment. We are not concerned so much with illegal residence in a particular country as with illegal work. Because that is the purpose of our directive, we felt it necessary — in order to be able to determine whether illicit labour is being employed — to refer to the 'place of employment' as a means of effecting verifications. We are not seeking checks on individuals but controls to ascertain whether undertakings have illegal employees.

It is by no means unknown — in the United Kingdom and elsewhere — for attempts to be made to determine the extent of illicit employment.

The only question which then arises is whether, in the case of a directive concentrating on illegal, paid employment, you can be satisfied with checks on entry into the country. In my view they are not enough.

Mr Cunningham rightly pointed out that there are people who enter a country as tourists or on a short employment contract for one or two years and then do not leave again. That is a well-known phenomenon, not only in England but in other Community countries too. At the end of a period which is relatively short in the case of tourists and sometimes rather longer for employment contracts of fixed duration, the person concerned has, by definition, no further legal right of residence and runs the risk of being expelled. The right of residence is checked — in the United Kingdom just as it is in other countries. I cannot see why all this emotion should suddenly be generated — unless it is being artificially fanned, perhaps by presenting a distorted picture of the real situation. I do not see why measures which are applied as a matter of course in all the other Member States should suddenly bring about revolutionary changes in the United Kingdom, unless it is constantly being repeated that police raids may be organized as a result and that people will be stopped in the streets on a large scale because of the colour of

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their skin and that identity checks will be necessary. But none of this is provided for in the directive, absolutely not, and assertions of this kind simply undermine its prospects of success. I have heard it said that these objections are cheap and irresponsible — and indeed they are a way of playing with dangerous, popular sentiments. I repeat that it seems to me quite irresponsible to evoke sentiments of this kind as an objection to our directive. Of course, Mr President, Mr Cunningham did not do so. He attempted to make an objective refutation of our arguments and I find it much easier to discuss the matter with him than with persons who play on dangerous emotions.

The other argument that we have not held the necessary consultations is quite unfounded. We did hold discussions Mr President, for example with the union movement we are concerned here specifically with workers in paid employment and whom are we to consult in this area rather the union? What is more, in this particular instance we personally received the Select Committee of the House of Commons and held a detailed exchange of views on this proposal. We held discussions in a very calm atmosphere, and we recognized that illegal employment is certainly a very real problem at present and that it is high time for action at Community level.

Finally, Mr President, I want to comment on the very general problem of the amendments submitted at this stage. We are now discussing a proposal for the second time. We had originally submitted a proposal which we adjusted after Parliament had delivered its opinion. If Parliament now makes further amendments we shall have to refer a new, modified text to the Council — and so it may continue for a long time. I am not in any way disputing Parliament's right of amendment but merely pointing out that this is the second occasion on which we are dealing with this proposal for a directive.

As to Mr Albers' crucial question about the feasibility of our proposal and whether there is sufficient political determination to reach decisions, I would say that my experience of the work on our proposal at the level of the experts does not make me terribly optimistic about the further course of events. There must obviously be room for national measures in this area, but if all we are left with is an empty shell with the word 'directive' becoming practically meaningless, the Commission, or I myself at least, is bound to ask whether it is worth all the trouble of trying to bring about European provisions at this level. Perhaps then those persons who say 'I told you from the start that this is all impossible' will smile smugly and feel that they have achieved their aim; I personally would find that a very sad state of affairs. It is really inconceivable that events should turn out as they now seem to be doing: that we submit a proposal which has the full support of the Economic and Social Committee, the

union movement and the European Parliament, only to find that the Council wishes to be content with the absolute minimum. Of course the whole matter still has to be discussed in the Council of Ministers. We hear so much about the achievements of the Community in the sphere of commercial policy and economic affairs. But when it comes to the social sector nothing whatever is done at Community level. We now have a chance of taking measures in one specific sector and I appeal to the Council, over the head of the European Parliament, to adopt a positive attitude on this occasion.

I shall now look briefly at the amendments. Amendment No 1 by Mr Albers seeks to replace our words 'bad faith' by 'illegal migrant workers who have been shown by the judicial authorities to have remained in illegal employment.' Mr President, I do not like this change. I do not like it because Mr Albers' wording 'shown by the judicial authorities to have remained in illegal employment' will by definition extend to persons who entered the country on a *visa fide* basis at a given point in time. Our own term 'bad faith' excludes that possibility. Mr President, I prefer our own version. I understand Mr Albers' intention but it will not be achieved through his text, on the contrary the whole concept will become even looser. His text runs the risk of covering cases of good faith which is impossible in our version — by definition, because we use the words bad faith. And the fact remains that in any legal system bad faith must be proved while good faith is assumed to exist.

Mr Albers' second amendment refers to benefits in respect of which premiums have been paid or are owing until such time as the migrant worker leaves the territory of the Member States. I have no objection to this text as such, but our own draft expressly stipulates that illegal migrants are to be treated in exactly the same way as nationals of the countries concerned; there can therefore be no question of differences in treatment. In other words, Mr President, we already have full protection especially as Article 7 (3) requires the Member States to see to it that the workers concerned — that is to say the illegal workers — can have their rights enforced at any time. The combination of these two provisions makes the amendment redundant. I believe that the system we have laid down is watertight. Illegal migrants must be treated in exactly the same way as nationals.

Mr Calewaert expresses concern in his amendment that the employer will have to pay the cost of repatriation, even if he could not reasonably have known that the employment was illicit. This concern is in fact unfounded because our proposal certainly does not require employers to pay these repatriation costs when they could not have known the employment to be illegal. In other words Mr Calewaert's fear is superfluous.

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The fourth amendment to the resolution is technical in nature and I shall not dwell on it here.

Amendment No 5 by Mr Calewaert on behalf of the Legal Affairs Committee relates to a change — or rather an improvement — desired by his committee which seeks to alter the text of the relevant article to read that an illegal migrant cannot be expelled if the judicial authorities have not found him to be acting in bad faith. But a judge never finds that a person 'has not been acting in bad faith.' This turn of phrase is not well chosen. As to the second part of the amendment, I consider the addition 'in the absence of an employer or incapacity of the employee or employer, and if the latter did not know, and could not reasonably have known, the employment to be illegal' to be quite acceptable. We shall gladly raise this point in the Council and I am choosing my words carefully, Mr President, because if I said 'we accept this amendment' I should then be involved in the whole process of seeing to the amendment of the proposal by the Commission, its submission to the Council etc. I hope that Parliament will agree to the promise that my colleagues and I will state, in dealing with this point, that we find it to be a reasonable observation by Parliament; in this way it will be possible to avoid the cumbersome procedure that I just mentioned to you.

As to Mr Jahn's amendment reducing the time limit to twelve months, I already said with reference to Mr Cunningham's observations that it does not seem reasonable to reduce our proposed time limit of two years to twelve months. This is a very complex subject and we shall need time to make the adjustments. I therefore hope that Parliament will reject this amendment.

As to the amendments tabled by Mrs Kellett-Bowman, I would briefly say this: there is, Mr President, a fundamental difference of opinion between her and the Commission, and indeed an overwhelming majority of Members of this Parliament. We see a need for legislative provisions in this area and I must say that the amendments which she has tabled amount partly to a repetition of the points made in previous discussions when she made her views known. I believe that a majority of Members of Parliament will now wish to reject these amendments at the stage of second consideration and I strongly advise them to do so. If — and I do not expect this to be the case — the amendments are adopted, I must inform you that the Commission has no intention of adapting its proposals to them.

President. — Thank you, Mr Vredeling, for that long statement and for the position you have taken on the amendments.

If I might express a wish, it would be that the Commission did not state, before Parliament had expressed an opinion on a given subject, that whatever it did it would not modify its position.

I note that no-one else wishes to speak. The motion for a resolution will be put to the vote, together with the amendments that have been moved, this afternoon at voting time.

The debate is closed.

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

(the sitting was suspended at 12.50 p.m. and resumed at 3.00 p.m.)

IN THE CHAIR : MR COLOMBO

President. — The sitting is resumed.

6. Question Time

President. — The next item is Question Time (Doc. 351/78).

We shall begin with questions to the Commission of the European Communities. The representative of the Commission is requested to answer these questions, and any supplementary questions.

Question No 1, by Mr Nyborg

How long will the Commission tolerate the United Kingdom's repeated disregard of the provisions of the Treaty of Rome, including those applicable to fisheries policy, before it brings an action against the United Kingdom in the Court of Justice?

And Question No 27, by Mr Stetter :

How does the Commission intend to have the illegal British restrictions on fishing in the North Sea rescinded?

These questions, relating to the same subject may be taken together.

Mr Gundelach, Vice-President of the Commission. — Article 169 of the EEC Treaty stipulates that the Commission may bring matters — including those referred to in the questions by the two honourable Members — before the Court of Justice, if it considers that a Member State is still failing to fulfil an obligation under the Treaty after the Commission has delivered a reasoned opinion on the matter and given the Member State concerned the opportunity to submit its observations.

With regard to the national measures taken by the United Kingdom Government over a period of time in the fisheries sector, to which the honourable Members seem to be referring, the Commission was notified in accordance with the procedures laid down in Annex VI to the Council Resolution of 3 November 1976. The resolution, as you may recall, states that, at least for the time being, a Member State may adopt national conservation measures provided certain conditions are fulfilled. The measures must be temporary, urgently necessary, non-discriminatory,

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and in accordance with the main lines of Community policy, and the Member State must seek the Commission's approval. The Commission's approval has been sought. In its reply to the United Kingdom Government of 29 September 1978 the Commission indicated that it could not approve some of the British national measures. With regard to others, additional information was requested and is forthcoming. The Commission made it clear that it could not approve the measures taken by the United Kingdom Government regarding the so-called Norway pout box, the Mourne stock, the Isle of Man etc.

In other cases, e.g. the ban on herring fishing west of Scotland, the British measures are in line with proposals made by the Commission itself.

There only remains the question of the Firth of Clyde which is in the process of being clarified.

Then there is the question of the 10 % by-catch, which is again a matter where the Commissioner made an identical proposal as far as the main substance is concerned, but where there is the anomaly that national measures are being taken in an area where there seems to be agreement which could lead to a Community measure. If there is a Community measure that cannot be a national measure, and there was a failure in the Council about eight days ago to take a decision in a situation where actually there was agreement.

Finally, in regard to the 70-mm mesh-sizes for netrope, the Commission itself proposed their introduction. The discussion is about the date of application of the new rule. The Commission has proposed the end of August 1979, while the British national measures come into force on 1 November.

Now, Mr President, with regard to the matters where the Commission has communicated to the United Kingdom Government that it cannot under the provisions of the Hague resolution approve the measures taken by the United Kingdom Government, we have until now not received a formal reply from the United Kingdom Government. We have received some of the additional information we requested, but we are given to understand from public announcements that the views of the Commission are not going to be followed. Some of the measures which were to be introduced on 1 October were introduced on 1 October irrespective of the views expressed by the Commission, in the latest instance on 29 September. Consequently, a situation has arisen where the Commission has to take certain decisions as to how it proceeds further under the Treaty article to which I referred at the beginning. This decision has not yet been taken by the Commission: all relevant factors are being very actively and rapidly studied and a decision will be taken by the Commission in the very near future.

Mr Nyborg. — (DK) I can very well understand what a difficult position the Commissioner is in when he has to try to sort this matter out. My personal view is that the British are violating the Treaty of Rome when they take measures which flagrantly disregard another Member State's interests. What is at stake here is the livelihood of thousands of families and therefore I should like to ask Commissioner Gundelach: Can the procedure which Mr Gundelach has mentioned be concluded at an early date, how quickly and in what way can this be done?

Mr Gundelach. — The honourable Member is entirely right to stress that considerable interests, including those of third countries, are at stake, and that consequently, if peace is to return to the high seas and an atmosphere is to be reestablished in the Council which permits negotiations on the overall common fisheries policy — which is, after all, our primary objective — to be resumed, this uncertainty must be removed. For these reasons, it is necessary that the decisions to which I referred are taken as a matter of urgency by the Commission.

Mr Stetter. — (DK) Vice-President Gundelach's answer shows that the Commission is fully aware of every aspect of this question. I do not think that anything new can be said about this problem. Great Britain is causing another member country, Denmark, enormous human and economic inconvenience and difficulties. In view of this I should like to ask Commissioner Gundelach: When does the Commission intend to fulfil its obligations under the Treaty and take the North Sea fisheries questions to the Court of Justice? We cannot wait any longer for a clear decision on this matter and I feel it is absolutely necessary that it should be made clear to Great Britain that it is now necessary to go to the Court of Justice.

Mr Gundelach. — As I said in my reply to the previous honourable Member and will repeat to Mr Stetter, there can be no doubt that the general situation concerning fishing activity in the North Sea, as well as the general climate in the Council, is deteriorating to the detriment of agreement on a common fisheries policy. That is not a matter of fulfilling a wish, but a matter of absolute necessity, because no fishing nation in the Community is capable of solving fishing policy problems on its own, either in practical or legal terms. In order to get out of the present impasse, to find a square and objective solution to problems of contestation and to secure peace on the sea — which is now at risk — there must be a decision by the Commission as to how to proceed in the immediate future. It is, in my view, a matter of not very many days. But I also, naturally, wish to underline to the House that in matters of this importance, the Commission could not have proceeded without having secured the best possible basis for its actions.

President. — I would ask Members to keep their questions short and the Commission representative to make his replies brief.

Mrs Ewing. — I would like to thank Mr Gundelach for a very considered and thoughtful reply to a very serious case of Denmark bashing Britain — involving the British pond, of course, of which Scotland has sixty per cent. I think it is a very dangerous thing that Denmark is doing, and I wonder if the Commissioner would agree with me there, particularly in the light of the fact that a few days ago, the British Minister, Mr Silkin, who has fought for a 50-mile zone with the backing of every single party in the House of Commons and every single fishing MP of all parties, was bashed personally on this issue by Mr Eamon Gallagher, the Irish Director-General. I would firstly like to ask the Commissioner if he dissociates himself from the remarks about Mr Silkin by this man, who is after all in a high position in the Commission. I think I am entitled to ask that question.

Secondly, I would like to know whether it is Mr Gundelach's view, in common with Mr Gallagher, that this 'Dundee Courier' is a trivial matter in EEC terms, representing 1 % of the gross domestic product. He doesn't say of what, but can I just ask Mr Gundelach to consider the effect this will have on the relationship between citizens in Scotland and the rest of the UK and this Community. Can I ask him to bear in mind that fishing, as I have said so often, is the rock on which we may very well perish? That in many ways would be a great pity in a noble European experiment.

Mr Gundelach. — The honourable Member has in effect put three questions.

(Laughter)

The first question I can't answer, because I am not here to defend any other interests than those of the Community as such. For the Community as such it is a matter of arriving at a common fisheries policy.

(Applause)

You are not going to trap me into making any statement which is going to make that policy more difficult to establish than it already is.

Secondly, as regards one of my officials, who is after all not a Member of the Commission, I have made it quite clear to the press—and I don't want to go into this at length again—that he was not speaking in my name or with my authority. That has been clarified in the press quite clearly, and his views are therefore not my views, except where he has explained the content of our communications over the last few days. That has been made clear. I do not have to go into that again.

On the third point, the honourable Member will know from many previous debates in this House that I have never used the share of fishing production in the overall national product as a yardstick for the importance of the fishing industry. It is quite evident — and this is an elementary part of our policy proposals and one on which there is agreement between the Commission and this House — that regional aspects play a predominant role in a common European fishing policy. Because there are indeed regions where there is no alternative to fishing activities, just as there are in agriculture certain areas which are dependent upon, for instance, wine production or milk production. These are social factors which we have to take into account in any genuine common policy in the Community.

Mr Dalyell. — In terms of the provisions of the Treaty of Rome, is the Commission competent to initiate a scientific investigation into the effect grey seals may or may not have on the fishing stock?

Mr Gundelach. — The basic rules on which the common fisheries policy is being established do, as a matter of fact — whether this is logical or illogical I shall not discuss — cover whales and seals. The Community and the Commission are therefore competent to initiate studies in regard to seals.

(Laughter)

Mr Müller-Hermann. — *(D)* At almost every sitting we have the pleasure of witnessing not only Mr Gundelach's negotiating skill but also his extraordinary skill in using different words to say the same thing over and over again. We are getting no further on this fisheries policy. In each debate in this Parliament we have emphasized that we appreciate Great Britain's special interest in this question.

My question, Mr Gundelach, is: is it not true that a Member State — one has to say it — is blatantly misusing the unanimity rule in the Council for its own interests a rule which is not even established by the Treaty? Ought not the British Government now, at least outside Great Britain, face up to the criticism that it is behaving in a way tantamount to sabotaging European Community policy?

Mr Gundelach. — It is well known that there is disagreement in the Council on certain aspects of the fishing policy between a majority of the countries on the one side and one major fishing country, the United Kingdom, on the other. I would like to make the comment I have made before here that the area of disagreement, striking as it is, is smaller than the area of agreement that has been reached. That is why I am continuing to insist on the necessity of striving to close the remaining part of the gap. As long as that gap is not bridged, there is the risk that national

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measures which can be taken on the basis which I've indicated earlier in this discussion will create increasing difficulties between the parties to the common fisheries policy.

There is no doubt that some of the measures which have been taken do have a serious economic effect on other Member States. That is why it is of such great importance to judge objectively how to deal with a matter where such enormous interests are at stake on more than one side.

It is unfortunate that we are living, in my personal view, in a Community where even smaller matters have to be subject to unanimity. I think there were a great number of minor technical issues in the fishing policy which could have been agreed by now if there had been more use of majority voting as foreseen in the Treaty.

On the other hand, I think everybody ought to be sufficiently realistic to see that the major elements of a common fisheries policy, like previous common policies, cannot be brought about unless supported by all the Member States, in particular by all those — and I say all those, not just the United Kingdom — who have vital interests at stake in the fishing industry.

President. — I do not wish to cut anyone off, but I should like to invite everyone to be more brief.

(applause)

Mr Prescott. — I think, Mr President, you should find a more satisfactory way for written statements to be given to this House so that we can deal with them other than in this protracted way, through questions. My brief question would be to Mr Gundelach, if he can answer it: in view of the statement he has made about Mr Gallagher's remarks, in which he referred to non-cooperation with Britain regarding economic and monetary union, can I ask him — and, if his only responsibility is fishing, through him, the President-in-Office of the Council — is he satisfied that these civil servants can make such political statements?

(Applause from certain benches on the left)

Mr Gundelach. — I thought I had made it quite clear that I do not believe that civil servants should make political statements, and I have acted accordingly.

Mr Hughes. — Can Mr Gundelach confirm that the pout box suggested by the United Kingdom is one of the alternatives suggested in the ICES report on the pout box requested and commissioned by the Commission itself, and that what the British Government has proposed is one of three alternatives put to the Commission by ICES. Secondly, what is the

current legal status, in international law of the sea, of the Community, if any, and the Berlin agreement, if any?

Mr Gundelach. — In regard' to the scientific report from ICES which is the foundation for the action which has been taken by the United Kingdom, I have two comments to make.

The first is that the biologists have not got the responsibility, and do not want to have the responsibility — and should not have the responsibility, following this little exchange of views we have just had a while ago — to decide policies. They are putting forward recommendations in regard to the biological situation: if you do so and so, you will end up with this and this situation; if you do so and so, with that and that situation. In that context, I cannot say that the ICES recommended to the government they should do so. They did not; it would have been outside their responsibility to do so but one of the models they operated with was the two-degree box. In that sense, the answer is affirmative to that question. But we have commissioned a further study by the ICES, and I think I am well-informed in saying — the ICES is meeting this week — that they will deliver a new study, owing to the fact that since their first study a new by-catch rule of 10 % has been in force whereas their study was made on the basis of the then existing 20 % by-catch rule. Furthermore, total allowable catches have been lower this year than in the year when the study was made, and finally a box of varying degrees has been in operation since the report was made. Therefore a new report is requested, and I think everybody agrees that such a report should be forthcoming. In regard to the various acts to which the honourable member referred, I would like to say that the Hague resolution obviously has a solid standing in Community law since it is a specific resolution unanimously adopted, on a proposal by the Commission, by the Council, and it is in conformity with specific rules of the Treaty. It therefore has a standing. As far as the so-called Berlin agreement is concerned, it has no standing in Community law, because it was an informal meeting between ministers to which, of course, everybody was not present, as you know. But even if everybody had been present, no decision in that place could have had a binding effect on Community law because it was an informal meeting and not a proper meeting of the Council.

Mr Patijn. — *(NL)* Now from the Commissioner's reply it seems that there may perhaps be some doubt about the legal status of the Hague Agreement as part of Community law and, particularly with regard to the policy agreement, could the Commission state whether it considers that Article 169 offers sufficient legal grounds to go to the Court and, if so, how such a procedure extending over many months will influence negotiations on fisheries policy in the Council?

Mr Gundelach. — I cast no doubt on the standing in Community law of the Hague resolution. And there is no doubt being cast on that resolution by any Member State. The United Kingdom has based its action on that resolution. There is no doubt the existence of that instrument and its place in Community law. Whilst what happened in Berlin has no standing in Community law, since it was a conversation between Ministers. Whatever political significance it may have is another matter. But now you are asking a question, like your predecessor, in regard to law. There is no place in Community law for any agreement in Berlin. None.

Mr Früh. — (*D*) Mr Gundelach, you have said previously that a better atmosphere for negotiations must be created in the Council. Do you think that this atmosphere is created when the responsible minister of the said government makes contradictory or negative statements in public and, in view of this, do you believe that any confidence should be placed on your optimistic hope that the British Government will make a formal reply in a few days' time?

Mr Gundelach. — Mr President, I do not believe that excessive statements, from whatever quarter they may come, are of any particular help to the situation. Secondly, I have not expressed any particular optimism about overcoming the difficulties with which we are confronted with regard to a common fisheries policy. I was expressing, if you like, a negative optimism in that any man who has any knowledge of this area knows that no fishing nation in Europe can maintain its fishing activities without the existence of a common fisheries policy, because no country by itself may negotiate with a third country — Norway, Canada or any other. No country itself can install quotas: it is not entitled to do so under the Treaty. And so forth and so on. Certain measures of a temporary nature can be taken on a national basis within certain very close limits, but the whole basis for the fishing industry can only — this is not wishful thinking but a matter of fact — be supplied by a common fisheries policy. I am optimistic enough to believe that all responsible ministers and parliamentarians will realize that in the end they would do better to come off the pure discussion and get down to the work which is necessary to provide what everybody in the end vitally needs.

President. — Question No 2, by Mr Kavanagh, for whom Mr Schreiber is deputizing.

Will the Commission explain the omission of Art. 3052 — Community System of income Maintenance for workers undergoing retraining — a proposal originally made in the Social Action Programme — from the preliminary Draft Budget for 1979?

Mr Vredeling, Vice-President of the Commission. — (*NL*) I think myself lucky that the subject of the ques-

tion that I have to answer is probably a good deal less controversial than the previous subject although quite unjustifiably I must say. In answer to the question about the Community system of income maintenance for workers undergoing retraining, I can say that the Commission originally put forward this idea in its proposal for a social action programme in 1973. Its intention then was to give Community aid to workers who were involved in retraining schemes not already being supported by the European Social Fund. However, this idea was not at that time accepted by the Council. The Council resolution on the action programme does not include this idea and so the Commission has not pursued its proposal further.

In view of the present alarming employment situation in the Community, the Commission's policy is now directed towards expanding the activities of the Social Fund as such. I have already stated that we have submitted proposals to the Council on expanding the activities of the Social Fund in order directly to combat unemployment amongst young people. This proposal is still being discussed by the Council and my hope is that, despite some difficulties in recent months, the Council will take a positive decision in the near future.

Other proposals which we are preparing as part of the Social Fund include measures to accompany the plans which the Commission is drawing up, Mr Davignon in particular, for the reorganization and restructuring of the shipbuilding industry. On a previous occasion I told you that we were drawing up a social chapter as an integral part of these restructuring measures. This policy is reflected in new budgetary items for the Social Fund. For these reasons there is no longer any need for item 3052, forgive this technical jargon, that is to say, aid outside the Fund.

Mr Schreiber. — (*D*) Can you tell us, Mr Vredeling, under what items of the budget these measures are entered and how soon the Commission is intending to propose concrete measures so that they can be taken into account in the budget?

Mr Vredeling. — (*NL*) You will find our proposals for combating employment amongst young people in Chapters 50 and 51, the Social Fund chapters. We intend, although I must say that discussions are still going on in the Commission, to include under this heading social measures connected with sectoral policy in general.

Sir Brandon Rhys Williams. — Is it the Commission's long-term aim to harmonize the levels of basic social-security benefits throughout all Member States so that ultimately every citizen of the Community can enjoy the dignity and self-respect of a minimum income guarantee?

Mr Vredeling. — (NL) The Honourable Member will see from the statements which the Commission has made on the work programme for the current year and for the future that we are drawing up something on what he has mentioned in the framework of economic and monetary union. Here the Commission considers that the conditions are such as to allow what Sir Brandon Rhys Williams has called for, namely a greater standardization of social protection systems in the Member States.

Mr Porcu. — (F) Mr Vredeling, you have spoken of measures designed to accompany the restructuring schemes which are to be implemented according to the plans drawn up by the Commission. Can you tell me, with particular reference to the European Steel Industry, and taking account of the fact that the restructuring schemes envisaged in this industry will involve a considerable loss of jobs since there has been talk of 140 000 men being laid off, what measures you are intending to take firstly to guarantee resources in the case of cyclical unemployment, i.e. partial unemployment in firms, secondly, introduce the possibility of early retirement for all from the age of 55 and thirdly, to allow for early retirement before this age in cases where firms are reducing their labour force. Fourthly, do you not think that a fifth shift should be created in all European firms operating round the clock in order to reduce daily working hours and hence workers, fatigue and also to create a certain number of jobs. Finally, a question to which you can reply either today or in the next few days: what are workers rights in the various Member States with regard to length of work and retirement?

President. — The subject of the iron and steel industry will be discussed in the place which has been reserved for it on the agenda of the sitting on next Thursday. I should therefore like to ask speakers to restrict themselves to questions relating to the specific subject of this question.

Mr Vredeling. — (NL) If I am to comply with your wishes, I shall have to say nothing since the Honourable Member has asked questions about the steel industry. May I make a few very brief remarks in reply? 140 000 men will have to be laid off in the steel industry if no accompanying measures are taken. The accompanying measures which we have proposed aim at preventing these 140 000 men having to be dismissed.

Second question: What measures have we proposed? The measures which Mr Porcu has mentioned are to be found in the proposal which we sent to the Advisory Committee for the Coal and Steel Industry for its opinion. This committee indicated its approval in a unanimous declaration by the representatives of employers and employees in this sector — with one

exception, and this will probably interest Mr Porcu, namely the representatives of the CGT. They did not vote against but abstained.

Third question: Must a fifth shift be introduced in all firms? As you are aware this is being considered by the Ministers of Social Affairs and Employment. The French Minister of Social Affairs has stated on more than one occasion that he is in favour of introducing a fourth and a half shift, as he called it. He indicated that this would only be possible if it was implemented at Community level. We have greeted this with interest since we suggest the same thing in our proposal.

Fourth question: What are the rights of workers with regard to the length of time worked and pensions, early retirement? The rights of workers are laid down in collective agreements and in regulations which governments adopt. What we want to do is to introduce more uniformity in the measures which the Member States take on this matter. This therefore forms part of our proposal.

President. — Question No 3, by Mr Klepsch:

Subject: Proposal by the President of the French Republic to the heads of government of the Community regarding the functioning of the Community institutions (the setting up of a Council 'three wise men').

Does the Commission intend to adopt a position on this proposal and to state what consequences the setting up of such a 'Council of Wise Men' might have for the Community's institutional organization?

And Question No 4, by Mr Pintat:

Subject: (see preceding question)

Does the Commission intend to state what consequences the setting up of such a 'Council of Wise Men' might have for the current negotiations with the applicant states?

These questions, relating to the same subject, may be taken together.

Mr Jenkins, President of the Commission. — The letter of the President of the French Republic constitutes an interesting initiative which merits careful examination within the Community. The Commission, as the House will know, has already made a number of proposals for the institutional development of the Community in the so-called 'fresco on enlargement' which it put forward in April of this year. So far as negotiations with the applicant countries are concerned, I know of no suggestion that such negotiations should be held up. We shall continue our work, and by the end of the year we hope not only to have begun negotiating with Portugal and to have completed the opinion on Spain, but also to have finished the main points of the negotiation with Greece.

Lord Kennet. — In view of the fact that the severest quarrel now tormenting the Community — namely, that between the United Kingdom and everybody else about fish — is obviously due to the wide gap between what was proposed for a common fisheries policy before British accession and what could possibly have been accepted by any British Government, will the the Commission do whatever is in its power to ensure that at least one of the Three Wise Men, if the plan goes forward, knows one end of a fish from the other?

(Laughter)

President. — This problem does not relate to the question under discussion and is therefore impermissible.

Mr Jenkins. — I congratulate my noble friend on his determination in getting in the question he tried to ask to Vice-President Gundelach in a question to me. It is a well known parliamentary technique.

It does not lie in the power of the Commission to appoint the Three Wise Men. In any event, when considering the future of the Community I hope we shall not be too preoccupied by present issues which, however difficult they may be, it will, I hope, be possible to solve in the near future.

Lord Bruce of Donington. — May I ask the President of the Commission to note, when giving consideration to the proposal of the President of the French Republic for the appointment of Three Wise Men, that it may well need three wiser men than the Three Wise Men themselves to determine their identity?

(Laughter)

Mr Jenkins. — Well, no doubt there are infinite degrees of wisdom to which we can hope to progress from year to year.

(Laughter)

Mr Cifarelli. — *(I)* Would the Commission's attitude be a favourable one if the conclusions reached by the Three Wise Men were then introduced into the normal decision-making process of the Community?

Mr Jenkins. — The attitude of the Commission is that there are genuine institutional problems on a major scale, which exist already and which are accentuated by the imminent prospect of enlargement. The attitude of the Commission is not, therefore, one of saying that we cannot have a broad look at these matters. The attitude of the Commission will be that it will wish to contribute to this look, and that, obviously, it will wish to play its part in judging the results, so that we achieve a more coherent Europe in the future with a better decision-making process and with a suitable role for this Parliament, which I believe also involves an important role for the Commission.

Mr Patijn. — *(NL)* Can Mr Jenkins give his view of the exercise, which is in itself interesting, suggested by President Giscard d'Estaing, that, on the one hand, institutional provisions concerning the accession can be discussed without further ado during the negotiations and that, on the other hand, the institutional section of the Tindemans Report was dead and buried not six months ago?

Mr Jenkins. — I agree that action, so far at any rate, on the Tindemans report, does not in itself provide powerful evidence that enquiries provide the solution to the problems of Europe. Nonetheless, let us hope that if there is another enquiry, and I do not think it is likely to be better than that of Prime Minister Tindemans, it will at any rate lead to more effective action for the unity of the Community.

Mr Blumenfeld. — *(D)* In view of the answers that Mr Jenkins has just given, I should like to ask him whether the Commission intends to take up an official position on the Three Wise Men proposal, as it was not clear to me from his first answer whether the Commission intends to give a formal answer or whether it believes it is obliged to give one. Does it not consider that the existing institutions already have the best expertise at their disposal and that wisdom is very likely to be found there?

Mr Jenkins. — The Commission takes the view that certain major institutional questions face us at the present time, and it does not therefore wish to give the impression that it is opposed to a fresh look at them. It believes that the proposal in the letter from the President of the French Republic needs to be looked at within Community institutions. This will be done in the course of the next few months. The Commission will naturally be willing to cooperate in any study which the Community institutions agree upon.

Mrs Dunwoody. — Is the President of the Commission aware that that answer was given with his normal total lack of clarity, and that if there is to be a question of anyone regarding the conditions under which the three new nations should come into the Community, one of the most important things is the fact that Spain has one of the largest fishing fleets anywhere in the world? We would not like to see other nations put in the position where decisions were taken before they entered which bound them after their entry without their having been a party to them.

Mr Jenkins. — I doubt very much whether that question has any relevance to the future institutions of the Community, or to whether or not three wise — or wiser — men should be asked to look at them.

Mr Sieglerschmidt. — (D) From your previous answers I gather that this plan is being taken extremely seriously by the Commission, as indeed it should when it is put forward by the Head of State of one of the Member States. Are there not however grounds for concern that there will be considerable delays in taking the decisions on accession because these decisions cannot logically be taken before The Wise Men have reported or do you not attach that much importance to this report so that the Community can proceed to take the decisions outstanding on the accession of the three candidate countries?

Mr Jenkins. — The honourable Member, alas, clearly did not hear the first half of my original answer, in which I said that, in my view, there was no question of our delaying our procedures, and indicated what our timetable was in relation to (1) Greece, (2) Portugal, (3) Spain.

President. — The first part of Question Time is now closed.

I call Mr Spicer on a point of order.

Mr Spicer. — Mr President, I think many Members assembled here today will be very disturbed to see the way in which Question Time is moving away from what most of us understand to be a proper Question Time. Could you, Sir, take into consideration that all of us will give you the fullest possible support in exercising the right of the Chair to rule out of order those people who extend any question into areas that should not be dealt with under a question? Could you also draw to the attention to the President of the Commission the quite excellent way in which he has replied to questions today? Perhaps he might have a word with the other Commissioners, to see that their answers to questions reflect the exercise in brevity that he has shown today. We are moving so far away from the concept of Question Time that the thing is becoming an absolute nonsense, and I would rather see us do away with it and have oral questions with debate.

(Applause from certain benches on the right)

President. — I call Mr Prescott.

Mr Prescott. — I do not think this difficulty can be resolved simply by giving you more authority, Mr President. Could you ask the Committee on the Rules of Procedure and Petitions to look at the fact that the Commission is faced with the problem of trying to give answers that are nearer statements? Too many people are asking more, than one or two questions. I do not think you, Mr President, can take on the awesome task of acting arbitrarily. Could you ask the Committee on the Rules of Procedure and Petitions to give you guidance so that you could act on the authority of that committee in chairing a more effective Question Time?

President. — I call Mr Mitchell.

Mr Mitchell. — I has all been said already Mr President, but I think the statement made by Commissioner Gundelach in answer to the first question was a very valuable statement indeed. But it was a statement and not really an answer to a question. If we are going to have answers of that length, then we are never going to get Question Time to be what we want it to be. However, there must be alternative provisions for making that kind of statement, which was very important. I too hope that you will ask the Committee on the Rules of Procedure and Petitions to look at the whole matter to see if we can find a way of handling urgent matters which does not involve taking up the whole of Question Time on four questions.

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, I intervene with a degree of hesitation and reticence because I am not in a full sense a Member of this Parliament, though I have to and enjoy playing a considerable role in it. But it does appear to me that there is a real problem here. I do not think that the 40 minutes which I think we spent on the fishing question was in any way wasted time. It was clearly a matter of major importance, and I do not think that words were wasted either by those who asked questions, or by the Vice-President who replied. It was a major issue. But if it had been possible to have dealt with this separately, it could have been predicted, I think, that this was bound to be a debate, perhaps a more significant one than many which this House has had. If an hour could have been devoted to a statement and then to a reply, instead of two subsequent questions it might easily have been possible to have got through eight or ten questions. I believe it would be of great value to this House if the possibility of looking at major issues, particularly when they sit on the threshold of Question Time as this one did, could be dealt with separately, without in any way restricting — but indeed adding to — the rights of this House.

(Applause from certain benches on the right)

President. — I should like to remind those who have noted that various times during this Question Time I called on Members to be brief, that they must choose between two methods: the courteous one, whereby the President leaves the responsibility to them, and the other, less courteous, whereby the President cuts them off or refuses to accept questions. At the next part of Question Time, I shall experiment with the second method: I shall be very strict and I shall reduce the number of questions. We shall see how Parliament adapts to this.

(Applause from some seats)

7. Votes

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

I put to the vote the motion for a resolution contained in the report (Doc. 353/78) by Mr Shaw: regulation amending the Financial Regulation.

The resolution is adopted.

I put to the vote the motion for a resolution contained in the report (Doc. 311/78) by Mr Albertini: floods in Northern Italy.

The resolution is adopted.

We shall now consider the report (Doc. 238/78) by Mr Pisoni:

Directive on Illegal Migration.

Before considering the motion for a resolution, we must vote on the amendments tabled to the proposal for a directive.

On Article 1 (b), I have Amendment No 7 tabled by Mrs Kellett-Bowman, on behalf of the European Conservative Group, seeking to change the beginning of this sub-paragraph as so to read as follows:

(b) 'Illegal employment' shall mean the *knowing and deliberate* paid employment of a person ...'

What is the opinion of the rapporteur?

Mr Pisoni, rapporteur. — (I) Mr President, I oppose all the amendments tabled by Mrs Kellett-Bowman, not because I have any prejudice against her, but because these amendments, as Mrs Kellett-Bowman herself said this morning, aim to modify the structure of the directive. Her purpose is to render it nugatory under the pretext of it being unworkable in Great Britain which does not seem a valid reason to me inasmuch as the directive proposes objectives and leaves the individual States to choose the instruments for attaining them. So let me say now that I am opposed to all the amendments tabled by Mrs Kellett-Bowman. I reserve the right to comment on the others when the time comes.

President. — I put amendment No 7 to the vote.

Amendment No 7 is rejected.

On Article 1, paragraph 2 (b), I have amendment No 1 tabled by Mr Albers, seeking to amend the paragraph as follows:

'... illegal workers *whom the juridical authorities show to have persistently engaged in illegal employment.*'

What is the opinion of the rapporteur?

Mr Pisoni, rapporteur. — (I) Mr President, whilst accepting the spirit of this amendment to the extent that it provides further protection for illegal migrant workers, we would not want the word 'persistently' to give rise to ambiguity. We cannot know whether 'persistently' means two, three or four times. For this reason I will not oppose the amendment, but I leave it to Members to make up their own minds.

President. — I put amendment No 1 to the vote.

Amendment No 1 is adopted.

On Article 3, I have amendment No 8 tabled by Mrs Kellett-Bowman, on behalf of the European Conservative Group, seeking to replace the word 'especially' by the words 'if necessary'.

I put amendment No 8 to the vote.

Amendment No 8 is rejected.

On Article 4 (a), I have amendment No 9 tabled by Mrs Kellett-Bowman, on behalf of the European Conservative Group, seeking to amend the beginning of this subparagraph to read as follows:

(a) Sanctions are applied to persons who organize ...' (rest unchanged).

I put amendment No 9 to the vote.

Amendment No 9 is rejected.

On Article 4(b), I have amendment No 10 tabled by Mrs Kellett-Bowman, on behalf of the European Conservative Group, seeking to delete this subparagraph.

I put amendment No 10 to the vote.

Amendment No 10 is rejected.

On Article 5, I have two amendments:

Amendment No 5, tabled by Mr Calewaert, on behalf of the Legal Affairs Committee, seeking to amend this Article as follows:

'Article 5

Member States shall take the necessary measures to ensure that, in the case of deportation of an illegal migrant *who has not been recognized as acting in bad faith by the judicial authorities concerned*, repatriation costs are borne:

(a) by the employer(s) concerned *unless he (they) did not and could not reasonably have known that the employment was illegal;*

(b) *in the absence of an employer, or in the case of his (their) default, or if he (they) did not and could not reasonably have known that the employment was illegal, by any other person(s), proven guilty of having organized, aided and abetted or participated in the act of illegal migration of illegal employment;*

and, where an illegal migrant has two or more employers or employments, Member States shall be free to determine the extent of each employer's liability, if any.'

President

and Amendment No 11, tabled by Mrs Kellett-Bowman, on behalf of the European Conservative Group, seeking to delete this article.

What is the opinion of the rapporteur?

Mr Pisoni, rapporteur. — (F) Mr President, the amendment tabled by Mr Calewaert was drawn up by the Legal Affairs Committee which asked the Committee on Social Affairs to endorse it.

The amendment aims to protect employers who are not aware that the employment is illegal. I think that this amendment can be accepted particularly since it provides a further defence of good faith where it is officially verified.

I think that this position, if adopted by the States, could be incorporated in Member States' legislation without changing the framework of the directive itself.

I am therefore in favour of Amendment No 5.

President. — I put Amendment No 11 to the vote. Amendment No 11 is rejected.

I put amendment No 5 to the vote.

Amendment No 5 is approved.

On Article 7, paragraph 2, I have amendment No 2, tabled by Mr Albers, seeking to amend the paragraph so as to read as follows:

'Member States shall take measures to insure that migrant workers who are subject to deportation shall receive treatment no less favourable than that accorded their own nationals as regards benefits for which the contributions have been paid, or are due, for as long as the illegal migrant remains in the territory of the Member States.'

What is the opinion of the rapporteur?

Mr Pisoni, rapporteur. — (I) Personally, I feel that the addition made here is already covered in the previous paragraphs and is thus not strictly necessary.

However, since it makes the protection given to migrant workers more explicit, including illegal migrant workers who must be put on the same legal footing as legal workers, I think it can be accepted.

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

On Article 10, paragraph 1, I have amendment No 6, tabled by Mr Jahn, seeking to amend the paragraph so as to read as follows:

'Member States shall institute the necessary provisions in laws, regulations and administrative acts to comply with this Directive within *twelve months* of the date of its notification and shall inform the Commission thereof without delay.'

What is the opinion of the rapporteur?

Mr Pisoni, rapporteur. — (I) Mr President, the proposal for a directive allowed Member States 24 months in which to enact their implementing legislation.

I think that Parliament can accept this amendment provided that this does not mean — as it might in

fact mean — that we are asking for something impossible to be done and thereby endangering the whole project. This is the reservation I have and I want to make it here because to demand the impossible sometimes means to achieve nothing obtainable.

However, by shortening the deadline for the adoption of national legislation, we will be able to make up the delay which has occurred in the adoption of this proposal for a directive.

President. — I put amendment No 6 to the vote. Amendment No 6 is adopted.

We now come to the notion for a resolution.

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

The preamble and paragraphs 1 and 2 are adopted.

After paragraph 2, I have amendments No 3 and No 4, tabled by Mr Calewaert, on behalf of the Legal Affairs Committee, seeking to insert the following two new paragraphs:

'2(a) is, however, concerned that the proposal would make the employer responsible for repatriation costs even if he could not reasonably have known that the employment was illegal;

And

'2(c) requests the Commission to adopt the following amendment to its proposal, pursuant to Article 149, second paragraph, of the EEC Treaty.'

What is the opinion of the rapporteur?

Mr Pisoni, rapporteur (I) Mr President, I do not think there is anything to say about Amendment No 4/rev. since, having made some changes to the directive, it is natural that the resolution should say that the Commission is asked to accept them.

On the other hand, I think that Amendment No 3/rev. is completely superfluous because what it says is already included in the amended proposal for a directive and so I would advise that this amendment be rejected.

President. — I put amendment No 3/rev. to the vote.

Amendment No 3/rev. is rejected.

I put amendment No 4/rev. to the vote.

Amendment No 4/rev. is adopted.

Before putting the motion for a resolution as a whole to the vote, I can accept requests to speak on an explanation of vote.

I call Mrs Dunwoody,

Mrs Dunwoody. — I have opposed this document on its way though the whole of the Committee on Social Affairs, Employment and Education, and I think I should make quite clear that I regard it as an

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unequivocally racist document. It is divisive. It will enter into a field where there has so far been no interference from the Commission. It will extend the powers of the police. It will create enormous problems for the immigrant community. It is a totally and utterly despicable document. I shall oppose it in any way I can in my national parliament, and I am ashamed that it has been passed by so-called democrats in this Assembly.

President. — I call Mr Cunningham.

Mr Cunningham. — Mr President, I rise on an explanation of vote only in respect of one point, and that relates to the amendment we have carried in relation to Article 10, paragraph 1, where we have now put into this directive that it must be carried out within 12 months instead of 24 months. Now the rapporteur advised the House when we were considering that a moment ago, that he accepted that it was almost certain that that would not be complied with. But he said let us make the change because it may encourage people to be a bit quicker about complying with the directive than they would otherwise be. Now is this a Parliament or is it Disneyland? That provision is just as compulsory as any other provision. It is absolutely clear: it is saying Member States shall institute the necessary provisions in laws, etc., to comply with this directive within 12 months. Now that paragraph is no different from the rest of the provision. And therefore, I think we have committed a nonsense...

President. — You had the right and the duty to make this declaration at the time when we adopted this amendment. At this point you can only say if you are voting in favour of the resolution or against it. We cannot reopen the debate.

I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, we have just heard the various explanations of votes. We regret that Mrs Dunwoody, having opposed this in committee, was unfortunately unable to be here to help us to oppose it this morning in the plenary. My group will be opposing this motion for a resolution because we believe that it quite inoperable as far as the United Kingdom is concerned, that it will cause immeasurable damage to race relations in the United Kingdom and undo the great good that has been done in the way we have pursued our policies in that country, and that we cannot possibly enforce it — certainly within the time limits laid down. Therefore my group will be opposing it, as we did in plenary this morning, and as we have done throughout the committee sessions.

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I asked to speak to give an explanation of vote only when I heard the manner in which this measure and our vote were

being interpreted. I cannot tolerate a Member of this Parliament being accused of having racist intent. I feel that this kind of language is not to be used between us and that it is absolutely contrary to the intentions of all those who participated in this debate and have voted in favour of the resolution.

I think we are voting in favour because there are two just battles to be fought: one against the speculation of entrepreneurs who want to enslave labour from countries which have serious social problems; the other because we feel that it can give a stimulus and this is written into the directive submitted to us by the Commission — to take intervention at the source, i.e. to create a regional policy and an international policy to develop the economies of these countries in difficulty and not to adopt the hypocritical position of saying that, in order not to interfere in these countries, slaves can be exploited to the advantage of our economies.

President. — I call Mr Albers.

Mr Albers. — (NL) Mr President, I think it is very important as a democrat and as a Socialist to explain my vote. This draft directive forms part of an action programme which is designed to improve the living conditions of migrant workers and we now are talking about 6 million people who have come to the European Community from third countries.

In November of last year we debated the original proposal. At that time — you can read the Report of Proceedings — it had the general support of Parliament including those who now feel they have to oppose it. My view is that this amended directive is considerably better than the earlier one because the interests of the employees concerned, the illegal employees, are much better served. If we want to be logical and consistent about this then those who voted for the previous directive the previous time ought now to vote for this directive as well.

President. — I call Mr Mitchell.

Mr Mitchell. — Mr President, I shall be voting against this motion for a resolution, but before explaining why I do so I want to dissociate myself completely from the extremist remarks made by my colleague, Mrs Dunwoody. I think they were quite unnecessary, and uncalled for. There are three reasons that I shall vote against this document today. One is that I believe that it is unworkable. Two, I believe it is unnecessary. And three, I think in fact, in the United Kingdom context at least, it will do positive harm, particularly to race relations.

President. — I call Lord Kennet.

Lord Kennet. — Mr President, it seems to be necessary to specify that in voting against this resolution one is not necessarily doing so because one holds it to

Lord Kennet

be racist or despicable. I do not think it is either racist or despicable, nor do I think that it would be hypocritical or tending towards a perpetuation of slavery if one voted for it. I shall vote against it because I consider that it is not fully thought out and would not be entirely useful in all the countries of the Community.

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

Mr Ellis. — Mr President, I wonder, on a point of order, whether you would agree that it would be much more appropriate for anybody who wishes to give an explanation of vote to do so after he or she has, in fact, voted, so that those of us who are not particularly keen to hear the reasons why are in a position to leave the Chamber.

(Laughter)

President. — Obviously the explanation of vote has to take place before and not after the vote. Who else wishes to give an explanation of vote? I call Mr Yeats.

Mr Yeats. — Mr President, while I believe that a measure such as this is essential in the interests of the migrants themselves, not being at all sure that this one is welcome, I propose to abstain.

President. — I call Mr Liogier.

Mr Liogier. — *(F)* Mr President, I have two reservations. From a legal and political point of view, I do not think that a Community directive is the ideal instrument to resolve this very delicate problem since, on the one hand, it envisages repressive measures and on the other hand, cooperation with the States from which the immigrants are coming. If a Community instrument must be adopted, it ought to be a simple recommendation giving some general guidelines and not employing any legal commitment and leaving each Member State sufficient room for manoeuvre as is necessary. If a more coercive system is found to be necessary in future, it could take the form of just an inter-governmental measure similar to the one which exists, for example, to combat trafficking in drugs. Moreover, the contents of the proposal for a directive is full of ambiguities to the extent that in some ways it puts the illegal migrant in the same position as the legal migrant. The former would have identical social security rights as the latter. It is certain that such ambiguities can only make the efforts made to combat illegal migration ineffective.

President. — I call Mr Vandewiele.

Mr Vandewiele. — *(NL)* Mr President, I should like to give an explanation of vote by first of all expressing my pride at the fact that we, that is to say myself and

many of my friends in my group, are able to support Mr Pisoni's motion for a resolution, since it will give greater legal security to people who have been inadequately protected up to now. Some Members have used adjectives which I do not want to repeat but I am convinced, knowing them as I do, that they do not really mean what they say.

Mrs Dunwoody has obstinately but very amiably debated with us for hours on end. We listened to her attentively. I am convinced that she did not mean a word she has just used. I shall gladly give my vote to this motion for a resolution although I know, as those Members have rightly said, that it will be extremely difficult to completely achieve with our national legislation what Mr Pisoni is aiming for. But we must nevertheless the legal security of a number of people who until now have too often been the victims of misunderstandings. I am thus very pleased and I hope my whole group will follow my example.

(Applause from certain benches on the right)

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

The resolution is adopted.

I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — *(NL)* Mr President, I should like to speak more on a point of order than anything else. I should like to say just this. To the extent to which the words which Mrs Dunwoody used about Mr Pisoni's Report will also to some extent apply to our proposal, I must tell you, since Mrs Dunwoody was not present during today's debate, that the words and the comments and the arguments which I used this morning with regard to Mrs Kellett-Bowman are also addressed to her.

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

Mr Cunningham. — Mr President, I would be grateful if you would receive this representation to you about the ruling which you gave in the course of the explanation of vote that I was making, and I make it very seriously. I do not particularly ask you to respond; indeed, frankly I would prefer that you did not respond at this stage.

I was making an explanation of votes as you informed me, based upon one particular paragraph in the resolution. I submit to you, Sir, that that should not be out of order. One may have all sorts of reasons for opposing a particular resolution: it may be that one disagrees with every word in it, it may be that one disagrees with only one single sentence in it; one can be voting against it because of one sentence, or because of a 50-page passage.

Cunningham

I make this point, Sir, as a point of procedure totally unrelated to the actual incident. I do ask you to consider whether it is correct to say that a Member may not give an explanation of vote if he is relating his remarks only to one particular paragraph in the matter which has been voted. Having said that, I do accept that the Member must be careful not to go over the debate on one particular amendment, and some caution is therefore required from the Member. I would ask you to consider this for future occasions.

President. — I call Sir Derek Walker-Smith on a point of order.

Sir Derek Walker-Smith. — Mr President, could I respectfully ask you to consider giving your guidance to the Parliament, if not now, at a time convenient to yourself after consideration, as to the proper time at which explanations of vote are to be given. Today, we have had a number of explanations of vote, all given before the vote was taken, and in a situation like that it comes very close to reopening the general debate. Certainly, when I first came to this Parliament, the explanations of vote were always taken after the vote. The Rules of Procedure do not, I think, refer to an explanation of vote *sub nomine*, but it does seem to appear from Rule 31(2):

a Member who asks to make a personal statement shall be heard at the end of the discussion of the item of the agenda being dealt with,

that that is *prima facie* authority for the proposition that explanations of vote should be taken after the vote is taken. It certainly was the custom; if it is no longer the custom, I think the Parliament should know the reason why.

President. — I shall reply first of all to the question raised by Mr Cunningham. By all means he can take a particular criterion to explain why he is voting against, and no one can prevent him from doing so. I had the impression that he was not saying, I am voting against because I am opposed to Amendment No 6, but that he was reopening the debate on the article concerned, and that is why I enjoined him to keep to the point. However that may be, my reply to his query is that obviously an explanation of vote may be made even when it is based on a single article.

As regards Sir Derek Walker-Smith's question, apart from customs that may be peculiar to the parliament from which he comes, I see that the Selected Texts, on the application of Rule 26 of the rules of Procedure, concerning the voting procedure in plenary sitting, speak, in paragraph 3, of a

vote on each paragraph of the resolution, preceded by vote on any amendment tabled to that paragraph; where an amendment is rejected, a formal vote on the paragraph in question; ...

in paragraph 4, of

any explanation of vote; ...

and, in paragraph 5, of a

vote on the resolution as a whole and thereby on the entire matter on which Parliament was consulted.

In the absence of a contrary interpretation (the matter could, incidentally, be examined by the Committee on the Rules of Procedure and Petitions), I therefore consider that explanations of vote must be made beforehand, not only because they constitute statements of a personal character but also because they may help to influence the votes of other Members.

I call Mr Hughes on a point of order.

Mr Hughes. — Mr President, earlier today the House voted to hold an urgent debate on the culling of seals. Since then, with the arrival of the newspapers from the United Kingdom, we have learned that the Minister of State for Scotland, the Minister responsible, has agreed to review the situation. As this is exactly what the motion for a resolution requested, is there any means whereby we can avoid holding the urgent debate?

President. — In my view, Mr Hughes, your argument fails to justify a reconsideration of what we have decided. In fact, a debate in this Parliament this evening would be opportune precisely because a review of the situation is taking place in the country concerned. I see no reason why we should defer the matter. However that may be, if you make a formal request, I shall put it to the vote.

I call Mr Hughes.

Mr Hughes. — I am reluctant in the absence of my colleague, Mr Dalyell, to make such a formal request. I nonetheless, wish to record that it does seem a bit curious to debate something which has already been agreed in substance by the country concerned. But as Mr Dalyell is not present, it would be most ungracious to press for a vote.

President. — In any case, a request for reference to committee can be made this evening by the author of the motion, that is, by Mr Dalyell.

I call Mrs Dunwoody on a point of order.

Mrs Dunwoody. — Mr President, I wonder if you would be kind enough to draw to the attention of the Commissioner concerned that I have sat through every committee meeting on this directive, and I repeat that it is utterly unacceptable, and my views are based on the content which I have studied at quite inexhaustible length.

President. — I do not think that the Commissioner wanted in any way to doubt the earnestness or sincerity of your contribution to the debate.

Mrs Dunwoody. — In that case, sir, I am very grateful to you for your interpretation of what the

Dunwoody

Commissioner says, but I would not like my words to be misunderstood. I know exactly what is in this directive and I regard it as quite indefensibly racist.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) I conclude from this that I reacted correctly to what the Member said.

8. *Directive on Equal Treatment for Men and Women*

President. — The next item is the oral question with debate (Doc. 336/78) tabled by Mrs Dahlerup, Mrs Dunwoody, Mr Adams, Mr Kavanagh, Mr Lezzi, Mr Albers, Mr Cot, Mr Dondelinger, Lady Fisher of Rednal, Mrs Krouwel-Vlam, Mr Schreiber and Mr Vanvelthoven, to the Commission :

Subject: Application of Directive (76/207/EEC) (1) on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions

Given that the 30-month period laid down in the first subparagraph of Art. 9 of the above-mentioned directive has elapsed, will the Commission state :

1. What laws, regulations and administrative provisions have been put into force in the various Member States and notified to the Commission, and on what dates ?
2. For each Member State, details concerning these laws, regulations and administrative procedures, referred to in Articles 3 (2) (c) and 5 (2) (c), contrary to the principle of equal treatment, which were regarded as necessary for protection ?
3. The results of any examination or first revision, of these laws, regulations and administrative provisions carried out in accordance with Art. 9 (1) undertaken in any of the Member States ?
4. How it intends to ensure and facilitate the collection of information from the Member States necessary for the drawing-up of its report on the application of this directive for the Council ?

President. — I call Mrs Dahlerup.

Mrs Dahlerup. — (DK) Mr President, the debate requested for today by members of the Socialist Group concerns the Council directive of 9 February 1976.

This directive stipulates that equal treatment for men and women as regards access to employment, vocational training, promotion and working conditions, must be implemented now throughout the Community. The directive is therefore an important one and has been in force now for two and a half years. It requires the introduction of legislation in the Member States to translate into reality the principle of equal treatment for men and women.

The deadline for the introduction of this legislation was 9 August 1978. By that date the Member States

should have forwarded to the Commission details of the legislation they had introduced. The Member States then have two years in which to send the Commission all the information necessary to enable the Commission to draw up a report on the application and implementation of the directive.

What I myself and the members of my group are most interested in hearing about at the moment is the actual legislation. We would like to know whether legislation has now been introduced in all the Member States. We have given the Commission two months since the expiry of the deadline so we expect full and detailed answers to our questions.

We wish to know the following : What laws have been put into force in the Member States and on what dates ? Furthermore — and we regard this as a very important point — we want specific details of the nature of the exceptions referred to in Article 2 (2), which gives a Member State the right to exclude from the scope of the directive certain occupations where the sex of the worker constitutes a determining factor.

In our question we have asked for details of any laws contravening the principle of equal treatment — laws which, at one time, were regarded as necessary for protection — and for particulars of all revisions and amendments to such laws. The directive stipulates in this connection that the Member States are periodically to assess the occupational activities referred to in Article 2 (2) in order to decide, in the light of developments, whether there are telling reasons for maintaining these exceptions.

It is left to the Member States to notify the Commission of all the results of such exceptions. Can the Commissioner tell us whether any Member State has yet done this and does he expect that any will ? Would it not have been more appropriate for the Commission to draw up a plan for the abolition of such discrimination and, at regular intervals, to ask the Member States for a progress report ?

Another important point in connection with this directive is that it is without prejudice to measures to promote equal opportunities for men and women, where positive measures of this nature can remedy existing inequalities that adversely affect women's opportunities on the job market.

How many countries — and which ones are they — have taken positive legislative initiatives of this nature, and what creative proposals and ideas has the Commission provided by way of stimulus ?

How many countries — this is also something we would like to know — have taken steps to ensure that women can remain on the job market and not — as we know is the case at present in a number of countries — be forced to leave working life on worse terms and at different ages than their male colleagues ?

Dahlerup

Another question with very direct reference to the Commission is: How does the Commission intend to ensure that the directive is implemented in its own departments and at how rapid a pace? I would refer to information I have recently received from the Commission showing that a total of nine A1 posts were filled — either through new appointments or promotion — during the five years from 1972 to 1977, none of them with women. Fourteen A2 posts have been filled, one of them with a woman. 34 A3 posts have been filled, none of them with women. 207 A4 posts have been filled, 34 of them with women.

What are the Commission's plans in this connection?

Lastly, we would like to ask how the Commission intends to collect all the information necessary to enable it to prepare its report for the Council. A second question that inevitably arises in this context is: How will the Commission perform all the tasks necessary for implementation of this directive? The directive comes under the responsibility of the bureau for questions concerning women's employment.

I am not sure exactly whether the number of staff at present employed at the Commission is 8 000 or 10 000, but I do know for certain that the Commission has felt able to spare only one official and one secretary for this particular task, i.e. to the bureau for questions concerning women's employment. I must say that, in my group, we are very worried about this. We feel that the bureau should be expanded and given adequate staff to enable it to perform its various tasks effectively. The Commission has, in the past, merely confined itself to a number of extremely vague and abstract comments on this point, but I and some of my colleagues in the group have tabled an amendment to this year's budget, seeking at least to give the women's bureau a chance to carry out its work.

I hope that the Commission's answers to us will be detailed and I hope they will be satisfactory. There are thousands and thousands of women wanting to know — and wanting to know now — what this Community, in which they are actively encouraged to show a democratic interest, has done to improve their lot.

A great many promises have been made. Very little has been achieved. Headway must be made if interest is to be aroused among women for the Community, and extra effort and progress are required if women are to enjoy the same opportunities as men in this Community.

IN THE CHAIR: MR DESCHAMPS

Vice-President

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — Mr President, may I begin with a word of appreciation

for the Members who have taken the initiative of tabling this oral question because it concerns a subject to which public attention cannot be drawn too often. I find it encouraging that a debate should be held in Parliament shortly after the expiry of the time limits laid down in the directive on equal treatment of men and women. I hope that Parliament will continue in the same spirit.

The text of the directive stipulated that the legislation concerned should have entered into force in the Member States on 12 August this year. The date set was thirty months after entry into force of the actual directive. In answer to the question put to the Commission, I am able to give you the following information on the state of affairs in the Member States on 12 August of this year — since when we have received no new details. From Italy, law No 903 of 9 December 1977 had been reported to us; from the United Kingdom, the Sex Discrimination Act of 12 November 1975, from Denmark, law No 161 of 12 April 1978, from Belgium, Title 5 of the law of 4 August 1978 and from Ireland the Employment Equality Act of June 1977.

That is the full list from which you will see that three Member States, the Federal Republic, the Netherlands and Luxembourg, have still not reported. Because these three countries have still not met their obligation of informing us of the position in them as of 12 August, I have arranged for a letter and be sent to the Governments of these three Member States this week to remind them of their obligation.

We are now engaged in an analysis of the legislation reported to us. I must point out that the evaluation of the texts submitted to us is complicated to some extent by the fact that, as the Honourable Member has himself indicated at two points in the question, certain elements may be found in the legislation which conflict with the principle of equal treatment — but these elements are motivated by protective intentions.

Now this is where the difficulty lies: the Member States have been granted a longer period than the thirty months in the case of protective measures, and this period does not expire until the end of the total permitted time of four years, i.e. in February 1980. The Member States are required to adapt their provisions before then but in the case of the protective provisions which the directive also stipulates must be adjusted, the final date is not 12 August this year.

I must say that we already have a strong suspicion that certain provisions in the legislation that we have already received do not entirely accord with the principle of equal treatment. We are looking into this, and as soon as our investigations are complete we shall take immediate action if our suspicions are confirmed. We shall then take all the necessary measures to

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ensure a rapid revision of the deficient legislation. For this purpose we shall make use of all the possibilities held out to us by the Treaty.

As I have said, the directive fixes a different date for statutory provisions with protective effect than for the adjustment of legislation as such; the time limit in this case is four years after publication of the directive. This means then that the Commission must be informed on 12 February 1980 of amendments to existing protective provisions which are no longer permitted from then on.

I hope that the Member States are now actively pursuing the adjustment of their legislation and of the measures existing in this particular area. They will certainly have to give their attention to the matter. I firmly intend to approach the Member States again in the foreseeable future in order to enquire whether the adjustments which they are required to make will in fact be carried out in good time. They will have to bring preparatory measures into force to ensure that the adjustments are made in time and that such new statutory provision as is necessary is also made.

In addition to the protective measures which can at present be encountered in this legislation, there are a number of other exceptional provisions. I would point out at once that the boundary between protective measures on the one hand and exceptional measures which are not in fact permitted is very difficult to draw. Great care is necessary here, particularly because — as I have already pointed out — when we believe that national provisions conflict with this directive we shall not hesitate to go to the highest judicial authorities to see that the directive is implemented. But to do this we must be perfectly sure of the facts, because if we were to report a case and bring it before the European Court of Justice only to lose our action, that would do more harm to the cause of equal access to employment for women than if we set about our work more carefully.

In Italy, possible infringements of the principles of the directive are permitted in the case of particularly strenuous work as described in the corresponding collective employment agreement. In addition, sex-related conditions for the exercise of a profession are not considered discriminatory in the case of professional activities in such areas as fashion, the arts or the theatre.

In the United Kingdom, exceptions apply to occupations and functions in the church and army, in domestic employment, in undertakings with less than five employees and whenever a profession is closely bound up with the sex of its incumbent. In the United Kingdom there are also certain measures designed to protect women in employment.

France has a number of statutory protective provisions applicable particularly to women; these provisions relate to days off work, working and rest times, night work and certain kinds of unusually strenuous work.

In Denmark, the Minister of Labour, after consulting the committee on equality of treatment, may make an exception from the principle of equal treatment if the sex of the worker is a determining factor in the exercise of an occupation.

In Belgium, exceptions may be made from the principle of equal treatment by Royal Decree taken in consultation with the committee on women's employment and/or other specialized bodies; this may be done in particular in cases where sex is a determining factor in the exercise of a particular occupation. Other exceptions relate to the protection of workers, e.g. in the case of strenuous activities.

That brings me to Ireland — the last Member State on which we have information at our disposal at present. In Ireland there are exceptions relating to occupations in the armed forces, police and prison service. Family concerns are also excluded and special provision is made for occupations in the case of which the worker's sex is a determining factor.

To avoid any misunderstanding, let me make it clear that I have merely listed the facts of the situation without making value judgments. We have simply reproduced the information reported to us by the Member States. We are now ascertaining whether all this accords with the directive, and that will naturally take time. I have already referred to the Commission's own activities and to our cooperation with the social partners in the examination of protective provisions and the necessary statutory changes. However, we also remain heavily dependent on the very important contribution which the national parliaments could make by exerting pressure on all concerned in order to ensure that the activities necessary for adaptation to the directive are put in hand and completed as speedily as possible.

As to the fourth question put by the Honourable Members, I am able to inform you that the existing network of independent and expert informants in the Member States will be further extended. Knowledge of labour law will be vital here — although it is a very complex subject — as will familiarity with the position of women on the employment market. A great deal of attention has been given in the press to the entry into force of this directive early in August. I think that this too is of great importance because while the cooperation of experts and of the union movement is essential, it can never be sufficient on its own. A great deal depends on the activities of both individual working women and women's organizations. The greater the publicity given to this directive the more we can expect the women directly concerned to insist on its implementation, or so I suppose. We naturally need the strongest possible national legislation for this purpose. I have already said that the Commission will do all in its power to help.

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In answer to Mrs Dahlerup's question as to whether the Member States have notified the introduction of exceptional measures, I can tell you that the six Member States which have reported their legislation have also drawn attention to certain exceptions. We are now studying their reports. This whole subject requires very serious and detailed study; it cannot be dealt with overnight. Mrs Dahlerup asked whether the Member States will provide more detailed information if we ask them to do so. I take it for granted that if our study of the Member States' answers shows further information to be necessary, the Member States will provide that additional information too. I have already told you which Member States have notified us of their legislation and of possible adjustments to it.

Mrs Dahlerup also asked how many countries have taken positive steps towards bringing their legislation into line with the directive and measures in the area of equal access to employment as stipulated in the directive. I cannot give you a precise answer because that would amount to a value judgment on the measures which the Member States have reported to us. This matter is far too complicated for me to make a final assessment of the highly complex legislation reported to us only two months after we have received it. We need more time for this. If I were now to make a final assessment, I should rightly be accused in some quarters of superficiality in my judgments.

The Honourable Member also asked whether, in the present economic situation, women are more badly placed on the labour market than they were a few years ago. That at least was how I understood her question. The answer is a very definite yes. Women are confronted at present with far worse conditions; relatively speaking their situation is worse than that faced by men. This holds good for both young and older women. Women are relatively speaking extremely hard hit by unemployment: women account for no less than 40 % of the registered unemployed and I have the firm impression, which I believe will be confirmed by all the experts, that unregistered unemployment is far higher among women than among men.

Mrs Dahlerup also asked how the Commission can guarantee full application of the directive and whether it is even being fully applied at the Commission itself.

I noted with interest Mrs Dahlerup's question — it was, I think, a written question. I have also seen a comparison of the number of years for which women have held relatively high posts at the Commission and I am bound to admit, in all honesty, that in this respect the Commission is in the same position as similar institutions, Government departments and so on. The number of women occupying senior positions in business life, in the civil service and at the Commission is always relatively low. You only find that women are over-represented when it comes to functions such as cleaning the buildings!

If Mrs Dahlerup put her question with a view to highlighting the social problem of women in this area I can only endorse the point made in her question. It is perfectly true that men hold a dominant position in senior posts. I belong to a group of thirteen Commissioners and not one of them is a woman! I seldom if ever meet women from the Member States at Council meetings, although it is true that you sometimes find women at the meetings of the Council of Ministers of Public Health.

It is therefore true that women are very poorly represented in senior posts throughout our society. The Commission is no exception, and this is not really surprising given that the Commission reflects the social situation as it exists today. I am not making excuses but only explaining the facts. This will of course have to change: on that point I agree completely with the Honourable Member.

I have also been asked when the report which we are preparing will be submitted to the Council. The dates have been fixed: the directive stipulates that the report must be presented to the Council in August, 1981. But that does not mean that we shall stand idly by in the meantime. I have already told you that we are sending reminders to the Member States which have not yet replied. I have also pointed out that we shall continue to keep ourselves informed of adjustments to legislation between now and the expiry of the period fixed in the directive.

Finally there is the problem of manpower. How are we to solve it? This is a weak point at the Commission, a very weak point indeed. We are experiencing very real difficulties as regards staff strength. We are terribly understaffed, not only to deal with the problem of women but also in respect of practically every other subject which falls within the Commission's responsibility and on which a Community policy has to be developed. In my own Directorate-General we find ourselves in the same boat, except perhaps that our understaffing is even more painfully apparent, because our Directorate-General for Social Affairs and Employment is responsible for establishing new forms of policy which did not exist previously. I can thus only confirm that our staff strength is very modest to handle all our tasks, and I hope that Parliament will give us its support when proposals relating to the staff complement are put to the Council. If we could obtain more staff some of them would certainly go to the department responsible for following up the implementation of this directive. This is necessary because the directive on equal pay and equal access, together with the directives on which we are at present working in the area of equal social security treatment, is of central importance to half of the population — the half which by definition is made up of women. Had we been concerned with

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the other half of the population, men, then I am quite sure that, to put it modestly, at least 75 % of what we are asking for women would long since have been achieved ...

President. — I call Lord Bruce of Donington to speak on behalf of the Socialist Group.

Lord Bruce of Donington. — Mr President, my group is very grateful to Mrs Dahlerup for having drawn Parliament's attention to this question so soon after 9 August, the 30 months after the publication on 9 February of the original directive. I must compliment the Commissioner, Mr Vredeling, on the report that he has given us. It is, however, of course subject to very considerable limitations. Quite clearly, with the staff at the Commission's disposal for this specific purpose, it is not possible for the Commission, at this stage to give Parliament anything more than a very general indication of what is happening.

The requirements of the directive itself were quite specific and quite definite. And I would rather have hoped to have heard from the Commission what reason has been given by the three Member States that are in default, with their reports. The directive is specific: the Member States shall put into force the laws, regulations and administrative provisions necessary in order to comply with this directive within 30 months of its notification and shall immediately inform the Commission thereof. Well, Commissioner Vredeling knows which Member States are in default. What explanation has been given for the default? And I do observe 'en passant' that the President-in-Office of the Council that signed this directive on the 9 February 1976 was none other than the representative of the Grand-Duchy of Luxembourg, who is himself in default in this matter. Mr President for this directive to become effective, it is quite clear that there has to be very continuous monitoring, that there has to be a detailed examination by the staff of the Commission — not only of the notifications given to it by the Member States as to the progress of their legislation, but of the legislation itself. All nine Member States are democracies. They all publish their legislation. They do not have to send it to the Commission: the Commission can buy it at the bookstalls. They can see what legislation has been passed, and their task is to see, without waiting for notification from the Member States, whether or not it does in fact comply with the provisions of the directive. You cannot do that with two staff on the Commission.

Now Mr Vredeling said that the Commission itself welcomes the initiatives that have been taken to see that it was provided with more staff for this purpose. No doubt he does. He should have talked to his colleague, Mr Strasser, of the budget and control section of the Commission, because I have a distinct recollection when moving certain amendments to staff for specific directorates, or specific directorates-gen-

eral, in the Commission, Herr Strasser was extremely cagey about this and said, of course, the Commission will not tolerate any intervention by Parliament in the way it organizes its affairs. In other words, the Commission was not prepared to accept a position in which Parliament made certain stipulations as to where the increased staff should go. So Mr Vredeling has got a problem on his hands. It may well be that Parliament may decide to agree to the increased staff that are required, not only in this field, but in quite a number of others which will be the subject of a later debate. What he has got to be careful of is that these are not cannibalized immediately and put in other directorates-general by a Commission which of course is completely male-dominated, as he has said.

Mr President, on behalf of my group, I do not speak in this Parliament this afternoon, in what is popularly called 'the feminist cause', whatever that may mean. What I do know is this, that the progress of civilization in the world has marched at almost precisely the pace at which the emancipation of women has in fact been achieved. And that the greater freedom of women, the establishment of their role and of their status, has marked the progress of human freedom in the democracies themselves. It is not a purely female problem. It is a problem for us all, because freedom and opportunity are indivisible and ought to take no account of either the sex or indeed the race of the person or the persons concerned. Mr President, we have made very considerable strides over these past few years — in fact over the past 50 years — in the field of education. As I came to this Parliament this morning, I passed by a school along the side road leading from my hotel. And I saw very roughly equal numbers of girls and boys that were undoubtedly going to receive equal education and are probably of equal or average ability. What we have to ensure ...

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

Mrs Squarcialupi. — Mr President, I should have liked to speak at greater length on the topic of equal treatment for women but I do not wish to go beyond my speaking time and shall therefore confine myself to essentials.

I have followed the progress of legislation in my own country on equal work opportunities for women and listened to the comments which more conservative circles had to make on a bill which was launched at a time of severe economic crisis. The bill was looked upon as an encroachment by women at a time when male workers too were faced with serious difficulties. I take the opposite view, believing that the most suitable time is a time of serious crisis, when the new status of women in working life should not take on the appearance of a forced entry but be seen as a naturally occurring change in working life and in society. If, therefore, we must resort to legislation to combat

Squarcialupi

the sources of discrimination, which spring mainly from tradition and custom, we must accept the argument that discrimination is at its most serious in times of economic and social crisis and employment shortages. I have before me the unemployment figures for the month of August 1978: the biggest increase in the unemployment figure of six million compared with the previous year was to be found among women, who account for 44 % of the total jobless figure. Those figures should make us think. They should make us think because, when it comes to equal treatment for women at work, the Commission should not simply assume the role of a notary and take note of what is being done in the Member States, nor should it confine itself to the role of a judge, passing comment on the discrimination still contained in legislation. What the Commission must do is to come to grips with the major economic issues in order to combat unemployment: those issues include investments, programming, intervention by the public sector alongside the private sector and the coordination of Community funds. There is a further issue with which we are concerned and which the Commission is now debating; I refer to the redistribution of work. We feel that with the situation as it is today, all that women can expect from a redistribution of work are the leftovers, the less skilled jobs and I am thinking particularly of part-time work.

I should like to make a further comment on the policy required to help women to campaign effectively against discrimination at work. The policy I refer to relates to information. We know that an uninformed person is a subject and that an informed person is a citizen. Well then, we wish to see women considered as citizens and properly informed. When the Commission submitted its report to Parliament, proposing that effective means be found to keep women in the Community properly informed of the major developments that concern them, we felt that this need for continuous information could best be fulfilled through women's associations and the women's sections of the political parties etc. This is the only way in which the women's movement can present a united and solid front on the labour market. Until now, the market has discriminated against them and we feel that legislation would help to remedy this situation. However, until such time as the employment basis is extended, we feel that women will be forced to contend with further difficulties before the serious problems which face them in working life are resolved and before the laws designed to abolish discrimination against them are fully implemented.

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

Mr Yeats. — Mr President, I am very glad that this debate is taking place today, as the principle of equal treatment and of equal access to promotion and training is one of fundamental importance. It is a prin-

ciple, I suppose that is now accepted universally, but it is very far from existing universally in practice. We do also, of course, face considerable difficulties with the full implementation of the earlier directive on equal pay. This directive has now been in force for several years, and its actual effect to date, at least in my country, has not been very great. But at least it can be said that the equal pay directive presents no really difficult problems of interpretation. Whether a man and a woman are in fact doing equal work and therefore are entitled to equal pay is a technical matter that can be solved by purely technical means, provided that there is a genuine will to reach a solution. Unfortunately, that genuine will is too often absent. We all pay lip-service to the concept of equal pay, but very little seems to happen, and we in this Parliament must continue to press the Commission to do much more than they have done up to the present to ensure that universal equal pay exists without any further unnecessary delay.

The problem of equal access and opportunity, however, is a much more difficult one. It is very easy to say that women must have equal access to promotion, for example, but in any particular case, how is one to prove that there is discrimination? Whereas with equal pay one can set up machinery to establish as a definite fact whether the principle applies in any particular case, with problems of equal treatment the matter is much less clear-cut. Who is to say whether a man was appointed to a position just because he was a man, or because he genuinely was the best candidate? Equally, how is one to say whether rules laid down with regard to maximum weights that may be carried by women are a genuine reflection of their lesser physical strength? In most cases they may well be, but at least in some instances these rules have been laid down by men as a means of preserving their own monopoly of a particular economic activity. I read the other day, for example, of the case of a lady who had trained herself as a television technician, servicing television sets. She is apparently now employed by her firm in clerical work, because they said she would not be able to carry the heavy sets. I do not know. Perhaps she would, but perhaps the men on the job were not too keen to have a female colleague. These are problems, as I am sure the Commissioner well knows.

There is some welcome evidence that progress is being made as a result of this directive. In airlines, for example, male stewards are now being employed where in certain cases only women were previously employed. On the other hand, women pilots are now at last being trained in a field always until now reserved in practice for men.

It is now, Mr President, nearly 100 years since the poet William Morris took a High Court action in London to establish the principle that a woman ought to be entitled to join a printers' union and so be enabled to take part in the printing industry. He won his action. It was an historic action of the day. But at

Yeats

the present time, almost a century later, can it be said that many women are employed in printing, either in the United Kingdom, or in Ireland?

I recently saw a copy of *Das Orchester* the German publication that is the most important periodical catering for professional musicians in Europe. Of the several dozen advertisements in that journal listing vacant positions in orchestras, at least two-thirds were specifically reserved for men only. It is happenings such as this that make one wonder whether any really serious effort is being made to implement the principle of equal treatment and equal access of employment for men and women. In this connection I would like to ask the Commissioner whether, for example, if I bring a copy to him of *Das Orchester* with these men-only advertisements, he will himself take action rather than rely on some member government to deal with it, because if so, I shall be happy to send him a copy.

One must express the hope that the Commission will not be satisfied — and I am sure it will not — once national legislation has been safely enacted and all in conformity in due course with the terms of the directive. The creation of law is one thing, its enforcement is quite another, and I think the Commission must all the time reckon with this unpalatable fact. Certainly it behoves the Commission to treat this entire matter not as one that will settle itself in due course but as a problem that must be dealt with and as a matter of urgency. We in this Parliament also have a responsibility. We frequently debate problems of deprivation of human rights throughout the world. We must be equally conscious of the deprivation of human right that occurs every time a woman is excluded from employment or from promotion, or whose working conditions suffer merely because of her sex.

President. — I call Mrs Ewing.

Mrs Ewing. — Mr President, I have very much enjoyed this debate. It is not particularly controversial, and I would like to say that I appreciated the Commissioner's answer to Mrs Dahlerup, whom I would like to congratulate on her excellent delivery of the points she made.

I would like to take up first the Commission's rather vulnerable position with regard to its staff. The heart-rending problem of how they do not have enough people to help them could perhaps be solved very simply by employing another Commissioner — a woman — and putting her in charge of this programme. It is a serious enough matter to warrant it. It is a comparatively short time since women got the vote, and great strides have been made since they did. It took a war, as far as the United Kingdom was concerned, and the need for the work of the women — not the sudden enlightenment of the male sex — to bring the original change about. That is my first suggestion.

My second suggestion is perhaps a very practicable one to all the political parties in this Parliament. I could perhaps suggest when you look round this Parliament, that we cannot really blame the Commission too much. Because there are only ten women here out of 198. That must be somebody's fault; half the people in the world are women, and half, in my view anyway, of the talent in the world reposes in the female sex. So it must be the fault of the political parties in this House. Here we have a chance, Mr President. Next year we are going to have a drastic change in this House. We are going to have direct elections. What is to stop each political group in this House recommending that half the number of its candidates should be women? That would be a start to show the seriousness of the political group in this House. I may add that my party has made this party policy, at any rate if we can find four women willing — there are only eight seats for Scotland — to accept such an onerous undertaking.

Mr Yeats asked: how do you prove discrimination? I think that is a very fair question. I think the Commission must be prepared, somehow or other, despite its staff problems, to get the answer to that question from the basic statistics. These must be readily available. There is a travelling exhibition going round Britain at the minute; I happened to see it in my native city of Glasgow only on Sunday, Mr President, and it gave the whole history of the women's movement, and all the advances that have been made so painfully, inch by inch over the last years.

Here are one or two facts from the United Kingdom: 2% of judges are women, as are 36% of doctors — but only 6% are consultants; 50% of girls at school sit their O-levels, the earliest serious exam, but a very much smaller percentage sit A-levels; the engineering fraternity has to smile, because less than 1% are women. I think the Commission has to look at these simple statistics. And that answers Mr Yeat's question. A simple look at the statistics for the senior posts in our professions shows how we prove discrimination.

I would like to make another practical proposal. When the Commission are making their progress reports, as I think they indicated they were willing to do, in answer to Mrs Dahlerup, I would like to see the Commission really look at the problem of advice to school leavers, and ask all the Member States to provide information. Because they are simply not giving the same information, in the United Kingdom, to boys and girls.

We have an ancient idea in UK tax law that husband and wife are one in the eyes of the law — except where it suits estate duty purposes, when all of a sudden they are *two* in the eyes of the law, because they pay double estate duty that way. I suggest it is time we threw away ideas of that kind, and treated everyone as an individual — for tax as for everything else.

Ewing

These are just a few of the practical suggestions I wanted to raise, and I do really commend to all the groups the proposal that half the candidates for direct elections should be of the female sex.

President. — I call Mr Porcu.

Mr Porcu. — Mr President, ladies and gentlemen, Articles 117-119 of the Treaty of Rome provided for an improvement in the situation of workers and the implementation by the mid-sixties of the principle of equal pay and treatment for men and women.

The matter is still under discussion in 1978. We must face the fact that the situation has scarcely changed and at times, it has even got worse; I could repeat, word for word, what my friend and colleague Marie-Thérèse Goutmann said in the debates on this very same topic in 1974, 1975 and 1976.

In every Community country there are wide gaps between the gross industrial hourly rates paid to men and women: the gap ranges from 15 % to 40 % depending on the country. In France the overall gap between average annual wages is 33.4 %. Two thirds of the worst paid workers are women. Women at work are well and truly penalized and this is because employers discriminate not only in the matter of wages but also when it comes to job classification, qualifications, promotion and vocational training. Many of them still entertain the old notion that a woman's wage is money on the side.

As to unemployment, the scourge of modern times and the capitalist system and one of the more obvious defects in the European Community, it is our women who are hardest hit. At the end of August, 2 600 000 women were registered as unemployed in the nine countries of the Community. In actual fact, the number of women seeking jobs is very much higher. The emancipation of and equal treatment for women is one of the facts of contemporary life. If we are to satisfy this demand, we must recognize the right to work for all women and create social and working conditions tailored to their role as women, citizens — and also mothers — and we must set up industries in the urban environment so that they can carry out their dual responsibilities. We also need to put an end to the discrimination which labels jobs for women as 'female employment'. Of course, there are certain arduous jobs which they cannot perform but that does not mean that they should be restricted to office work, house work or sewing: they should be able to take up any occupation.

Recently I was reading through the press reports that were written when the Common Market was inaugurated; what a wealth of praise and promise! The era of social progress, economic progress and full employment had finally dawned! twenty years on, we have exactly the opposite — economic recession, social

regression and persistent unemployment — a sad anniversary indeed!

Must we say that the communists are not at all surprised? Far from being the prophets of doom, we were right to say that for as long as Europe was caught up in the selfish interests of multinational monopolies — in other words in the profit motive — things could not be different.

We cannot make do with declarations and directives; we must not have a mistaken belief in legislation which, under the present system, remains a dead letter, nor must we have it believed that it is all a question of prejudice or attitude. What we must do above all is to take such political and economic action as will allow legislation to be implemented. It is not a Community freed from the yoke of the multinationals and committed to satisfying the needs of the workers that will accomplish this task. It is a democratic Europe capable of wide-ranging initiative and the action of the workers themselves which will translate the principle of equality into effective practice.

President. — I call Mr Halvgaard.

Mr Halvgaard. — (DK) Mr President, it is regrettable that the European Parliament should devote time to a debate on such a question, when there are Community problems of a much more far-reaching nature that urgently need to be resolved.

It is no coincidence, of course, that it is the women members of Parliament that have raised this question, although I believe that it would be in the interests both of the women's movement as a whole and of the Community's standing in the Member States for Parliament to concentrate more on the really serious problems. The EEC administration has enough important tasks to cope with concerning men and women. Staff shortages have also been mentioned. An attempt should therefore be made to apply a sensible system of priorities to the various tasks to be performed.

Certain measures relating to this directive have already been implemented in Denmark and it should be common knowledge by now that pretty well the whole of the population — not least the women — regard many of these measures set down in the directive as either self-evident, pointless or downright ridiculous.

Irrespective of one's attitude to the feminist cause, anyone with a grain of common sense should be able to agree that directives and legislation of this kind are out of place in this forum, and it could therefore be wished that this directive and directives of a similar nature had never been adopted. My question is therefore whether implementation of this directive cannot be postponed indefinitely.

President. — I call Mr Albers.

Mr Albers. — Mr President, the European Community has taken active steps to promote the equal treatment of men and women. In itself, it is no bad thing for Parliament to put questions in order to find out how things stand with application of the directive, but, having regard to the importance of this issue and of the redistribution of labour and so on, it would, I think, be preferable for us to be regularly informed of developments. Looking at the unemployment figures, we find that in August this year 41.3 % of all the unemployed were women but, depending on the individual Member State, the percentage is sometimes well below the Community average and in other cases well above.

It would therefore be interesting to determine through appropriate studies the reasons for this phenomenon and the contributory factors; in the case of part-time work, for example, we already know that there are very considerable differences between the United Kingdom and the rest of the Community. It is therefore important to determine the policy reasons underlying this situation.

I should therefore welcome it if the Commission would keep Parliament better informed on these matters than it has up to now, especially as many questions are put on this point during meetings in preparation for direct elections throughout the Community. The sitting Members of the European Parliament need to know how things are shaping out in this area. Directives, recommendations and so on can bring certain results but the main action must come from the persons directly concerned. This holds good for the young unemployed and just as strongly in the case of equal rights for women. We often hear at our meetings that people are unaware of the possibilities. It is true that the press gave some attention last summer to the entry into force of this directive, but I think the Commission must itself make a greater effort to provide more information. In many Member States it is standard practice for the ministries or departments of social affairs to publish small folders explaining the rights of workers. It would be very useful if the Commission's information services could also regularly issue similar folders explaining existing rights. That would encourage action by the persons directly affected.

I should like to put one final question bound up with these points: what is the present position as regards the proposal on equal security rights? Is there any likelihood of its being adopted soon or must we expect it to remain with the Council for some time to come?

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — Mr President, I think that my second speech can be quite short because I agree with most of the remarks

that have been made. I shall therefore just make a few observations in response to various questions. Lord Bruce said that the Commission could itself make arrangements for a better distribution of its staff.

In principle that is so, but if you have an overall staff shortage, as we do, you cannot plug one hole by opening another. That is the real problem: we have a shortage of staff right across the board. Especially now that we have prepared or are in the process of preparing directives, I hope that it will be possible to take account of the additional work involved in controlling the implementation of the directives in the Member States. We shall do all we can but the problem must be seen in the light of the overall staff shortage. We are confronted with the eternal cuts that the Council makes to the Commission's requests for appropriations. Parliament can of course help the Commission here, as it always has done in the past. I do not know what Mr Strasser said to the committee responsible. Lord Bruce seemed to suggest that Parliament has nothing to say about the way in which the Commission employs its staff. I do not think that is entirely true. In general it is a wise policy to leave things to the executive and not to tread on its toes; that is quite true. But when you have a situation in which it is flagrantly apparent that certain activities cannot be carried out for lack of staff I think Parliament is fully entitled to concern itself with the matter. That is perfectly normal.

I thought it a pity that Lord Bruce could not finish his story about the schoolchildren because his speaking time was up. I was curious to see what he was driving at when he said that he saw the girls and boys going to school this morning.

It is also a great pity that Mr Yeats is no longer with us now. I had also wanted to comment on his speech. Even though he is not in the House at the moment, I still want to say how much I admire the way in which he, as an Irishman, constantly speaks out in favour of equal treatment of men and women. It is far less easy to do that in Ireland than in the Netherlands or Denmark. I wanted to draw your attention to that point. He also referred to a German periodical containing advertisements for musicians where two-thirds of the posts were reserved for men. There you have a good example. If he wishes to report such cases to the Commission, so much the better. And if there is indeed discrimination in the matter of access for women to the particular profession something must be done about it. You know that we have to make certain reservations to ensure adequate protection for women but I find it hard to imagine that in this particular case protection of women could be a relevant consideration. Of course we are dealing here with a directive, but that is a juridical consideration and not a matter of policy. In the case of a directive, the Member States must see to it that the legislation and

Vredeling

other conditions are suitably adjusted. We also keep watch on advertisements — we look at them ourselves and read the newspapers; such staff as we have depend for their information in large measure on the press, especially the local press. We find all kinds of information there which is relevant to equal treatment or equal pay for men and women. I hope that Mr Yeats will send us the periodical containing the advertisement to which he referred.

I want to thank Mrs Ewing for her stimulating remarks. She made several very good points. I was particularly struck by her reference to the guidance given to school-leavers. What kind of guidance is given to girls on the one hand and to boys on the other? Here too there may be a certain inequality in treatment — that would not surprise me. I find it good to draw attention to these things.

She also referred to direct elections and said that half the members of this Parliament should be women — and indeed in any Parliament. Her observation was quite correct. But in fact Mrs Ewing answered her own question when she entered a reservation. She said that a great deal was being done in Scotland and that her party gave women a central role; but then she made an important aside when she said 'if we can find them.' That at least is how I understood it: if women are ready to accept the onerous task. That is absolutely right, even if far from satisfactory. We have a vicious circle here. Women are relegated to the background in our society, to their families. They have to stay at home when their children are small but when their children have grown up the need for them to do so is less obvious. All these factors play a part. The problem is indeed reflected in the composition of this Parliament and I think it good that Mrs Ewing has drawn attention to it.

Mr Halvgaard said that the directive is highly desirable but that we must never lose contact with reality. Well, as we see it, this directive brings us into particularly close contact with certain shortcomings in our society; the same holds good for the directive on equal pay for men and women, and certainly also for the directive on equal access to employment as well as the directive which we are now drawing up on equal treatment in social security.

That brings me to Mr Albers' question. The directive is now being considered but it is no easy matter. The technicalities are highly complex. Some countries already have special provisions. The Netherlands has general provisions for all its citizens while other countries have different stipulations. We must try to bring this down to a common denominator. The transitional periods are very important here. But I do hope that we shall be able to make progress, however complex the subject. We are working very hard on it.

Mr Albers proposed that a study should be made of the reasons for which unemployment among women differs so much from country to country. How easy it would be for a Commissioner to make a promise on this! But such a study would have to fit in with our work as a whole. I shall certainly look into this later because I am also struck by the differences. Sometimes, when you look a little closer, you find that the reason is very simple because the way in which the information is collected differs. I do not know whether that is a complete explanation but I promise the Honourable Member that I shall determine whether an analysis of the kind he asked for would fit in with our overall work programme. It is true that questions of this kind tend to be neglected. This is a source of some discrimination which is altogether unjustified. I also agree with Mrs Ewing that a discussion of this kind which steers clear of controversy, is nevertheless useful because it throws up a number of useful ideas and suggestions.

President. — I call Mrs Dahlerup.

Mrs Dahlerup. — (DK) Mr President, there is no reason to open a debate at this juncture. I wish to thank the Commission for the answers we have received, while also pointing out that I have not, in fact, received answers to all my questions. This may be due to interpreting difficulties; some of the Commissioner's answers would seem to point to this. I hope he will read the report of proceedings very carefully when it appears and that we can, at a later date, receive answers to the points that were missed out today.

I would, in addition, like to address a few words to those members who spoke in the debate yesterday — with the obvious exception, of course, of Mr Halvgaard. I would like to thank the rest of my colleagues in this House for the extremely positive way they approached the debate. In the midst of all the misery facing us today, it is at least a pleasant feeling to know that all the speakers — still with the exception of Mr Halvgaard of course — have shown a genuine interest in the achievement of equal treatment for men and women throughout the Community.

President. — The debate is closed.

9. 1978 Community Tripartite Conference

President. — The next item is the report (Doc. 326/78) drawn up by Mr Albers, on behalf of the Committee on Social Affairs, Employment and Education, on the forthcoming 1978 Community Tripartite Conference. I call Mr Albers.

Mr Albers, rapporteur. — It gives me great pleasure, in my capacity as rapporteur for the Committee on Social Affairs, Employment and Education, to address you on the subject of the forthcoming tripartite conference at which representatives of the employers and workers organizations, together with members of the national governments and representatives of the Commission, will be discussing the present growth of unemployment. These tripartite conferences were initiated in 1975 out of concern at the increase in unemployment and with a view to investigating ways of bringing about healthy and lasting economic growth.

Three such conferences have been held up to now : in November, 1975, in the summer of 1976 and again in the summer of 1977. We are now moving towards the fourth tripartite conference and the role which the European Parliament should play in this connection is not easy to define. Already in July I discussed the matter with Mr Vredeling and we did not agree on all points. Up to now the European Parliament has only had observer status at these conferences ; that fact is not without significance when we consider what is at stake here. In 1976 for example the Commission compiled a working document which noted that economic developments were unfavourable, that inflation and unemployment were too high, that the protectionist approach was illusory because it cannot bring improvements, that demand must be stimulated and inflation held down. That restructuring is necessary in certain sectors and regions, that particular attention must be given to the need of specific groups such as the young unemployed, women, the handicapped and migrant workers and also that the possibilities of small and medium-sized undertakings must be investigated. In general, attempts must be made to create a better climate for new economic development and a reduction in unemployment. Parliament did not stand idly by since, in 1976, our colleague, Mr Glinne, put forward a number of suggestions in a detailed report on the basis of the social action programme which was received very favourably here in Parliament. His proposals related to 'educational leave' for the purpose of acquiring new skills or training in a different occupation, to measures against tax evasion, to the compilation of genuinely comparable statistics and the need to strengthen the European Social and Regional Funds. His report also pressed for harmonization of regulations on early retirement, longer periods of annual leave, shorter working hours, control of the economy and the direction of employment opportunities to areas where the need is greatest. Finally, Mr Glinne's report also gave attention to the humanization of work and to the possibility of public activities for industrial development purposes. We began to feel in 1976 that the tripartite conference could lead to an effective structural approach. In those days we also heard pleas for better cooperation between the social

partners and suggestions relating to the implementing bodies and institutions of the European Community.

It therefore came as a great disappointment in 1977 to find that the structural approach was tending to be abandoned. Mr Santer was the rapporteur at that time. He presented a report before the conference was held and a second report afterwards in which he was obliged to point out — a fact that was confirmed by Parliament as a whole — that the constructive approach of 1976 had not been continued. There was in fact no dialogue. Lectures were given on generalities which are common knowledge, but it is quite obvious that lectures alone will not make for progress and the situation becomes even worse when the divergencies between the Member States are concealed behind general appeals for European solidarity which lead nowhere at all. In paragraph 6 of his report, Mr Santer asked for a review to be made of the position of the Economic and Social Committee and of the Standing Committee on Labour Market Affairs. I know that Commissioner Vredeling always refers to the Standing Committee on Employment, but its official title is still the Standing Committee on Labour Market Affairs. It is not a good name — but what's in a name? We heard reference for the umpteenth time to joint working parties for each sector and to the making available of more financial resources as a response to the situation. During the 1977 conference, Commissioner Vredeling made a few proposals. He spoke of selective investments and selective policy. He referred to the role of the services sector and stressed the part to be played by the public authorities. The reduction of working hours was also discussed again, and further reference was made to the particularly difficult situation of women and young people and to the role of labour exchanges. Job placement was discussed, as was the whole problem of vocational training and retraining. But in reality the 1977 Conference brought no concrete results, not one resolution could be adopted and the English chairman made a summary in order to bring out at the very least a few pointers for future policy. He mentioned the points with which we shall also be dealing today, namely the new division of labour and its consequences as regards cost price, efficiency and productivity in industry. Reference was also made to the creation of jobs in the tertiary sector, to the competitiveness of industry in the European Community under the new international division of labour and to the possibility that jobs may be lost because they are too expensive ; finally investment policy was discussed: should we step up profits to enable new jobs to be created?

The Commission thus had a great deal of work to do and it did not sit idly by. Quite clearly by presenting its working documents the Commission encouraged the social partners to arrive at suitable solutions.

Albers

One highly interesting document relates to the redistribution of available work: the Standing Committee on Labour Market Affairs has also been able to discuss this. In its opinion, that committee calls for closer cooperation between the government and the social partners in putting forward proposals with the broadest possible basis of acceptability, but at the same time without encroaching on the freedom of collective bargaining and giving the fullest attention to regional and social aspects.

A second document has been put forward on the tertiary sector and the possibility of creating jobs in the public departments: that document has also been considered by the Standing Committee.

Our Committee on Social Affairs has naturally also looked at these documents. It has, however, found that it is impossible to reach conclusions on this basis alone, since the two other documents dealing with the influence of investments on job creation and the role of the international division of labour have not yet been submitted. That is why we put on record our disappointment this summer and asked whether there was really any point in holding the tripartite conference. Was it not likely that another conference would be held which merely consisted in a series of lectures, as in 1977, and brought no concrete results? As the rapporteur, I can tell you that we have considered these documents at several meetings; the members of the Committee on Social Affairs have found the texts to be fragmentary and lacking in cohesion; there is no overall view of the situation. The document on redistribution calls for an approach to the problem of overtime, but for many workers overtime makes up a substantial part of their income, and in countries such as Ireland and the United Kingdom, overtime is particularly important. Here too there are differences with other Member States. It has been noted that 'black work' is on the increase and that the role of part-time work differs from country to country. In the European Community, part-time work represents 5 to 6% of all employment, while in the United States the corresponding figure is 17%.

The Committee on Social Affairs has discussed the question of early retirement, but the problem here is that skilled personnel would then be lost from the production process in areas where it is just not possible to attract young replacements. Some members of the committee noted that the right to work might in fact be an illusory concept and it has even been said that the Commission's ideas are 'worthless': if unemployment benefits were abolished people would soon set to work. These views have been expressed in the Committee on Social Affairs. There is in short a good deal of confusion, but I must say that the lack of a summary document from the Commission can only encourage such confusion.

In May, we compiled a detailed questionnaire because we wanted to know more about the redistri-

bution of work, shorter working hours and so forth. We have not received a clear and satisfactory answer to our questions. We held a hearing in September. The employers said that they had no interest in attending because the necessary documents were not available, while the unions stated that no views could be put forward in the absence of a summary document.

Therefore, Mr President, and with this I shall conclude my introduction to the report, we are bound to express the fear — although I hope Commissioner Vredeling will be able to prove otherwise — that the tripartite conference in November will simply be an occasion for the expression of a number of platitudes without any clear line emerging, as it in fact now should. I want to make one more important point in this connection: when Mr Jenkins addressed us in January in his capacity as President of the Commission, he said that he would be treating Parliament as though it were already directly elected. Unfortunately, the practice leaves much to be desired in this respect. It will be necessary to strengthen Parliament's role very greatly in this whole area and for that purpose Parliament needs more information. There have been a number of discussions and a number of studies have been carried out on employment policy, on job placement services, and career guidance etc. but we in Parliament do not know what the real results of these studies have been. I would urge most strongly that Parliament be informed of the results of such studies.

I do not wish to give the impression here of criticizing one particular Commissioner. The press will probably report me as saying that 'Commissioner Vredeling does not provide enough information' but that is not of course true. We have in fact received two interesting documents — but the other documents to which I referred are still lacking. Mr Vredeling may be very energetic, but I cannot suppose that he is able to present these documents on his own. Other Members of the Commission must also be involved. Therefore if criticism is the order of the day it must be directed at the entire Commission and also at the Council of Ministers which may well not be doing enough to deal with these matters in a timely fashion.

That brings me to another question: is it enough to express criticism and anxiety? Clearly it is not because this whole affair must be seen against the general background of the European Community which will be facing a trial of strength next year with direct elections. It is therefore essential to interest the citizens of the Member States in the achievements of this Community and I am pleased to have been able to lay stress on a number of positive points in my report. I have emphasized the improvement of the structures for consultation, some-

Albers

thing which Parliament has repeatedly called for in the past. Clearly the social partners must play a greater role in the development of social and economic policy in the Community; nobody disputes that need. We must also look at the way in which the Economic and Social Committee and the Standing Committee on Labour Market Affairs function; we have the impression that there is room for improvement here. We have therefore urged the Commission to study these points and come up with proposals. Above all, it is essential to set up joint committees for the major industrial sectors which are facing difficulties at present. We feel that the Commission has a strong weapon in its hands here: whenever the resources of the Social Fund are to be used for the redeployment of labour the Commission should insist on the creation of such joint committees.

Mr President, I have tried to give a more detailed explanation of the report and I hope that Parliament will view these observations favourably.

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

Mr Lezzi. — (*I*) Mr President, sadly I must begin by saying that I share the disappointment expressed by Mr Albers over the limited — to use a euphemism — respect shown for Parliament by The Commission and the Council in relation to the forthcoming Tripartite Conference, especially so in view of the gravity of the present situation. I think that we should at least consider the role — secondary though it may be — of Members of Parliament in the shaping of public opinion, particularly as regards the workers and especially in the face of certain difficulties that do not always affect all countries simultaneously but — as is true of Italy — come along some years later in countries with a much lower level of economic and social development and therefore with a less well-developed trade union structure. Consequently, the topics on the agenda of the second Tripartite Conference should give rise to an interesting debate, not just in this House but also in the course of the preliminary talks taking place in the Member States between the various trade union organizations. The interest of the debate will be centred around the measures that are certain to be introduced if we are to tackle the continuing crisis in the economy through investment and development.

On behalf of the Socialist Group I wish to express my appreciation of the report, which is yet another tribute to the competence and diligence of Mr Albers, and also to say that the salient points of the proposed policy, which will no doubt be endorsed by the Tripartite Conference, are as follows: increased investment; coordination of the economic, social and regional policies of the Member States to prevent the introduction of protectionist measures that would prejudice international division of labour

and expansion of world trade; sectoral aid to be restricted to modernization and restructuring programmes in those sectors affected by international redistribution of labour.

I quite agree with Mr Albers when he says that we should avoid treating workers as objects and recognize them as individuals. We need to invest in measures designed to increase employment and improve working conditions. Workers should be allowed a say in the process of structural adjustment. Unless we change our attitudes, all our efforts to create the conditions for an economic revival, to keep down rising costs, especially wages, to improve the distribution of employment and to improve international monetary stability so as to restore a semblance of order to investment decisions will be in vain.

As we all know, 1978 marked the fifth year of crisis for the Western world. The target of full employment is virtually unattainable with a rate of expansion of less than 5.5%, as was pointed out by the UN Economic Commission for Europe, among others.

In these circumstances it is dangerous folly to rely on economic revival, however necessary that may be, for an improvement of the employment situation. We are convinced, therefore, that before we can formulate an investment policy we need to discuss calmly all the topics on the agenda of the Tripartite Conference. Through detailed discussion of such things as working hours, leave, overtime, flexible working, moonlighting and so on we might be able to arrive at some solution to the employment problem.

Nevertheless, the fundamental problem is still one of economic recovery. To put it another way, if the economy is allowed to continue to stagnate this will result not only in a further rise in unemployment but it will also bring with it other problems of a political and social nature.

We must rely on an accelerated rate of expansion and on a greater adaptability of our economies to bring about higher levels of employment. Just such a strategy was presented in Bremen and Bonn, together with proposals for reducing the Community's dependence on external energy sources, for creating a more balanced international trade structure and for mitigating the adverse effects of fluctuating exchange rates by the gradual introduction of a European monetary system.

Given such a strategy, the tertiary sector could play an important part in providing a large number of jobs and, at the same time, help to fulfil certain social objectives. We should remember that since 1960 this sector has been the main factor responsible for rising employment. One imagines that improved technology of the kind that is already now being introduced in this sector will have some effect on this phenomenon.

Lezzi

This strategy is based on the premise that the redistribution of employment can contribute effectively to more equitable sharing of the available work in the future. Of course a reduction in working hours cannot by itself have any effect without a restructuring of industry and without some degree of improvement in productivity.

Undoubtedly a reduction in working hours would pose various problems in many sectors and regions and the costs could not be borne entirely by business. It is by no means easy to implement the universal right to work, given the uneven distribution of employment between industry and agriculture, commerce and the tertiary sector.

What we need now is a society which will give the organization of work a certain flexibility. This is essential not only to ensure that everyone can enjoy a minimum of well-being but also create for everyone an equal opportunity to develop on a civil, moral and political level. So many problems, from the emancipation of women through political and cultural education of the young to the lot of the elderly, are bound up with the problem of employment.

The state and the workers themselves must make their contribution, recognizing that full employment is a political objective as well as an economic one, and it cannot be attained with the likely rate of expansion. Moreover, it is difficult to deal with vandalism as long as we support an economic system which every year adds thousands upon thousands of our young to the already swollen ranks of our unemployed youth.

In a society that denies a large part of the population the right to work we should not wonder at the moral crisis that is pervading it or at the criminality that it engenders.

What will we have achieved by the end of 1978: And in the following years? A string of questions come to mind: In what sectors, in what regions, with what sort of investments can we expect to increase employment? What can we expect our Community institutions and the governments of the Member States to achieve in a reasonable span of time?

What will be the effect of technological progress over the next few years on employment in general and on the industrial sector in particular?

To what extent would a reduction in working hours result in increased employment and, conversely, to what extent would it perhaps lead to an increase in moonlighting?

What would be the cost of this to business and industry? Could it be achieved without a reduction in wages in real terms? These and other questions should exercise the minds of everyone — experts

and politicians alike — and spur us all to serious thought, research and constructive discussion. The drive for technological progress is such that, as we approach the year 2000, we should all be able to find a way of working a little less and so enable everyone — the young, women, the handicapped, people in depressed regions, people in the emerging nations — to do a productive job.

If we place any value on work — and we do — then the redistribution of wealth should ideally be brought about through the medium of employment. The only alternative to this is public assistance and this has been rejected by all: by the young, by the elderly and by the emerging nations.

I endorse wholeheartedly Mr Albers's requests that Parliament be provided with immediate information on the current contacts between the national employment departments and the Commission. I agree that there is a need for measures to improve the employment market, to reduce the discrepancy between supply and demand and for employment and advisory services. I agree that there is a need to improve the structure of the consultative machinery between the Council, the Commission, the Economic and Social Committee and the Committee on Employment and I am in favour of extending the number of European joint committees of employers and workers, which was proposed by the trade union movement at the very first Tripartite Conference to cover all the main sectors in the European Community.

On behalf of the Socialist Group, I endorse the Albers report and express the hope that the Tripartite Conference in November will provide some insight into the complex problems now facing the world of work, and guidance on how to tackle them.

10. Agenda

President. — Before calling the next speaker I should like to make a communication on the order of business.

This morning Parliament decided to hold a number of urgent debates which it entered on the agenda for tomorrow, Wednesday, immediately after the debate on energy policy. In order to prevent this important debate from continuing too late, and in view of the impossibility of holding it over until Thursday, the President, in agreement with the chairmen of the political groups, proposes to allocate a total speaking time of four hours to the questions or motions for resolutions on arms supplies, summer time, the Camp David meeting, the situation in Lebanon and the situation in Nicaragua, on the understanding that these items will be dealt with separately. The four hours 10 a.m. to 1 p.m. and 5 to 6 p.m. will be allocated as follows:

President

- Council: 1 hour
- Commission: 1 hour
- Socialist Group: 54 mins.
- Christian-Democratic Group (EPP): 45 mins.
- Liberal and Democratic Group: 22 mins.
- European Conservative Group: 18½ mins.
- Communist and Allies Group: 18½ mins.
- Group of European Progressive Democrats: 17 mins.
- Non-attached Members: 5 mins.

The remaining items could be taken from 6 00 p.m. onwards when Parliament would revert to normal speaking times and procedures.

Are there any objections?

It is so decided.

11. 1978 Community Tripartite Conference (resumption)

President. — The debate on the Albers report (Doc. 326/78) is resumed. I call Mr Vandewiele to speak on behalf of the Christian-Democratic Group.

Mr Vandewiele. — (NL) Mr President, I should first like to thank Mr Albers for his excellent introduction and above all for the ardour with which he repeatedly drew our attention, during the discussions in the Committee on Social Affairs, Employment and Education, to certain questions which have now come up for discussion. With his familiar tact, he succeeded in being fairly hard on the Commission without placing too much personal blame on his friend — and the friend of us all — Mr Vredeling.

Mr Vredeling, I am going to address you too. That is somewhat unusual, but you were for many years a member of this Parliament — and are now back here again though in a different capacity — and I should really like to have heard you discoursing at length on a blue-print for a new employment policy. I should like to have heard a Vredeling speech to the Commission and the European social partners. I am sure that they would not have found it easy to reply to your proposals and questions. So I should like to echo Mr Albers' and Mr Lezzi's words by saying that if we now make certain remarks to the Commission they are not meant personally. Our remarks are directed at the institutions, which we expect to start doing something at last. Our group fully supports the Albers resolution. There is no doubt about that. We worked at it long enough to know what it contains. My only objection is perhaps that it is a little too long. But we agree with the concern it expresses at the fact that the Commission has not only not made adequate preparations by a reasonable deadline but has not made any preparation at all for this debate. We had

expected at least a document containing a few proposals. We know very well what making proposals means. They are usually scrutinized very critically by the social partners themselves, approached from various points of view and when they finally reach the Council the same problem arises again. So let us try to be realistic about this:

Mr Luns recently made a statement which I find particularly appropriate. His words were as follows: 'ladies and gentlemen, you are all entitled to your own opinions, but you are not entitled to your own facts'. I find it extremely gratifying to recall these words because here we are confronted with those facts. As you know, Mr Vredeling, it is extremely difficult to organize a Tripartite Conference. But why then are we holding it? Would it not be better to put it off for a couple of months if we have not come up with precise proposals. At the hearing with workers' representatives, with the European Trade Union Confederation, Mr Albers, Mr Lezzi, I myself and others put a number of searching questions to these gentlemen. From their answers we were forced to draw the conclusion that they had had great difficulty in reaching agreement among themselves on every detail of the measures to be taken. That is perfectly clear. But what then is the point of holding a Tripartite Conference? I should like to read out to you what we said in the report on the previous conference. You will notice how nice it sounds if you print it only once. You cannot, however, repeat it the following year.

At Community level mention must be made of the Tripartite Conference at which efforts were made to pave the way towards economic recovery by a better analysis of the problems and by the drawing up by the Commission and the Member States of a work programme to study specific structural problems which are hampering economic recovery.

Please note the words 'study', 'research' etc. The text goes on:

This involves in particular research into the possibility of introducing measures in respect of a new distribution of labour, the role of the tertiary sector, the public sector, etc. At the same time the Commission has examined ways in which the measures relating to the employment of young people can be improved and made generally more effective.

This is all written in the conditional mood, in connection with the previous Tripartite Conference, and we agree with it. Of course this cannot be produced out of the hat. We are not sorcerers' apprentices. But we cannot keep on saying that we are going to carry out research or make efforts to do such and such a thing. With direct elections coming up this is something we cannot get away with any more. Mr Albers stressed that quite clearly. We must be more precise, or else we must say: *silence, on prépare!*

Vandewiele

In any case — and this is something on which we are in full agreement — we want the position to be perfectly clear as regards the principal features of our industrial policy in each individual sector. We recently held a meeting here — at which Mr Vredeling was present — with representatives from the textile industry. At that meeting the workers' representatives and employers' representatives were courageous enough to accept the fact that restructuring in the textile industry and in related industries would require sacrifices. And not only sacrifices of a financial nature. These measures will give rise to problems, particularly social ones, for a number of people. The same applies to shipbuilding and other sectors too. We know this, we have already said it several times, but we now expect that more than this should be said at the forthcoming Tripartite Conference. And if those concerned are not ready yet then I think they should wait. However, it is not for us to decide. What we are asking for is precise proposals. Admittedly, this is not easy but if we had a draft conclusion we could at least deliver certain opinions on the matter although they might not always be consistent.

Let me give you an example, and I address this remark to the Commission. Is there agreement in Commission circles, and does the Commission expect there to be agreement in employers' and workers' circles, as to whether or not measures should be taken to reduce working hours, to limit overtime, to extend holidays and to extend part-time employment? Everyone knows that this cannot all be done overnight. We know that. Some people want one thing, other people want something else, but most people want harmonization at European level. That is fine, but I think that it is the role of the Commission, unless things have changed, to take greater risks than this. I think the Commission must commit itself to a proposal. Parliament could then deliver its opinion on it. The Council can reject the proposal and send it back, but new proposals could then be made. We cannot keep going round in circles by considering and studying mere communications.

I think that at the present time something more is called for. That point has already been made in the Glinne report and Mr Albers has made it again in his resolution. We are expecting that it will be emphasized by the various sides that protectionism is no solution, though we all know that certain measures are being taken at the present time. These measures are being euphemistically referred to as 'flexible forms of interventionism' or ways of securing certain temporary guarantees to ensure that the national industries are not hit too hard. In fact, however, this is protectionism, though nobody dare say so! I would refer you to the report of mine that we discussed last month. We are clearly faced with a menace which is growing every day and which ultimately does not constitute a solution for Europe's workers. As Mr Lezzi rightly

said, the only real solution is not Malthusianism — that is my expression, not his — but greater expansion and greater development opportunities for our national and European industry. That is clear. We must be progressive, we must innovate. But this is something that must be clearly stated by the various parties. I am aware of the fact that this is not the sort of language usually used by workers' representatives. This is also true of particular sectors which are in jeopardy. Certain employers also sometimes find it difficult to accept this kind of language.

When one agrees with what has been said by the previous speaker, one does not need to spend half an hour repeating the things one agrees with. I should simply like to emphasize one or two points. The most important of these, as was rightly stressed by Mr Albers, has to do with the problem of the structure of the consultative machinery, which he considers should be more differentiated.

I should now like to put a question to the Commission. Can we assume that we shall now be gradually establishing sectoral consultative structures, called joint committees in the Albers resolution, for all the main sectors? Can the Commissioner now tell us anything further about this? Does he think that this should be advocated at the Tripartite Conference? Does he have the intention of doing so? However that may be, I think, and the other members of the Committee on Social Affairs agree with me, that these big, general conferences which try to treat all manner of subjects at the same time will be of very little practical use in the future. We shall increasingly have to hold European consultations for shipbuilding, textiles, the footwear industry etc. That is why we urge that the European joint committees mentioned in the resolution should stand out very clearly.

I shall conclude with a reference to the Tindemans' report, which was prepared at great length with all Europe's trade union leaders. It was the outcome of discussion with heads of businesses, and with government officials from the various Member States. When I first came here I heard Mr Vredeling say in connection with his blueprint for a social policy that if all we could make was an economic Europe it would never be anything worthwhile. We must also make a social Europe, not just a monetary Europe, a social Europe with which large sections of the population can really identify themselves. Now Mr Tindemans says the same thing and he in fact supports the proposal contained in our resolution when he talks about social policy. The Community's social policy must, in his opinion, express itself in specific measures which reflect at a European level the social objectives of our work. In connection with consultation he has said that the gradual transfer of certain decision-making powers in the economic field to European level corresponds to a development which has already occurred in

Vandewiele

respect of big companies. We have known for a long time what multinational undertakings are, but we also know how difficult it is to bring about multinational talks between trade union leaders! At present some of them want shorter working hours, others will not hear of that and want longer holidays instead. Yet others want part-time work systems to be adopted. They must all get together to coordinate their efforts so as to be able to speak with a single voice at the conference.

It is not our intention to put anyone in the dock. But we would ask the Commission to accept the challenge. It must give the necessary impetus for a refurbished policy in this area. We as Parliament have our job to do and I think that it is our responsibility — and indeed the resolution makes this clear — to draw attention to the fact, for the sake of Europe as a whole, that a Tripartite Conference which merely repeats the same hackneyed phrases would do more harm than good. It must be properly prepared, it must lead to positive results and take account in its resolutions of what Parliament wants. We are after all representatives of the European people and we shall be judged according to our actions. Mr Lezzi has tabled certain amendments. I have pleasure in saying that if the rapporteur is in agreement with them my Group is inclined to support these amendments.

IN THE CHAIR : MR YEATS

Vice-President

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

Mr Cifarelli. — (*I*) Mr President, the liberal and Democratic Group fully supports the report drawn up by Mr Albers and wishes to express its admiration for the way he has brought into focus the whole range of problems relating to this complex matter.

I ought to say at the outset that, whereas normally our own views coincide pretty closely with those of the Commission, on this occasion we cannot hide our astonishment at the fact that even though the Council has given the green light for the Tripartite Conference the Commission seems to be undecided and downright unforthcoming on the subject. We all know that in the present economic situation the problems are far too complex for a solution to be found simply by waving a magic wand and that the Tripartite Conference is in real danger of turning into a dialogue of the deaf and of ending in the unilateral presentation of demands according to sector, or country, or even ideology. We need to prepare ourselves, therefore, for the possibility that the Tripartite Conference may come to nothing. In the face of this eventuality we have to define the points of reference, gather together objective assessments and incontrovertible facts and even suggestions so that the work of coordinating and

motivating, of forcing the pace here and putting the brakes on there, which has always been the special function of the Community, can continue. What we are now asking the Commission to do is to stop prevaricating and to face up to these problems which, given their scale and complexity, can no longer be disregarded by the Community institution which bears prime responsibility in this area. I may also say that we fully support Mr Lezzi's proposed amendments, which are designed to ensure a more coordinated policy in the future.

And since I have mentioned Mr Lezzi, I would like to refer to a point he made in his speech and with which I wholeheartedly agree, namely that we must beware of expecting miracles from the Tripartite Conference. However, for us who are answerable to the general public and who together make up the Parliament of the European Community, the dialogues in themselves provide an opportunity to gain a better understanding of the problems. And I also want to say, here and now, that it is no use our pussy-footing around — as the French say *'la vie est surtout du courage'*. So we are to get to grips with these problems we must be prepared for a bit of rabble-rousing and even to be roundly jeered at.

I want to refer to another thing Mr Lezzi said about the need to work a little less. Well, I suggested that we need to earn a little less and consume a little less! Lenin once spoke of the colonial empires riding on the backs of the leading industrial nations of the day and asserted that once these empires had been smashed with them would collapse the principles of a free economy and that then the boot would be on the other foot. Thank the Lord, it did not come to that. However, with the disappearance of the colonial empires came the problems of rising costs, of raw materials, of energy resources, problems with the strengthening of the labour movement, with a new international division of labour, and so on. The great Italian political thinker, Mazzini, said that it was this division of labour between national economic complexes that marked the beginnings of what he already then foresaw as the United States of Europe — a new Europe composed of free and organized nations. With reference to paragraphs 7 and 9 of the Albers report, I have to say that, if working hours in industry were to be reduced without an attendant reduction in labour costs, the effect would be to increase production costs which in turn could destroy the international competitiveness of a country like Italy, whose economy is dependent on the processing of raw materials, since it has neither minerals, nor oilfields, nor energy resources. The same goes for the idea of lowering the age of retirement. The effect of this would be to increase the non-productive section of the population and consequently put a greater burden on society. When Mr Lezzi says he believes in providing jobs and not assistance I am entirely behind

Cifarelli

him on this and also on what he has said regarding the job prospects of school-leavers. All these things are very close to the heart of my party. We cannot build a modern democracy without economic planning, just as we cannot conceive of a planned economy in the context of an authoritarian or totalitarian state, which believes not in economic planning but in imposing its will from above. Economic planning should be accompanied by an incomes policy that would apply equally to the rich and to the poor, to the haves and the have-nots, to those in work and to those out of work. However much of an outcry such incomes policies may provoke I believe they can be effective, as the example of the United Kingdom has shown us. I understand that at the moment Mr Callaghan is in the trough of a wave but I am sure he will recover. In spite of attempts by the trade unions to persuade him otherwise he has chosen to stick to his guns and if the European democracies are seeking an example to follow they would do well to benefit from the experience of the United Kingdom, particularly under the labour government of the last few years.

Mr President, I want now to refer to paragraph 10 of the motion for a resolution, which some of the other speakers have dealt with at some length. This paragraph contains a reference to protectionism. My group firmly believes in freedom of initiative and considers that making profits is not a crime. We believe also in the need to use taxation as an instrument for reducing the disparity in earnings and not to reduce earnings as such. Consequently, we endorse what Mr Glinne said about the dangerous, not to say criminal, folly of protectionism. It is a sign of real progress that virtually all the parties — including the one to which Mr Albers belongs — recognize that protectionism may be a palliative but can never be a solution to difficult situations. It can provide a remission but never a cure. Indeed it can even exacerbate the situation in the long run. The 1929 crisis was a case in point. It is a fact that the greatest weakness of the democratic system lies in the tendency to see things in the short term rather than the long term.

We must make it our task to resist such tendencies. Protectionism is one of them and perhaps the most dangerous. For this reason I look forward to receiving an answer from the Commissioner that will prove to us that he recognizes — not so much he, personally, since I have no reason to doubt him in this matter — that the Commission recognizes the problems that we have outlined to them in anticipation of the forthcoming Tripartite Conference.

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

Mr Normanton. — Mr President, first of all I should like to place very firmly and indelibly upon the records of this House the firm conviction, as far as the

European Conservative Group is concerned, as to the importance of consultation in both the field of politics and public life and in that of industry, but I am bound to express the strongest possible endorsement also for the deep anxieties and concerns which have been, in my opinion, so ably and sincerely and passionately expressed by Mr Vandewiele on behalf of the Christian-Democratic Group. I believe that in presenting the balanced but very, very sympathetic and constructive views which he did, he made a very valuable contribution to the views of this House—to the stature of this House — and that is something which is to be highly recommended, and we would strongly support him in the line which he argued. I am not therefore going to go over the kind of argument or the process of logic which he so effectively deployed to get his views across, but I do endorse, and endorse very strongly, his criticisms of the Commission on this whole question of the way in which the Tripartite Conference is appearing to develop year by year.

The Tripartite Conference, in my opinion, is another example of the way in which we believe we can see the creation of a 'them-and-us' situation crystallizing out into the system of a corporate-statism and that is not what parliamentary democracy and a free democratic society should welcome — indeed it should abhor it at all cost. And it is this encouragement which the Commission appears, certainly to us, to be giving to the concept of corporate-statism which is a point which we strongly feel should be resisted by this Parliament. The creation of two sectors of human life, those who are the workers and those who are the employers, is a complete travesty of a free democratic society. It is a travesty in the sense that it is creating, not forces to coalesce and create collaboration, but to enshrine division and separatism, and that is the beginning of the end of a free democratic parliamentary system in Europe. So that development, as we think we can see it coming and developing thoughts of the Commission in this context of the Tripartite Conference, is something which we strongly feel this House should resist.

The division of everybody into workers and employers is wrong in principle, and it is absurd to imagine that organizations can represent people at institutions like the Tripartite Conference on that particular, precise basis. They can't, and I hope we will get away from that and accept that reality quickly. And above all, since we in this House on many, many occasions — from all quarters of the House — have drawn attention to the importance of looking at and considering the interests of the small entrepreneur, the small businessman, the small and individual operator in the economic sense, it must be said that this establishment of the Tripartite Conference fails completely to reflect their existence. What we must recognize is that the peoples of Europe are not divided into huge monolithic industrial structures on the one side and remote

Normanton

and impersonal business managers on the other. We are a mixed society in every way in the best sense of that word. The big battalions and the big organizations are still, thank heaven, in the minority when we come to analyse the make-up of the 250 million people in Europe. It is still an area where the small businessmen, the small entrepreneur, the individual carrying out his particular profession or his particular occupational activity, is still the majority of society. He is not reflected, he is not represented in the Tripartite Conference and the institutionnalizing of consultation in this particular forum. The big firms and the big unions are represented in it, and the majority of those engaged in economic, industrial and commercial life are, by the process of thought which appears to be dominating the Commission in this context, excluded. And that is something deeply to be deplored.

I have no intention, Mr President, of delaying the debate on this subject, other than to refer briefly to one amendment which has been tabled in my name, and that is Amendment No 4. If there has to be a conference, and if Parliament has to give a report, then the Committee on Economic and Monetary Affairs is just as involved in giving a report on this particular area of political consideration as is the Committee on Social Affairs, Employment and Education, and the Committee on Economic and Monetary Affairs, as far I am aware, has not been consulted on this issue. I deplore it. I deeply regret it, and it creates a very conspicuous gap in the reflection of the opinion of this European Parliament.

As regards the three amendments which are standing in the name of the Socialist group, I for one will recommend my group to support them. The first one corresponds, I think and hope the House will agree, to what I can call a sense of realism. We will support it. On the second one, I would agree it could be much better to use the existing organizations, although we have certainly, our doubts about their current operation and the way in which they are being used or not used. The third one could really be included, by a slight modification, in the amendment standing in my name. I hope the proposer of the particular amendment, Amendment No 3 will express his willingness for his to be merged with the amendment which I have tabled to enable a common ground to be accepted. Personally, Mr President, I frankly would prefer that this report be taken back to the Committee on Social Affairs Employment and Education and that fuller account be taken of the points put in Mr Vandewiele's highly constructive and highly realistic presentation in this debate. And secondly, that the Committee on Economic and Monetary Affairs be given an opportunity to consider these extremely important social, economic and industrial implications contained in the holding of, and preparations for, the Tripartite Conference.

But frankly, above all I know that the European Conservative Group would much prefer the Commission to sit back and re-think their proposals and consider whether they should, or how they should, hold the next Tripartite Conference. I for one believe it would be far more fruitful, far more effective if this next one — for which there is totally inadequate and totally inappropriate preparation apparently being made by the Commission — were held over to enable the deeper and more long-term aspects of it to be given much more realistic consideration.

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

Mr Nyborg. — *(DK)* Mr President, I share many of the views expressed here in the speeches we have heard, but I am bound to say that I am perhaps even more worried than my colleagues. This is not, of course, the first time that Parliament is discussing the problem of tripartite conferences. It is, in fact, an annual event and, in general, it has to be said that the establishment and exchange of contacts between the three parties in an attempt to solve the problems of the labour market is a positive feature, especially at a time when — as at present — we are experiencing an economic crisis.

On the other hand, these tripartite conferences have not, to date, been of any benefit but have merely been the forum for fine phrases lacking in any real substance. Banalities of the kind served up each year on these occasions are of no use to the two sides of industry. The problems are simply far too grave.

The report says that the Commission should reach conclusions on the shortening of the working week, on limiting overtime, lowering the retirement age, etc., in connection with the creation of new jobs. I do not believe that this would be the best solution to the unemployment problem facing us.

The vicious circle starts with falling exports and ensuing unemployment in the export industries. Employers become more cautious about investments, which entails further unemployment. The separate Member States consequently start thinking in terms of import restrictions, measures to boost domestic consumption and subsidies to national industries, with the result that, time and again, one country ends up exporting some of its own difficulties to another Member country.

This sort of thing must be avoided, and solutions to these problems must therefore be sought at Community level. To avoid mounting inflation or a worsening balance of payments and foreign exchange, we must export our way out of our difficulties, and we can only do this by being competitive on the world market. In my view, public spending must therefore be cut and the savings obtained used to reduce income tax and thereby improve the real wages of workers, so making it possible to dispense for a while with wage increases.

Nyborg

By this means we can, without any increase in the rate of inflation and without foreign exchange difficulties, restore our competitiveness on the world market, which will mean an ensuing upturn in employment, increased optimism on the part of investors and, hence, more jobs available in the Community.

A solution simply must be found to unemployment, as it is a question not merely of economic problems but, to a very considerable extent too, of many people being exposed to psychological effects and lacking human and meaningful existence.

With their firsthand knowledge of the problems and their ability to indicate constructive solutions, the two sides of industry must naturally be involved in the efforts to solve the problem of unemployment in our Member countries, although I am very much afraid that these tripartite conferences will not get anywhere near solving any of these problems but may, on the contrary, afford scope for delaying the implementation of necessary measures to combat unemployment in the individual Member States.

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

Mr Pistillo. — (*I*) Mr President, our group approves the motion for a resolution on the forthcoming Tripartite Conference drawn up by Mr Albers. We wish to add our support to the strong criticism of the Commission in connection with the preparatory material for the Conference. It is truly incredible, Mr Vredeling, that Parliament should be completely cut off from any opportunity to make any kind of pronouncement on the time and place of and the procedures for the Tripartite Conference.

Is this due simply to a bureaucratic slip, to some delay, to laziness or is it a political decision? If, as we suspect, it is the latter one might wonder what is behind it. Perhaps the Commissioner will shortly be kind enough to give us some explanation. Furthermore, the essential document dealing with investment and employment strategy is already in the possession of the various governments, whereas the Committee on Social Affairs — and therefore Parliament, too — have not yet had an opportunity to examine it in detail and put forward appropriate proposals.

In the absence of more detailed information we must insist on some points of reference for a policy of full employment and we suggest that the Tripartite Conference should dwell on these if we are not to see something even worse than last year's conference, which all of us criticized, not least yourself, Mr Vredeling — I well remember the opinion you expressed during a meeting of the Committee on Social Affairs.

At the heart of our argument, Mr President, is our conviction that a policy of full employment is an essential part of the overall economic policy both of the Community as a whole and of the individual

Member States. This may seem self-evident, but it isn't. In fact, none of the Community's activities in the social field seem, in our view, to take this principle into account. The policy tends to be, rather, to think in terms of separate, even sectoral issues. In our opinion the activities and the operation of the Social Fund bear this out.

This kind of global approach leads one to the conclusion that we should channel our investment into job creation schemes, but within the framework of an overall plan. This debate is clear evidence that this is an increasingly important preoccupation. It is enough to look at the programme of the European People's Party or, better still, at the draft programme of the Socialist Party to find confirmation of this. The trade unions and the European Trade Union Confederation are also very much involved.

Recognizing the hopelessness of achieving the objective of full employment by 1980, everyone accepts that we cannot rely on spontaneous market forces alone to increase employment. And it is not only we in the Communist Party who say this. The Economic and Social Committee itself has said that the spontaneous reaction of the market need not necessarily lead to the creation of full employment.

It goes without saying, therefore, that the need to begin investment planning, including industrial restructuring, cannot take precedence over the employment problem. The latest information seems to indicate, however, that the employment problem is being largely ignored. The recent Multifibre Arrangement has put many more thousands out of work. If this process of restructuring continues to be divorced from employment issues there can be no doubt that the figure of 6 million unemployed, a record figure in the history of the EEC, will soon be easily overtaken.

Mr President, I just want to say a few brief words on two points. Much has been said about the tertiary sector being the key to higher employment over the next few years. One newspaper even suggested that Europe is gradually becoming a continent of clerks — nearly every other European engaged in some form of work is in fact employed in the public sector. According to results published by the Statistical Office of the European Communities on the basis of a census carried out in the nine countries of the EEC between 1968 and 1971, 47.2 % of the working population of Europe is employed in the service sector, as against 43 % in industry. The same newspaper, incidentally (it was an Italian newspaper, but it isn't just the Italian press that comes out with statements of this kind), came up with this truly 'political fiction' headline — I don't know how else to describe it — 'In ten years there will be more jobs than workers'.

Does anyone seriously believe that the tertiary sector can really be the key to full employment? I say again that we have the gravest doubts on this score; this is not the way to tackle the root of the problem. The

Pistillo

problem is still how to plan investment and use the resources available at the level of the individual states and at Community level. The problem still lies with the underdeveloped regions of the Community, with the regional imbalances which persist in the Community and which are the reason behind the frightful phenomenon of unemployment, in the face of which we cannot honestly say that we have found suitable and just ways of coming to grips with it. As things stand at the moment, the future is in the hands of big business and of the big monopolies whose traditional criteria are maximum profit and deflation, the corollary of which is higher unemployment.

Secondly — and I am coming to the end now — that much-discussed matter of working hours which Mr Albers refers to in his report has been linked with the much more important and decisive problem of employment, and I would like to say a few words on this.

We do not believe a reduction in working hours could be the key to solving the unemployment problem. And, as we understand it, this is what was openly suggested at the Tripartite Conference. All the European press kept repeating that by reducing working hours, by lowering the retirement age and by other more or less similar measures we could increase employment dramatically in a short space of time. We prefer to take a cautious approach; it might be that these measures could be worked out in more detail and even be put into effect in some cases.

Coming back to what Mr Lezzi said, it is foolish to imagine that with a small blanket you can cover both the head and the feet. What we have to do is open up new employment possibilities, find new jobs. It is with this in mind that we must go to the Tripartite Conference with precise proposals if we do not want to repeat the failure of last year, as Mr Albers in his report fears we might.

We want to make one thing clear and that is, if we stake everything on, say, a reduction in working hours it could lead — and as far as Italy goes it already has led — to a new influx of immigrants from those countries in which the exodus began in past years and which are now suffering from an even greater imbalance. These immigrants come into congested areas that have a particularly well-developed industry, or resort to moonlighting, which has already been referred to, growing rich in areas that are already rich and growing poor in areas that are already poor.

None of this seems to us to constitute the correct approach to the unemployment problem. Unfortunately, we have so far been unable to consider the Commission's fundamental document. This is an extremely unsatisfactory state of affairs. We subscribe to what has been said in the report and to what has been said by other speakers today. Since it appears that the Tripartite Conference will go ahead — at any rate everything is ready and the various governments

are already moving towards it, so I don't see it being put off — we ask that we at least be given the opportunity of passing an opinion on the actual proposals that the Commission intends to present at the Conference itself.

I think we should do everything in our power to clarify our ideas and put forward proposals more in line with the needs of the workers and with the extremely serious unemployment problem afflicting the Community today.

President. — I call Mr Pisoni.

Mr Pisoni. — (*I*) Mr President, I will be very brief. I really do not want to go into the subject-matter at all, however much I may be tempted to do so.

I noticed a certain scepticism in the speeches concerning the outcome of this Conference and also a degree of perplexity. I would therefore like to put a direct question to the Commissioner and ask him if, on the basis of the information he has available, he feels that this Conference can have positive results. If so, could he perhaps also give some indication of his grounds for saying this so that we can come to some more precise conclusions of our own.

In the event of the Conference proving a failure — the last three produced no satisfactory results besides a lot of analyses — what does the Commission intend to do about it? In fact, if the Tripartite Conference should fail to come up with proposals for solving the unemployment problem we cannot just simply let the matter drop. In that situation the Commission should perhaps seriously consider the proposal that no further tripartite conferences be held, since I doubt if, in the event of such a failure, it could command enough faith in further meetings of this kind.

These are my questions to the Commissioner. I believe that a reply to them would enable us to look at the future more realistically.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (*NL*) Mr President, it is with a certain amount of satisfaction that I can today submit to the European Parliament the Commission's document containing: the recommendations on a common strategy for growth and stability and the restoration of employment levels which we shall make to the Tripartite Conference to be held on 9 November. The Commission's decision-making procedure has just been concluded, or to be more accurate, was concluded at 5 p.m. yesterday. So you will be the first to know the main outlines of our ideas. Parliament is thus the first to hear our views, Mr President. However, I should like to make one preliminary remark about how the preparations were made, a remark which confirms the relationship between Parliament and Commission. I am well aware that there are those among you who feel that Parliament should

Vredeling

have been informed earlier of how the Commission's ideas were taking shape. They go even further than that. There are a number of members who consider that Parliament should have been actively involved in the preparations for the Tripartite Conference. I should like to begin by clearing up the misunderstanding that the Commission neglected to do so because of indolence, sloth or, even worse, disdain for Parliament.

There was no idleness, sloth or disdain for Parliament. How could I underestimate Parliament, Mr Vandewiele, when I myself was a Member for so long! Out of the question! That would be impossible for me! I would be repudiating myself!

But the important issue is quite different. We did not think it proper to involve Parliament in the discussions and consultations which we were conducting with the social partners and the governments. We deliberately abstained from doing so, and there are a number of reasons for this. Mr Pistillo asked me to explain myself and I shall gladly do so. May I point out that the Tripartite Conference is a conference which aims principally at organizing a meeting between the social partners and government representatives. Those are the three parties. That is what the word means. Those are the three parties represented at the Conference: representatives of the governments, representatives of Community employers and representatives of Community workers. The Council takes the chair. This is one of the wrong decisions we have taken in the Community but so it was decided, and it is a fact of life. The Council has the chair, not the Commission as should have been the case as it ought to have done in my opinion. But consequently the Commission has a different role than many might imagine as regards this Conference. We must prepare the documents for the Conference and that is what we do. Beyond that, we naturally act as instigators and as intermediaries. We do attempt to bring the parties closer together but the Council provides the Chairman and no one knows better than you, Mr President, how important the chairmanship is. So the Commission has a rather curious and strange position. Now, I wanted to begin by stressing that because there is a lot of misunderstanding about it. The three groups involved, the representatives of governments, employers and worker are the only ones to be invited to bear their joint responsibility. Those are the three parties which attend the Conference although they do so at the initiative of the Commission and with the Commission's cooperation. An attempt is then made at the Conference to reach agreements of principle on the policy to be followed. At that stage when the representatives of governments, employers and workers meet together to try and reach agreement, in that sort of meeting, Parliament as an institution or discussion partner would represent a totally improper element. I therefore cannot understand this reproach and I am therefore also against this concept. And then Parlia-

ment has the opportunity of delivering an opinion on the Commission's policy at the Tripartite Conference, the way in which the Commission has reacted to the specific requests made to it and the way in which it has tried to help the parties involved to reach agreement; Parliament will, I hope, do this in complete freedom, critically and thoroughly, taking account of all the relevant background facts.

I would also refer to the fact that the Council, too, tried to arrange for prior inspection of our document, possibly, I think, in an attempt to influence the contents of the document while we were drawing it up. They tried to do so, but for reasons of even greater principle almost I rejected them out of hand. In this matter the Commission bears its own responsibility, of course under the supervision of Parliament. Parliament can check that too. You will receive today the document that we are sending to the social partners; you will receive it today, almost as soon as the Conference participants. I therefore think that Parliament's opinion on this matter should now be heard.

I should like to say one more thing about the preparations for this Conference. It has indeed taken a long time, from last July until now. It proved impossible to fix the date any earlier than the beginning of November, in fact 9 November as I told you. It took a long time but the preparations were correspondingly thorough. And this time they aimed at giving the Conference participants maximum insight into the problems facing us and at showing them how necessary it was to arrive at a common view, to try and reach agreement. We are therefore much much better equipped this time than was the case in June 1977 when the Council took the decision to hold the Conference in April. Then we scarcely had time to prepare the document. At that time the Commission had only just been formed, and the social partners, I think had only one or two weeks to consider the matter.

This time progress has been much smoother. From the outset we have involved the social partners in the preparation of our documents, we have involved the Standing Committee on Employment, for two of the subjects we have involved the Economic Policy Committee and at one meeting the social partners were also represented.

In short, I must say that the preparations have at least satisfied the social partners. Mr Lezzi said that is was very important for Parliament to be involved as well because the trade union movement would approve. Well, I have seen a very recent letter from the trade union movement, about which they were kind enough, to inform me, which was sent to Mr Van der Gun, the chairman of the Committee on Social Affairs, in which they expressed their complete satisfaction with the way in which the Commission had prepared this Conference. The trade union movement! Now, I ask you! The trade union movement is

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not so easily satisfied as a rule. I spent some time in the movement, so I know that for sure. So if they say that then it proves that we organized the involvement of the social partners to the best possible effect.

And who could have prevented Parliament from putting something on this subject on the agenda? No power in the world, nobody! You could have done that. We said that documents from the Commission's departments were available which you could have obtained. And do you know what you did? You never asked me for them, not once! You would have received them if you had asked for them and now suddenly you start criticizing the way in which we prepared the Conference. Well, I can take a lot but I must say frankly that it gets under my skin a little, and that is an understatement. It is also more sensible.

Mr Albers said that this Conference should not result in platitudes. True, but I cannot prescribe for the leader of European trade union movement or the employers or governments what they should say. I cannot forbid them to speak in platitudes. Even in this Parliament I cannot prevent people from speaking in platitudes. I am sorry but I think that even your powers do not stretch so far, Mr President. So what am I to say to Mr Albers' comment? The commission has no control over the remarks which will be made at this Conference by the representatives of the governments, the employers and the workers. We are trying to reach a consensus, to reduce the views to a common denominator, to reach broad agreement.

This is also my reaction to Mr Normanton's comments. The Council chairs this meeting and is therefore largely responsible for the way the Conference is run. I should now like to summarize the content of our document which was finalized by the Commission early this week.

The document contains the broad outlines of a strategy to improve the employment situation. I can best summarize the main outlines and conclusions as follows: Firstly: restoration of growth in a balanced and coordinated manner, in accordance with the guidelines agreed at the meetings of the Heads of Government in Bremen and in Bonn. Secondly: the promotion of investment for the production of goods and services, taking account of the needs of society and bearing in mind the interests of the Third World. Thirdly: restructuring of sectors in difficulties and the maintenance and extension of the Common Market, together with the development of growth sectors and new industries. Fourthly the incorporation of essential social measures in the growth and restructuring plans, a more active labour market policy and an improvement in working conditions. Fifthly: a better distribution of available work. There are now 6 million unemployed, a horrifying number, and two elements play an important part here: demographic trends, and the

ever-increasing supply of women on the labour market. We also know that in the next few years several million people more will be looking for paid employment. At the same time, all economic forecasts suggest that there will be no more than modest growth in the Community in the next few years. For those reasons, we simply must incorporate work-sharing measures into the employment policy.

Fortunately more people are now realizing that a strategy such as that of which I have just given you the brief outlines has no hope of success unless it is pursued at Community level. It is, therefore, impossible to attain the objectives of which I have given you a rapid summary at national level, that is by national efforts. We believe that the Commission will have to propose a number of Community programmes. We shall suggest that to this Conference and we look forward to hearing what the parties at this Conference have to say about it.

We have a number of measures in mind. Firstly, the resumption of growth based on continued moderation in prices and incomes. The new monetary system, together with greater convergence in the Community's economic and social policy, will be extremely important.

Secondly, we shall work for growth in investment, both private and public. At Community level I would mention the infrastructure projects and selective co-financing of investment in growth sectors and public projects, such as energy supplies. The Commission will also examine a number of factors which are most important for the conduct of an investment policy, in particular the influence of investment bonuses and the financing of social security. The Commission will also consider how greater insight into investment plans can be achieved.

Thirdly, the stimulation of external demand from the developing countries by an increase in Community financial aid.

Fourthly, the Community will have to play an active role in the restructuring of the sectors in crisis. This will involve the worker at Community level as well. In the restructuring of crisis sectors, social measures are an essential and integral part. The Nine must work together to ensure that restructuring plans are aligned with the trade and competition policies.

And finally, Mr President, a redistribution of available work. The Commission has continued its work in this sphere partly as I just mentioned on the basis of the conclusions of the Standing Committee on Employment. It is considering initially a common programme to reduce overtime, a programme which must precede a reduction in the annual number of hours worked in some form or other.

Another Commission proposal will concern the introduction of a flexible retirement age.

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Another point concerns employment agencies. The role of employment agencies must be controlled, and in the somewhat longer term, Commission initiatives may lead to results in the following spheres. Firstly, shift-work, secondly, part-time work and thirdly, increased opportunities for vocational training for young people and adults.

Some sections of the strategy have been the subject of consultation and preliminary discussions, especially the redistribution of available work and the role of the tertiary and public sectors. As regards work-sharing, differences of opinion have not yet been overcome, but we are not entirely without hope that even here we shall reach common agreements.

I should like to point out that in some Member States, certain elements of this policy have already taken on initial practical shape and content. In this context, I would refer to the recent French Government plan announced a few weeks ago in which the subjects for discussion are of the same nature as those I just mentioned, although they can only be successfully tackled at Community level.

In our document we have made an attempt to bring together the social partners and the representatives of the governments and to get them to agree with the broad outlines of a policy, a strategy which the Community can help along. The success of the strategy depends on the extent to which all those concerned are prepared to make a real contribution. So the Commission would take this opportunity of calling on the Conference participants not to be afraid of committing themselves, not to speak in platitudes but to have the courage to take on commitments. The enormous problems facing us of economic recession and unemployment cannot be solved without real commitment and participation.

In this context, I should like to give an unequivocal answer to the question which Mr Pisoni asked just now, the question as to why the Commission hopes that we can achieve concrete results this time. In the summary I just gave you I stressed the need for the Community to get to grips with the points I mentioned. My hope is based on the assumption that the representatives of the social partners in general are sensible people who will realize now important this matter is ahead. If, however, no progress is made then I see trouble. It would adversely affect the situation in the Community. The reaction of the trade union movement would then be very negative. I have noted that in the preliminary discussions which I have had. Then they will say that they must again try to achieve more at national level since nothing could be done at Community level. Then you would have an irreversible change of direction. I am positively convinced, and here I agree entirely with Mr Pisoni, that if this year's Tripartite Conference ends in failure — I dislike talking about it in those terms, but he did ask me — then we can forget about holding another Conference, possibly not for ever, but at least for a long time.

Mr President, one comment on the resolution tabled by the Committee on Social Affairs, Employment and Education. As regards paragraph 7 I should like to thank the committee and the rapporteur for the support which Parliament is thereby giving to our policy. Paragraph 9 is very comprehensive. It reads: 'Asks for the European Parliament to be provided with immediate information on ...' and then there is a long list of subjects.

We are and we always have been ready to provide Parliament with information on all these matters. At the last meeting of the Committee on Social Affairs, my Chef de Cabinet was prepared to provide information on all these items, but the chairman of that committee was unable to call him for lack of time. So it is not our fault, but frequently a result of the conditions under which we work. At a future meeting of the Committee on Social Affairs, one of my staff or I can certainly give the immediate information which is requested, but there must be no misunderstanding that we are not prepared to give that kind of information.

I should now like to make a few comments on the subjects contained in the motion for a resolution. For example, like the Committee on Social Affairs we consider the labour market policy highly important. Early in July an entire conference which Mr Andreotti attended in which Mr Scotti, the Italian Minister for Social Security played an important part and which I attended on behalf of the Commission. We shall give aid to Italy, financial and technical aid, and know-how for the restructuring and redirection of the entire employment service sector. I hope that in this way we can make a very practical contribution to the improvement of the situation in one of our large Member States. Regular meetings are held between directors for the labour supply to promote and coordinate plans and projects which the Member States submit. I could go on and on like this but it would take too long to cover all the points before this Assembly. You will find most of it set out in our annual reports, and if you wish for more information I can give you a piece of very good advice: do not throw your monthly Bulletin straight into the wastepaper basket, but just read the chapter on social affairs. Then you will receive every month full information on everything that we are doing, the meetings we are holding, and so on and so forth. You will find all that in there. The Bulletin might well be in need of certain improvements but for the time being it will keep you up to date with everything that we are doing and you can also see what we are not doing. And for those matters we shall come to Parliament so that you can tell us about them.

I would make one comment on paragraph 11 of the motion for a resolution. I agree entirely that the social partners must be involved in the continued development of social and economic policy. I can tell you that we have already discussed the matter with the Council. You are aware that at the European Council in Bremen,

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that point was also discussed. We also spoke about the matter at the informal meeting of the Ministers of Social Affairs and Employment in Gravenbruch. I recall in particular that the British Minister, Mr Albert Booth, drew our attention to the importance of setting up such committees. Then this matter was also recently discussed in Copenhagen in the OECD. In this context we have a number of concrete steps to report. Since the Tripartite Conference we have noted greater activity on the part of the joint committees.

To Mr Vandewiele who asked a specific question about that matter I can say that just recently we set up new committees for the footwear sector, for example, and for the glass industry.

But apart from those joint committees which have a certain formal structure because that is what the social partners, the employers and the workers demand, there are numerous others. Regular consultations between employers and workers are held in some 20 sectors although there is no official committee. The reason is that in those cases the social partners decide what to do, and frequently it is the employers who are comparatively more prepared than the workers to discuss matters ad hoc and also to come to a agreement to meet again without forming a special committee for the purpose. In this respect I am very pragmatic. I find it much more important that they meet at European level, talk to each other and make agreements with each other than that a specific committee is set up. I must say with respect to paragraph 15 of the resolution that I share the opinion that if a Community policy is to be pursued in certain sectors — I am thinking here about the iron and steel sector, where we have one already, shipbuilding and the synthetic fibre sector where a specific request was made to the Commission but on which I do not wish to expand at present — in such situations the Commission should set up a joint committee of representatives of employers and workers following the pattern of the Coal and Steel Community, if the Community's industry requests financial support. That is in itself a very good idea which is set out here in the resolution.

Those are the points that I wanted to emphasize. In paragraph 12 the Commission is called upon to draw up proposals for improving the structure of the consultative machinery between the Council, the Commission and the European workers' and employers' organizations. This appears to me to be very difficult in this context because the employers and workers must first point out the need. As soon as they do so, we shall not so much make formal proposals as intervene and provide facilities for meeting and for translation. You are all well aware of this, we are then very diligent and encourage the parties so as to give form and content to such consultations at European level. What kind of proposals should we draw up, and for whom? I feel that that is not entirely clear, but perhaps you are satisfied with what I have said. If you should want more specific information

on the way in which we set about our business, then I am always prepared to provide information through one of my staff at any time, if you include that item on the agenda for the Committee on Social Affairs, Employment and Education.

Mr President, in view of the importance of this subject and the length of the debate I thought it was a good idea to go into the matter in detail, in particular because it appeared to me that Parliament, because it lacked a total view of the matter, was not aware of the way in which a Tripartite Conference of this nature is arranged. I have tried to show you that in broad outlines. It was said that the criticism was not levelled at me personally, but in the last analysis I am responsible for the organization of this Conference. So it does not really matter whether the criticism is levelled at the person or the institution. I hope at all events that I have in some way succeeded in clarifying for you why the Commission has deliberately acted as it has in preparing this Conference.

President. — I call Mr Albers.

Mr Albers, rapporteur. — (NL) Mr President, as rapporteur I should still like to say something about the detailed reply which Commissioner Vredeling has given. I am very glad that this is a comprehensive document which is now being submitted. We should be able to deduce from it that our fears that the Tripartite Conference was doomed to failure are not entirely justified. The Commissioner must realize that we did not ask for the 'prevention' of platitudes. Everyone knows that that is quite impossible. The paragraph he quoted reads somewhat differently: 'Fears that the mere repetition of banalities on this subject, particularly at the last Tripartite Conference, scarcely does justice to the human and political problems involved'. That is what is really worrying Parliament and the Committee on Social Affairs, Employment and Education. And precisely because we know so well how these Tripartite Conferences have been conducted in the past, because we attended them, we have been so awkward with our questions. Precisely for that reason we have asked for more information. In my interim report of last July I clearly asked for more information, more clarification, and we even discussed the point of holding the Conference at all if the preparations were insufficient. We know very well that last year's Conference was perhaps somewhat forced. We know — we remember it very well — that the new Commission was really not ready for this Conference and it was also said here in this House: 'do not hold such conferences so that people can make pretty speeches but make it into a proper conference on employment; and although this is not the first time that we have a comprehensive document from the Commission — we had one in 1976 as well which is why I said that the hope then arose that this would be a structural approach — we can hope, Mr President, that after the somewhat more thorough preparations which have been made it may really become a conference on

Albers

employment with a proper follow-up, and then we shall not hesitate to express our opinion upon it and reflect our impressions in a new report. I think that we really must do so, and I am also very pleased that the Commissioner thought that paragraph 15 was so positive, that in fact financial support can be made conditional on the setting up of joint committees.

And as regards the requirements of the workers with respect to improvement of the structural consultations I would refer you to an address given last week by the chairman of a Dutch trade union to a group of European journalists — and the Commissioner was also present — in which he specifically broached this point and he said: 'we must aim at improving consultations with the institutions of the European Community'; I am sure that as far as the trade unions are concerned, and possibly as far as the employers' organizations are concerned, the requisite proposals will be forthcoming.

Mr President, in view of the time we can call a halt here. I am sure that this exchange of views have been very useful.

President. — I note that no one else wishes to speak.

The motion for a resolution will be put to the vote, together with the amendments that have been moved, at 4.30 p.m. tomorrow.

The debate is closed.

12. *Decision adopting agricultural research programmes*

President. — The next item is the report (Doc. 318/78) drawn up by Mrs Dunwoody on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council for a decision adopting joint research programmes on a programme for coordinating agricultural research.

I call Mrs Dunwoody.

Mrs Dunwoody, rapporteur. — Mr President, with these views very firmly in mind, I think I should say that the Committee on Agriculture regards this as a very important report, and I can tell you why in a very few brief words. The agricultural policy of the Community is not only its best known but also its most voracious eater of funds. It is renowned throughout the world, as well as in the Nine for its capacity for spending money. One of the ways in which the Committee on Agriculture feels the Community could best spend its money is by actually looking at those areas of the agricultural industry which are in need of assistance.

When discussing, in the highly charged and emotional atmosphere of the price review, the problems of restructuring agriculture we frequently say that the decisions we take at the time are directly connected with the need to change the agricultural situation in the Community. We hear long and emotional speeches about poor

farming communities which, in many areas, have very real social problems, and about the difficulties that would face them if they were driven off the land. But surely what we should actually be considering when discussing restructuring is what is happening in those regions of the Community which are most in need of assistance. I mean the communities which, although they depend on agriculture, nevertheless have not reformed, modernized, changed their units or been able to benefit from many of the advances of other wealthier agricultural industries and have, for the most part remained small and in need of considerable assistance.

We in the Committee on Agriculture welcome this particular programme, simply because we believe that it is a step in the right direction. One of the speakers in the previous debate said that we should not have a conference where we only uttered banalities, as that would be a waste of everybody's time. I did rather feel that, in that case we might occasionally find ourselves in difficulty with several of the European Institutions. But it seems to me that this is one of the least banal of the reports that we have had to discuss, and I should say at this point that I very much admire and welcome the work of the secretariat of the Committee on Agriculture; it is through them and through the Members of the Commission that we have been able to produce one or two very positive points.

We say, for example, that it is tremendously important to understand that price policy alone will not improve agricultural incomes. What we need is an improvement in the general quality, both of stock and of produce, that will make it viable and welcome on all the markets of the world. We are saying that the research programme is absolutely vital to that kind of change and we believe that it is important that scientific knowledge should be sought, not for its own sake, but in order to allow the benefit of these sophisticated methods to be diffused throughout those regions where they are most needed. We do not, I may say neglect consumer involvement and we expect this to be a developing area of the Commission's involvement. Moreover, when we talk about the need to deal with animal diseases and to improve the quality of the stock, what we are seeking is harmonization on the highest possible level. We are not interested in the lowest possible common denominator; that would not be in the interests of the farming community and it would certainly not be in the interests of the consumer.

A great deal of development and money are being invested in the whole question of fish-farming, and I would have thought that, with the problems that we have in the Community at the present time, it is absolutely essential that this developing industry be given every practical assistance. There are many areas in the Community where the sea waters are clean and absolutely ideal for fish but we know so little about this new science that we can very easily allow disease to wipe out whole stocks of fish. It is important, I think, for the

Dunwoody

Community to focus its research programme on topics like the development of the knowledge required to prevent fish diseases and on ways and means of helping the fishing community to derive maximum benefit from the results of current research.

Although we did not specifically mention it in the report. I take it that the Commission, when gathering information from all the different sources, will bear in mind the fact that many ACP countries will benefit from this research and that many associated countries are very willing to give us considerable statistics in this particular area. The Israelis, for example, have wide experience in the field of fish farming. They are making that expertise available to many African and developing countries. It is, I believe, important that there should be a constant cross fertilization of ideas between ourselves and many of the associated countries.

What we are saying, in effect, is that here we have a means of actually doing something positive in the agricultural field. Instead of eternally looking at the difficulties of using the price support mechanism, either to keep the consumer happy or to produce a decent income, let us for once do something constructive. Parliament has not just asked for a rigid system of reports within a five-year system. What we want is a continual rolling programme of research which, as it deals effectively with one subject, is sufficiently flexible to move on to the second subject. But this will mean not only making veterinary and the advisory services available but having people in the Commission who are capable of making this particular aspect of the work really effective. I think that it is extremely important that we should have strong support along these lines.

Because, of the lateness of the hour, I do not intend to go into great detail on the areas which I think the Community can and should develop in the field of agricultural research. I would only say, that as a doctor's wife living in a farming Community, I learnt the hard way that animal diseases, particularly those which are transmittable to human beings, can cause enormous harm and very real social problems. The elimination of brucellosis, animal leucosis, made an enormous difference to the pattern of health, not only in animals, but also in agricultural communities. I want to see that information spread throughout the Community much more efficiently than it is at present.

We in Britain were able completely to transform our agriculture over a period of 25 years because the agricultural services, which were initially set up in wartime to advise and improve the quality of agriculture, proved useful to the country as a whole. Some form of support of that kind should be available to all the agricultural industries in the Community. I believe that without highly specialised assistance, we shall once again be supporting a system of highly interesting and no doubt erudite scientific seminars without any practical application, and I would have thought that the time for that

kind of self-indulgence is long past. If we are to have better veterinary control, if we are to have freer trade in produce, it must be of the highest quality and it must be done on the basis of genuine scientific research and complete awareness of the real practical problems, not only in the area of environmental health but in that of public health and agricultural investments as a whole.

Let me conclude by saying that the Committee on Agriculture has made its position perfectly clear. The committee is alarmed because they do believe that the staff available is not sufficient even to carry out the research programme that you have asked for; although they make no criticism of those members of the Commission who have assisted us in preparing this report. But they feel that if we are to realize any of these many grandiose plans for change in the agricultural industries of the Nine, we must do so on the basis of informed assistance, scientific knowledge, and goodwill. This report is not meant to support the large industrial farming units, it addresses itself specifically to the needs of the poorer agricultural regions and to the question of the help they can derive from highly specialised research and assistance. If this kind of help is not forthcoming, we shall, in the coming year, still be talking in general terms about the need to change the agricultural industry incomes, without giving any indication that we actually mean what we say. I therefore recommend this report very strongly to Parliament.

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

Mr Caillavet. — (*F*) Mr President, the Liberal and Democratic Group accepts in its entirety the report before us. Mrs Dunwoody was indeed right to emphasize the importance of agricultural research. Unfortunately, research is still all too often left to private enterprise and, except for basic research, is somewhat neglected by governmental bodies. With the present threat to Community products from substitutes this research is becoming all the more indispensable. As you said, Mrs Dunwoody, vegetable oils are posing a threat to Community milk and butter. Likewise we might say that isoglucose could give rise to difficulties in the sugar-beet sector. We could even conceivably see massive imports of cassava as a danger to fodder cereal production. We could in fact witness a breakdown of regional structures and a narrowing of the gap between the prosperous and underdeveloped regions of the Community. We agree that the correct way of dealing with this particular situation is to intensify scientific research. This could perhaps help to find a fresh balance, in other words development. We feel that it is now up to the Commission to coordinate the research are disseminated as widely as possible so as to introduce a measure of cohesion into our approach.

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

Mr Corrie. — Mr President, may I start by congratulating Mrs Dunwoody, not only on her report but on the way she has put it over this evening? I wholeheartedly agree with everything that she has said. We certainly can never have enough research. We have had tremendous changes in the agricultural industry over the last 50 years. These have mainly been brought about because we required increased output from the same amount of ground, but this in many ways has of course led to problems with the high amount of fertilizers being put on the land. Now we are running into problems with our water and our streams being clogged by the amount of fertilizer being washed off. In the insecticide area we have dressed crops to clean them of weeds, and we have killed off our wildlife and our insects. In sheep diseases, we used to have DDT: we put our sheep through baths and we had to withdraw that from the market because of the damage it was doing, because it was staying within the body of the sheep and then when the sheep was eaten by dogs or other animals there was a build-up of that particular substance in those animals. Now that particular product has been withdrawn, tremendous problems have again arisen because the products we are now using are not in fact killing off the fly that was doing the damage to the sheep, and in my own country this year we have literally had thousands of animals that have had to be destroyed because the fly has done so much damage to the body of those sheep.

I think Mrs Dunwoody did stress most of the important points in this report. I think one thing we must try to do is not have a duplication of research. As I have travelled throughout Europe, I have looked behind many closed and locked doors and found dozens of organizations doing exactly the same thing and spending millions of pounds doing it, and the more cooperation we can get, surely the better it will be.

Another thing we must do is try to research in areas where we can increase agricultural products which are not in surplus, because we already have mammoth problems in the field of beef and milk, and we want to try to improve and help those areas on the periphery of the Community. I think we must see that once the research has been done that it gets out to the farmer, so that practical use can be made of it. I would in fact stress point 10 of Mrs Dunwoody's report, because I think in the field of fish and fish-farming there is a tremendous chance here for development, particularly again in my own country back home in Scotland. One of the major problems that is holding this industry back is the amount of disease that does arise. And in fact later on tonight we are discussing seals, but in fact there is a problem and a link-up between seals and many of the fish diseases that we have in our seas. Mr Dalyell is calling for the British

Government to publish its figures and facts on that particular score, and perhaps here is an area we could research into in the Community. So I would commend this report to the House. I think it is extremely well written, and I found it very interesting indeed.

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

Mr Vitale. — (I) Mr President, we agree with Mrs Dunwoody that the second agricultural research programme is an improvement on the first one, not only because of the increased appropriation but also because the areas of research touch upon many of the problems affecting the Mediterranean region. Having made that point, I have to say that the funds are still far from adequate in relation to the objectives. The funds available are not commensurate with the more ambitious programme. More importantly, we are still a long way from the point where scientific research is accepted as central to our common agricultural policy, as I believe Mrs Dunwoody suggested. There is in our lands of Europe the challenge of the age in which we live, of the eighties, compared with the agriculture of the rest of the world with its abundant arable land, its great natural resources and where there is a more favourable relation between the population and the land than in Europe. I am thinking of the USA, Argentina and Australia. We have to compensate for all this by giving ourselves over to scientific research and to agricultural experimentation — one cannot separate the two. There is still the other difficulty that Mediterranean agriculture — at present that means Italy but soon it will include Greece, Spain and Portugal — poses problems for scientific research that have up to now been completely ignored, problems typical of agriculture in hot-humid and hot-dry climates which has a tremendous potential for production, as clearly demonstrated by a country like Israel. But 18 million is certainly not enough to crack these problems. Nor do I have much regard for whatever body was responsible for drafting the programme that the Commission has put forward.

The programme falls short particularly when you consider the needs of the less-favoured regions. The 18 million represents, I believe, just two per cent of the money spent under our policy of supporting farm prices. The other weak aspect of the programme is that, so it seems to me, emphasis is placed not so much on concerted action as on coordinating the activities of individual Member States.

Undoubtedly there is a need for greater flexibility so that research can be adapted to the different regional conditions, but I would like to remind the Commission of its obligation to preserve the integrity of the Community and of the common responsibility for the finalization of these studies and research projects.

Vitale

In our judgment the programme is too unambitious from the financial point of view, is too limited in its objectives, and does not seem to be inspired by a sufficiently strong Community spirit. We believe that this is due to the fact that in agriculture as well and not only in industry, as Mrs Dunwoody said, scientific research is still largely dominated by private monopolies and multinational companies rather than by public research centres and by governmental bodies. The timidity of the programme is no more than a reflection of our helplessness — machinery, fertilizers and pesticides are all in the hands of big industry, whose research policy is dictated not by the interests of farmers and the need to find ways of increasing productivity in the less-favoured regions, but by a desire to increase profits. Agricultural research can never be directed towards the major objectives of general interest so long as it remains subordinate to private research, which is more concerned with technical developments than with agricultural research proper. To quote just one example, since time is running short, consider agricultural machinery, which is generally designed specifically for use in lowland regions because that is the most profitable market. What would it benefit Fiat to conduct research into methods of mechanization that could be used in mountainous regions with steep slopes where agriculture is poor? These markets have no attraction for Fiat. The same applies to fertilizers, for the combinations of nitrogen, phosphorus and potassium which are forced on us even though it is common knowledge that, for example in Italy, they have the effect of cutting productivity by some 25 to 30 % compared with more rational combinations which, however, are not so profitable to the industries that manufacture them.

In conclusion, I wish to say that besides the purely technical problem of research there is also a political problem to be resolved which this second programme certainly cannot resolve without the goodwill of the Commissioner and the Commission. The problem is in the growing divergence between the general interest of producers and consumers and the way in which scientific research is organized, the forces that control it and the objectives set.

It is to be hoped, therefore, that the Commission will look into this contradiction and put forward serious proposals for harmonizing national legislation on scientific research and for closer coordination at European level between the various public bodies with the aim of directing their efforts towards the achievement of the objectives now put forward.

To sum up, we do not feel it right to oppose the Commission's proposal, since at least it provides evidence of good intentions and marks the beginning of a debate to be taken up again and broadened in the future. However, as things stand at the moment, such

are the many obstacles, instances of political and cultural timidity and operational weakness as to make the second programme inadequate in our view and undeserving of a vote in favour. We therefore propose to abstain.

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

Mr Liogier. — (*F*) Mr President, we approve the Commission's five-year programme for coordinating agricultural research and encouraging research activities within the Member States.

We join the rapporteur in urging the Commission to adopt such measures as may be expedient to improve the effectiveness of agricultural research and to ensure that the small farmer is not excluded from the benefits of such research.

These research programmes ought ideally to take into account the most urgent problems presently facing the common agricultural policy, that is the socio-structural problems experienced by the least developed regions, the market imbalances in certain sectors which implies the need to encourage production of new crops for which the Community is in deficit, the need to improve productivity in the beef and veal sector and the desirability of reducing obstacles to trade resulting from animal diseases.

We thus have a two-fold objective: to coordinate, at Community level, certain national research activities so as to ensure the dissemination of the results, and also to implement joint projects designed to supplement work undertaken in the Member States in fields of particular importance to the Community.

The content of the Community research programmes should be determined by the evolving character of the Community's agricultural policy and the problems it faces. It is satisfying to note that the scope of research has been extended, moving away from the previous emphasis on animal diseases and livestock productivity, to include the requirements of the less-favoured regions of the Community and an evaluation of the impact of new production and pest control methods on the environment and the consumer.

The proposed research programmes should also determine the optimum use of land and water resources in the less-favoured areas. This will involve, for example, drawing up a soil map of the different regions of the Community, determining areas suitable for particular crops and cataloguing existing methods of managing water resources.

On a more general level, it is essential to ensure that research efforts are concentrated on practical applied research so that the farming and food-processing sectors may benefit from research supported by the Community. The purpose of research is not solely limited to the publication of articles of interest to scientists. Research must be translated either into

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Community legislation or into advice which is offered to the producers themselves. The translation of research into legislation is, however, only one test of the effectiveness of research. Improvements in crop varieties, stock-breeding and land and water management must be disseminated throughout the farming population. This cannot be achieved by scientific conferences. A very high degree of coordination with national agricultural advisory services must be achieved. At the same time, the Commission should ensure that the publication of results is carried out at the popular as well as at the scientific level. There is little evidence from the proposal that sufficient work has been done to ensure that the farming population is made aware of the results of research.

President. — I call Mr Baas.

Mr Baas. — *(NL)* Mr President, I, too, should like to congratulate Mrs Dunwoody on her report. But I should also like to make a number of comments on what the Commission is doing.

What I look for in vain is a clear vision of purpose. In which fields do we want to undertake research, and what do we want to coordinate in such research? In all honesty, Mr President, I must say that there seems to be a lot of confusion about what the tasks of the Member States are. According to some of my colleagues, groundwater and soil maps and suchlike are the responsibility of the Member States. So where does the Community's special responsibility begin? That is the basic question, and I must say that I can find no clear answer. We have exactly the same situation in the coordination of research into environmental problems. I have been following that subject closely for three years now, but nothing has emerged. And the reason for this is that we do not give the Commission the instruments or the staff they need. They, too, have said that they barely have the staff to carry out such coordination. And so when I see what research is being undertaken, I wonder whether we really want a joint research programme. Does that mean that an administrative organization cannot lay down guidelines for the research?

And then you must not try to coordinate! The Commission does not know what it wants. The Commission has not the faintest idea about guidance. And even Mrs Dunwoody's report gives no clear line. When in paragraph 2 of the motion for a resolution Mrs Dunwoody says that the price policy alone is not sufficient to achieve a better market balance and that therefore productivity of stock-breeding should be increased, then I am forced to conclude that if there is one thing which the Community does not need, then it must be an increase in stock-breeding productivity because the end result of that is simply that we produce even more milk. But that is what Mrs

Dunwoody says in black and white, and I fear that it could cause problems.

This means, Mr President, that the Commission must decide on the guidelines for the research: technical, technological, etc. And as Mr Caillavet has already said, the European Community is plunging blindly into the future, although we know that enormous changes will have taken place by the end of the next decade. And then we should not be making so much fuss about the milk problem. Fifteen years ago I told Parliament that it was heading down a blind alley because it lacked the courage to undertake research into the real technical and technological problems involved. We deliberately reared calves on vegetable fats and the proteins we produced ourselves at knock-down prices. In this way we ourselves broke the cycle of the natural balance within the dairy farming industry. We did it ourselves. We need a research programme for technological development, and we must make an immediate start on it. And as Mr Caillavet said, of course we cannot stop people producing sugar from maize, of course we cannot prevent them from producing protein from fish and fish offal. That proposition is quite untenable. We talk about consumer protection and then prevent that same consumer from enjoying the benefits of technological progress. And trying to encourage the production of products of which as yet we have no surplus is a dead end. What we need are practical answers to practical questions: is our agriculture still competitive — not in the Community, but on world markets? Can we still produce food for other people who are starving and begging for food? I think that that is the line we must follow. I therefore consider that technological guidance, economic guidance and — despite what the Communists say — even political guidance can be necessary at a given moment. I am thinking in particular here of restructuring measures, etc.

But the Commission has neither the instruments nor the staff to coordinate or lay down guidelines. The Commission cannot even lay down guidelines for what we want. All it can do is tinker with the small print: continued research into waste substances in the agricultural industry and the bio-industry. We can study together the problem of liquid and solid manure. That's really great! Let's study it together! And then problems in animal pathology. The spreading of liquid and solid manure, the quality of one foodstuff and animal health.

And finally the question of biological pesticides. This involves technological guidance for the future agricultural production structure. I think that Mrs Dunwoody is right when she says that we should meet together each year to exchange views. But, and here I should like an answer from the Commissioner, can we look forward to the results of this research being published? That has not happened in the case of the

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research programme into environmental problems. The coordination of the research problems into environmental problems has been frustrated by the material and economic interests of certain groups. And I should therefore like to know how long it will be before we are notified of the results of this coordination of agricultural research programmes.

I believe that we need more vision and a greater effort for the future guidance of the Community's agricultural production. We want the Commission to be able to tell us clearly and precisely where it is putting its emphasis. Is the emphasis in these research programmes to be laid exclusively on practical points, or can we look forward to the actual implementation of pioneering research work?

Mr President, may I close by saying that we have now made enough progress to be able to develop the fisheries resources in the Blue Nile area to such an extent that we could supply the whole of the African continent with the protein which is so vital to that part of the world. But such projects have come to a standstill; instead we are talking about liquid and solid manure and about other banal problems which mesmerize us to such an extent that we have no concept of what we should really be doing. Nor are we prepared to turn our minds to it.

I therefore fear that the Community is unfortunately not shouldering its responsibilities, at least not if it approaches agricultural problems in the same way as it approaches environmental problems.

President. — I call Mr Osborn.

Mr Osborn. — Mr President, I would agree with the last comment of Mr Baas, that the Community is probably not shouldering its responsibilities, but first I would like to congratulate the rapporteur on having produced a report on this very important subject, and I welcome the fact that we have a Commission document dealing with this. I support paragraph 9 of the motion for a resolution saying that there should be a dialogue and accept that the Commission is a lynchpin.

But following Mr Baas, I would agree that we must have a clear vision of the purpose of agricultural research. Obviously, we must differentiate between what needs doing — and I include restructuring the agricultural policy — and on the other hand research and development itself much of which has been put in Annex I (whether it is a right list for Annex I or not, I am not in a position to judge), but finally we are concerned with the right application of this.

But first, I intervene as a parliamentarian and scientist, and I have been an officer of the Parliamentary and Scientific Committee in the British Parliament for some time. Some fifteen years ago, I posed the question whether the world, using science and new technologies, including irrigation and fertilizers, could

feed and sustain its rapidly expanding population, which is now over 4 000 million and might well be 8 000 or 10 000 million by the turn of the century. When we had the first minister for science, I posed this question to Lord Hailsham. The Parliamentary and Scientific Committee had a meeting, at which the Agricultural Research Committee and Professor Sir James Hutchinson, from Cambridge University, were present. As a parliamentarian then, I saw no problem. I was impressed by the way British agriculture went hand in hand with perhaps Empire agriculture, colonial agriculture, Commonwealth agriculture and worked through British aid programmes. I was impressed by the fact that most people felt that, properly organized, we could feed, then, a population of 8 000 million or 12 000 million. It was emphasized to me the problem was more environmental and a question of whether we could handle the task. Last week I should have been with the Nuffield Professor of Agricultural Strategic Studies at Reading University, seeing what is going on in strategic studies in one university and concentrating on Britain's problems. There are heads of research institutes who are concerned with the wider aspects of the problems we have debated today, and of course nutrition and health come into this. Their learned society is looking at this — at the moment I am discussing a December meeting of the Parliamentary and Scientific Committee on nutrition and agriculture. Obviously it would be in the British sense, but I very much hope we can have more dialogues where Members of Parliament, Senators and others can understand the issues facing those in agriculture and those advising agriculture. In Britain, in December, they will decide to what extent British agriculture is tied up with Community agriculture, and I suspect that I will have to present the Commission document forcibly at this meeting. And what is being asked in Britain must be asked in every other Community country. But Britain does have to import 45 % of its food and the EEC, as such, in the strategic sense, is or could be largely self-supporting and sustaining. But in this economically unstable world, to what extent is it in the interests of Britain and the Community to be increasingly self-sustaining—in the strategic sense, I reiterate? I welcome the fact that strategic agricultural studies will, I hope, be enhanced, bringing in the brains from outside the Commission.

Now, the Commission and this report are concerned with improving the plight of citizens in the poorer agricultural areas, and quite rightly so; with providing employment in the poorer regions, and quite rightly so. Mrs Dunwoody in her speech made the right type of political plea on behalf of Community citizens, and I share Mr Baas's view that we must have a closer analysis of what the problems are, and what has to be overcome, and how it can be dealt with. After this debate I have gained the impression that agricultural research in the member countries and maybe in the

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Community, is still too much the preserve of the farming lobby. Why is it that within the Commission it is Mr Gundelach and not Mr Brunner and the scientific section, that has been brought in? In national governments, why are agricultural research projects so much the preserve of a minister of agriculture, not of a minister for science? I accept that in the future the issues are wider—nutrition, food and health—but if I may say so, I am speaking today as a member of the Energy and Research Committee, and I regret that Mr Brunner has not given an opinion on this, and that those in that research committee have not commented on the tackling of this agricultural problem. We have still to tackle what problems are of world interest, where there should be international contact throughout the world. If I may put in an aside, we have had some agricultural equipment manufacturers in Strasbourg this week, they are engineering firms: now to what extent is agriculture bringing in engineers from outside and developing those new technologies, perhaps waste power from power-stations or fish-farming that has come in? That is the equipment for agriculture. And to what extent is there a greater case for the Commission sponsoring indirect and action-concerned programmes as against direct programmes?

Now it is a late hour, Mr President; I can elaborate on this much more; but being interested in this problem in my own country, in a European and world context, I very much hope that Mr Gundelach and the Commission will be able to bring in brains from every aspect of this, to take this one stage further.

President. — I call Mr L'Estrange.

Mr l'Estrange. — Mr President, I would like to congratulate Mrs Dunwoody on her report. I agree with much but not with all of it. I would say that I am sick and tired of the criticism and the lectures about the common agricultural policy that we frequently get here from certain members of the Labour Party. Indeed, I would like to ask her: are we all out of step with our Johnny? Is it in Europe's interest, or is it in their own, that the great reformers speak here about reforming the common agricultural policy?

We all know that Great Britain in the past — indeed until the advent of the EEC — got cheap food from Ireland and from the rest of the world. But that could not continue. Remember, Britain can give fair prices to her farmers and sell cheaply to the consumers because only two and a half percent of the people of Great Britain are working on the land; the other ninety-seven and a half percent are in industry and services, and they can subsidize, and are subsidizing, the farmers. Surely Mrs Dunwoody knows and understands that the farmers have to get a fair price, and that they are getting it because the people of England are taxed to pay a fair price. She can do it; we in

Ireland cannot, with agriculture accounting for 60 % of our exports. If we attempted to do anything like that we would be feeding the dog with a bit of his own tail.

I have said before, and I think many other speakers have said it too, that the common agricultural policy has served Europe well. It has led to continuity of supplies at reasonable prices to consumers, and the farmers have got fair returns. And remember that they are entitled to a fair return for their work, just as any other section of the people are. If we talk here about increases and percentage increases over the past few years, remember that they have got increases and percentage increases from a very low level. Because for too many years they were the hewers of wood and the drawers of water. Not only in my country, but I think in nearly every country in Europe. God knows, today they are entitled to a fair return for their work, just as other sectors in the Community are. We do not begrudge industrial workers getting 5 %, or 10, or 15 %, or whatever they are getting. Some sections of the Labour Party in Britain now will not take a 5 % increase. With a two-thirds majority, they even went against the recommendations of their own government in that.

It would do no harm to point out that over the past few years wages have increased at a greater rate than agricultural prices. It would do no harm if more energy were devoted to getting the people, both rich and poor, to spend more of their family budget on food, and perhaps less on drink. And it might be better for their health as well.

Mrs Dunwoody speaks about farmers reforming their structures and increasing output. A pity she does not preach like that to the workers at Leyland, or to other car industries in England that are sick, that are not giving a fair return, and where Japan and other countries are coming in and taking over from you. It is a pity you do not preach about increased output to some of those people.

I agree with what you have said about research. I believe it is of the utmost importance to farmers in every country in Europe to get the utmost from the land of Europe, and to leave it at the end of the season in at least as good a heart as they found it, if possible in better heart. That can be done now as a result of the research that we have had in the past. I agree certainly with the cross-fertilization of ideas; we can learn by the mistakes of Europe. But I do believe that we can feed the people of Europe from the land of Europe, and we should continue to do that and to make certain that people are not driven off the land of Ireland to join the 6 million people that we have unemployed today. That can be done, I believe, through a continuation of the common agricultural policy.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission.

— Mr Chairman, I should like to congratulate the author of the report, Mrs Dunwoody, on its excellence. Not only is the report well-balanced and favourable to the Commission's proposal, but it happens in my view to be one of the best succinct statements ever made on the need for, and the role of, agricultural research as a policy tool for bringing about long-term improvements in the Common Agricultural Policy. I agree with the various points made in the report about how this proposal of ours can be improved, and I shall not go into these various subjects. But I particularly want to emphasize that I agree with Mrs Dunwoody that the harmonization necessary in various respects — among other things in regard to the combat of diseases and for the improvement of the quality of foods — must be a harmonization on the highest possible level and not the lowest common denominator. If we were to choose the latter, the exercise we are here embarking upon would be a failure from the beginning.

I naturally also agree, and it is part of the motivation of the programme, that it should help those farmers who are in particular difficulties because they are highly dependent upon agricultural production but who, in view of the surplus situations, ought to be helped into different types of production which might be profitable to them, without creating the structural imbalances with which the Common Agricultural Policy has lived already for far too long.

The same applies to regions. It is not just a matter of individuals, but of regions. Mrs Dunwoody was also right, by way of example, to bring in such new activities as fish farming, which I happen to believe in the not-too-distant future will be one of the major suppliers of fish-food for our populations. We must see to it that it takes place under circumstances which meet the requirements of the consumer, both from the point of view of quality and safety, but also from the point of view of price. This is indeed an exercise where we will have something to give to other countries. Mrs Dunwoody referred to the ACP countries, and there are others from whom we can learn a great deal in this or that field, and in that sense this is also replying to Mr Osborn — we are engaging in an activity where we will need to have close collaboration with other parts of the world. He was, for instance, referring to the question of the relationship between agricultural production and energy. I may briefly inform him that it is a subject on which there have been rather intensive talks between myself and my collaborators and the American Secretary for agriculture and his collaborators, because it obviously is one aspect of agricultural policy of the highest importance, and he, I am sure, will forgive me if I have not left this matter entirely in the hands of the Commissioner

for energy, whose advice I shall naturally also be very happy to seek, but I cannot devolve from myself the responsibility of looking on agricultural production as an aspect of an all economic activity, and look upon it from the point of view of the farmer and the consumer, but also from the point of view of the needs of the economy as a whole. It is exactly in order to be able to do that, that we have to start to do what we are proposing to do here. So I admit to those who have been criticising that it is not enough, that one has to start somewhere. The Community has not been shouldering its responsibilities in this area in the past. It has been moving into a world which was unknown, and has created for itself problems which we have now great difficulties, Mr Baas, in solving.

I would have been a happier man today if the institutions of the Community some 10 years ago had started doing something about seeing where we are going and what our alternatives are. Now we begin with coordinating research, but we are not going to stop there. But we have to see first what is there. There is a lot going on, but we have to know what it is — where it is deficient — and see to it that it is better distributed to the regions we have just indicated, but also find out where it has to be brought further. And where it has to be brought on further, it is not just a national responsibility, because the consequences of agricultural policy are a Community responsibility, budget-wise, economic-wise and otherwise. Then, maybe, it is the responsibility of the Community to go further. The budgetary consequences of what we have put forward here are very limited, because we are, as the starting point, only asking for the personnel necessary to carry out a proper coordination. But if that coordination demonstrates, as it probably will, that there are serious lacunae in what is happening, we may have to take further steps and ask for further means in order to be able to go beyond what is proposed here.

But I should say to Mr Baas that what we are seeking here is a means, an additional tool, in directing a Common Agricultural Policy. We cannot ask research people to give us an agricultural policy: that is a task of the politicians, of you, the Council, and me. But what we can ask of the research people is to tell us what are the alternative uses of his or that type of land, because we know that certain production cannot continue in its present size, but must be cut down. But then we must know from the scientists what are the alternative uses: what other things can be done which are more useful to the economy of the Community. Then it is up to the political institutions to take the necessary decisions in the light of knowledge which we do not have in a proper coordinated way today. And what we are proposing here is exactly to get that information in order that we may be better orientated in our policy directions in the future.

Gundelach

But that is your, and my, responsibility, not that of the research people. We need the research people in order to be able to take better decisions tomorrow than we took yesterday.

In order to achieve this, it will be an on-going process, and I am therefore quite happy to accept the point made in this report, that there should be annual reports to Parliament which can be the subject of a continued discussion — only making the comment that these should be succinct, factual reports, and not philosophical ones. I am secondly very happy that Mrs Dunwoody was referring to the rolling aspect of the programme, because I think that is more befitting than to think in terms of five years, and then in 1973, or 1974, or whenever it is, then a new programme is established. I could not accept the date which has been referred to in the paper, because it would mean that we would start with a new staff really making the next programme before we had executed the first. I favour, rather as Mrs Dunwoody was saying, a rolling programme, which means that you develop dynamically as you go along. When one part of the project is achieved, then it is replaced by something else, and as the need arises one builds dynamically upon what has been started initially with this proposal.

In this context, naturally, we shall be more than willing to discuss fully with the Parliament and to inform them of the results we have achieved, both in regard to coordinating research activities in the Community, and in our talks and in our collaboration with other third Countries, as well as about what needs we feel, and we are going to come to feel, have to be met at a Community level with Community resources, because I do not believe that we shall be able to meet the responsibility of the Community to which Mr Baas was referring without establishing a proper Community research service, financed by the Community itself as a second step.

President. — I call Mrs Dunwoody.

Mrs Dunwoody, rapporteur. — Mr President, I think that Mr Gundelach has covered the important points. However, I trust that in our rolling programme, very close liaison will be maintained with Parliament, because there is hardly any point in our having this kind of debate in a vacuum and then leaving it for another five years, until we have some idea of what is going to happen in the future. I think it has been largely a very constructive debate. I will not follow all the lines that were offered to me. But I do think that this is a very a practical matter, and only wish that we could deal with matters like this more often.

President. — I note that no one else wishes to speak.

The motion for a resolution will be put to the vote, as it stands, at 4.30 p.m. tomorrow.

The debate is closed.

13. Harmonization of national legislation

President. — The next item is the following oral question with debate (Doc. 345/78) by Mr Rippon, Sir Derek Walker-Smith, Mr Stetter and Mr Fletcher-Cooke, on behalf of the European Conservative Group, to the Commission :

Subject: Commission policy on the harmonisation of national legislation

In view of the recent declaration by the President of the Commission to the Legal Affairs Committee of the European Parliament that "details in directives should be kept to a necessary minimum" can the Commission state :

1. How it interprets the limits to harmonization of legislation laid down in Article 100 of the EEC-Treaty?
2. What action it intends to take in order to bring present proposals for directives in line with its stated policy in this matter?
3. What proposals it intends to initiate to amend directives already promulgated?

I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — Mr President, I beg to submit the three oral questions with debate tabled on behalf of the European Conservative Group. It was in 1974 in reply to Sir Peter Kirk that Mr Gundelach made his memorable policy declaration in which he said: 'There is no intention of carrying out so-called harmonization for harmonization's sake and it is not this Commission's policy to force on the populations of the Member States a drab uniformity which they have not expressed the wish for and which has moreover no basis in the Treaties.' Those were wise words, Mr President. Then last month, in answer to my plea, to reduce detailed harmonization in accordance with the principles of no harmonization for harmonization's sake, the President of the Commission made his encouraging reply at the special meeting of the Legal Affairs Committee. Both these declarations were welcome. But the veritable torrent of detailed directives are evidence that the wise words of Commissioner Gundelach have begun to sound but faintly in the corridors of the Commission. It was for that reason that I felt obliged to raise the question in the Legal Affairs Committee and for that reason I offer no apology for raising it again in plenary sitting today.

The first of our three questions is fundamental to the whole process of harmonization, and thereby, to the proper relationship of the Institutions of the Community, and in particular the Commission, with the national parliaments of the Member States. The Member States have agreed by solemn treaty to regulate harmonization in accordance with Article 100 whereby approximation of national laws is limited to those laws which directly affect the functioning of the Common Market. That is, in effect, where they impinge directly — and that is an important word — on the activities and objects of the Community as set out in Articles 2 and 3 of the Treaty. Of course it is a

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place, a necessary place for harmonization or the approximation of laws to carry out the objectives of the Treaty, but it is a place defined and limited by law, and the law should be respected in this context as in any other.

There is Sir, no warrant or authority for seeking continually to push harmonization beyond the frontiers delineated by Article 100.

There is no warrant or authority for the Commission to introduce changes or modifications in national law simply on the basis of the Commission's subjective view as to the general merits of the matter, particularly as the Commission has of course no electoral responsibility. Its only proper function is to modify national laws so as to prevent them from obstructing the free flow of goods and services or distorting competition within the Community. Any undue assumption of authority by the Commission, any breach of the Treaty, any violation of the rule of law is not only an evil in itself, but would be and be seen to be a step on the way to a centralized European state mechanism, unwanted by the Member States and liable to cause great resentment in those parliaments and peoples who by ratification or referendum have given their approval to a Community based on the Treaty that it stands.

There are, I would think, three main ingredients, or necessary factors in the principle of no harmonization for harmonization's sake. First, strict compliance with Article No 100 — no directive should issue from the Commission proposing harmonization of laws on matters not directly affecting the functioning of the Common Market. Secondly, there should be no attempt at approximation of laws relating to matters outside the scope of the Community as defined in the Treaties and, thirdly, there should be no niggling detail since Article No 189 of the Treaty leaves to Member States responsibility for the form and method which the individual state thinks most suitable to achieve the desired result in that particular country.

These three principles derive alike from law and good sense, but they are not being universally or uniformly applied by the Commission despite the wise words of 1974. On the contrary, for whatever reason — perhaps an unrealistic perfectionism and an excess of bureaucratic zeal, a misguided desire for enforced uniformity in preference to the reasonable diversity which enriches the life of the Community — proposals for directives continue to be issued in breach of these principles.

Time forbids the citation of more than one or two examples, but I would refer briefly to a very recent proposal made in July for a directive on the labelling of electric ovens. After much huffing and puffing, and presumably much cerebral consideration, the Commission produced the following gem. I quote: 'the external dimensions of the label shall be 90 multiplied by 100 millimetres so that six labels in different languages can fit on a base of DIN A 4 format. The

corners of each label shall be rounded with a radius of 6 millimetres. The labels shall be printed on a yellow/orange base with orange accounting for 50 %'. President Jenkins may think that even beats the lawn-movers to which he recently referred.

And then there is a whole series of directives in the field of consumer protection, although consumer protection, as such, is not specified in the Treaty. Of course as in the case of any directive, which is required because of its effect on the functioning of the Common Market, careful and sympathetic consideration must be given to the question of consumer protection. But it was obviously the view of the founding fathers of the Community that, as the traditions, wishes and practices of consumers are different in different countries, consumer protection should largely be left to national laws. A striking example was the recent directive on doorstep selling. Well doorsteps have many qualities but one of them is that they do not cross frontiers and the Commission was naturally, when questioned at the time, not in a position to defend the use of Article No 100. Other examples like product liability and unfair advertising are perhaps more complex, but they too need to be examined in the light of these principles.

My third principle is that directives should contain the minimum of detail and allow the largest possible freedom of choice between Community and national legislation. So I respectfully ask the Commission to do two things. First, to apply these principles to all future draft directives and, secondly, to examine all existing proposals and adopted directives with a view to proposing such modifications as are possible and necessary to give effect to these principles. The declaration of the President last month was very welcome, but it will rapidly lose credibility if it is not transformed into action and maintained in practice. I am sure, Mr President, the Commission would not wish to violate the law or to be in breach of the Treaty. After all, Article No 155 imposes on the Commission a specific duty to see that the provisions of the Treaty are applied, and they are often referred to in this context as the guardians of the Treaty. But if they go on as they have been going on, then we shall be forced to ask the old question in the seventh language of the Community 'quis custodiat ipsos custodes' which I will translate for these purposes as 'who will keep an eye on the Commission to see that they preserve the provisions of the Treaty'. And I hope the answer will be this Parliament and its Legal Affairs.

I hope, therefore, the Committee will mend their ways insofar as they have erred or may be tempted to err and recognize the truth proclaimed by Sir Peter Kirk in the debate of 1974, that the virtue of the Community is in its divergence as much as in the unity. These thoughts then and the truths underlying them and the great principles they embody, I respectfully commend to Parliament, Commission and Council alike.

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, I intervene at once, if I may, in order to endeavour to provide an answer to the various parts of the question raised by Sir Derek Walker-Smith, and then I will, if necessary, reply briefly to points which may be raised in the short debate which will no doubt follow.

Let me say straight away that I welcome the opportunity to explain our views on this important question which was indeed recently discussed in depth by the Commission itself and was an important aspect of the issues to which we directed ourselves at our weekend at Comblain-la-Tour in mid-September. Let me say right from the outset that we totally endorse the principle laid down by Vice-President Gundelach in his previous portfolio in the last Commission that we are not in the business of harmonization for harmonization's sake. Approximating laws in the Community is intended to achieve the objectives of the EEC Treaty, to create a common market and not to go beyond that. I can assure you that the Commission attaches great importance to sorting out priority areas for Community action. We recently decided that it was necessary — I do not think we would accept the view that we had gone beyond the law — that it was necessary, within the law, to apply stricter criteria when selecting our harmonization proposals. We shall look closely to see, for example, whether such proposals will demonstrably promote trade within the Community and will strengthen the foundations for economic and monetary union. We shall ask ourselves where proposals are really necessary and whether the Community can do the job best, or better than others. And finally, whether the carrying-out and subsequent monitoring of such proposals can be justified in terms of the staff required, given our limited availability of manpower. I believe that by applying these criteria, and applying them strictly, Commission proposals for harmonization are more likely to respond to real needs. These then are our guidelines, Mr President, to the future application of Article 100.

As concerns the scope of that article, the Commission believes that the extent to which national laws are to be harmonized depends on whether it is necessary to do so, in order to achieve Community objectives. The laws which may thus be harmonized are those which directly affect the functioning of the common market. In the Commission's view, the term 'common market' covers all aspects of the free movement of goods, persons, services and capital, as well as the establishment of an undistorted system of competition and the introduction of common policies for agriculture, transport, external trade and social affairs. In general, all areas which are explicitly referred to in the Treaties and none which are not so referred to.

Finally, one point which often gives rise to criticism of Community directives. The amount of detail they

contain. We should not seek to include unnecessary detail. I cannot pretend that we have never done so. But we should not seek to do so, and we intend to be very selective in this field. Rather should we lay down the primary objectives to be obtained and leave the detailed implementation to Member States. We must, however, proceed on a case by case basis, for the amount of detail necessary in a given directive varies with the subject being dealt with and will depend on the need for the degree of harmonization required. This must clearly be decided on a case-by-case basis.

Now as for the amendment of proposals already submitted, which was referred to by the honourable Member, but not yet adopted, we shall certainly be very willing, where appropriate, to consider taking action to amend or withdraw proposals taking into account the guidelines I have just outlined to you. It is not, however, such a simple matter, in the case of directives already adopted by the Council, which have been, or are in the process of being, implemented in national law. It could, I think, be prejudicial to the legal certainty to which citizens and undertakings are entitled, and indeed detrimental to good cooperation between the Community and national authorities, to oblige the Member States to revise basic rules on which unanimous agreement was achieved often only after lengthy discussion and difficult compromises. But I can assure the honourable Member and the House that the periodic revision of directives to take account of experience and technical progress is a task to which we shall attach importance. Therefore, in my initial reply, I hope I have been able to go a long way to reassure the honourable Member that, as I made clear in the exchange to which he referred before the Legal Affairs Committee, I do not think there is a philosophical gulf between us here. The question is that of carrying out our philosophy in a practical and sensible way. I recognize the need for some improvement: that we will endeavour to achieve.

President. — The remaining speakers now have five minutes each. I call Mr Sieglerschmidt to speak on behalf of the Socialist Group.

Mr Sieglerschmidt. — (D) Mr President, ladies and gentlemen, in our Member States — or at least in my country — there are a growing number of complaints in connection with the European Community about what is being called a flood of legislation. What are the reasons for this flood of legislation, if it can be fairly said that there is one? Firstly, efforts are being made to achieve a maximum of legal security, of equality before the law, in short, of justice generally, by means of rulings that are as specific as possible. However, I do sometimes wonder if the authors of these texts have given any real thought to the old Roman legal saying — and I, too, will now use the

Sieglerschmidt

seventh Community language, Sir Derek — *summum jus summa injuria*. For at a certain point these efforts to achieve the highest possible degree of justice begin to produce the highest possible degree of injustice. Justice has consequently become extremely involved for the citizen and even for judges. Because of the profusion of legal provisions proceedings frequently take so long that they border on a denial of justice. To this must be added the natural urge of efficient administrations to prove their productivity with an appropriate output of draft directives and regulations, and I must say, Mr Jenkins, that some of the examples which Sir Derek has just given and which are also known to me, of course occur to me as well when I think of this productivity. But social groups and associations of an economic and social kind often contribute to the flood of legislation, too, by insisting on legislation for the area in which they are interested, although they otherwise complain about the excess of legislation.

Parliaments — and I include our Parliament in this — have not, in my view, always been critical enough in the past in asking whether the subject-matter under consideration is in fact capable or even in need of being legislated on. We should in future perform this filtering function more effectively. To this extent, the statement made by the President of the Commission before the Legal Affairs Committee and quoted by the authors of the question is to be welcomed and underlined. But a clear distinction must be made between the political concern to which I have referred and the legal question of who has the legislative power.

This distinction is not made by the authors of the question in Doc. 345/78, one might almost say, deliberately. That is why only the legal aspect of the question should be considered here. A provision like Article 100 of the EEC Treaty is open to both a constrictive and an expansive interpretation. If we look at the directives that have been adopted in the last few years, we find that the Commission and Parliament have increasingly resorted to an expansive interpretation of Article 100 and that the Council has in many cases agreed with this interpretation by adopting the directives concerned. What you said just now, Sir Derek, was not, in my opinion, an expansive interpretation of Article 100, and that rather surprises me because the Conservative Group has in numerous cases agreed to such directives.

Recently, however, forces on all sides of this House have begun to cast doubt on the Community's power to adopt directives whenever they do not like the political content of the proposal. The dispute over the proposal directive on the producer's liability for defective products, an important subject in the consumer protection field, Mr President, is a classic example of this. There are signs of something similar happening

in the Legal Affairs Committee's discussion of the proposal for a directive on misleading and unfair advertising. The argument used is the distinction made in Article 189 of the EEC Treaty between the aim of a directive, which is binding on the Member States, and the methods of achieving this aim, which are left to the Member States. But can so clear a distinction reasonably be made between the end and the means? Will it not be necessary in certain cases — and to a limited extent, of course — to fix the methods that make it possible to achieve the objective being pursued with the directive? The very goals of the Community that are of particular importance for our citizens, such as consumer protection, environmental protection and the development of social security, can only be achieved if Article 100 is applied expansively.

As the first general elections to the European Parliament approach, we cannot speak of the need for a large turn-out on the one hand while denying the Community the legal means of pursuing a policy oriented towards the citizen, on the other. Nor will we be fobbed off in this with Article 235 of the EEC Treaty, which gives the Council certain powers to take measures unanimously in unforeseen circumstances, because Parliament's position is then far weaker than it is under Article 100. And particularly in the case of provisions of this kind Parliament must be able to take full advantage of the opportunities for involvement open to it.

To summarize, I should like to say, firstly, that harmonization...

President. — It is very late at night and you have had more than your time, and I am afraid I must ask you to sit down. We simply cannot at this time of night allow people to go over their time.

I call Mr Stetter to speak on behalf of the European Conservative Group.

Mr Stetter. — (DK) Mr President, we both welcome and are satisfied with the positive answer given by the President of the Commission to our question.

There exists, in our view, a latent danger that harmonization of detailed provisions will confuse and distort the debate in the individual Member countries on the Communities' principle tasks. I have a few questions concerning the President of the Commission's answer to point 2 of the oral question.

It is a sound and courageous move to modify or withdraw those proposals that are not in line with the guidelines now adopted by the Commission. The Conservative Group will support such a decision and I am sure that the national authorities and the national parliaments will take the same attitude. Nevertheless, how does the President of the Commission intend to plan this exercise and when is it to be carried out? Has the

Stetter

President of the Commission fixed a deadline for this important task, and will he keep the European Parliament informed of developments in this matter.

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

Mr Nyborg. — (DK) Mr President, I must start by saying that I am somewhat shocked at the absence of certain items from the answer given by the President of the Commission, Mr Jenkins. The proceedings here in the European Parliament are sometimes concerned rather too much with which committees deal with what business and with fact that one committee does not always know what another committee is doing. When I read this oral question I expected the President of the Commission to have used this opportunity to announce to the European Parliament the new, streamlined procedure for removing technical barriers to trade that has long been urged by the Committee on Economic and Monetary Affairs.

I have not heard any hint of this in the answer given by the President of the Commission and this gives me the impression that, at the Commission too, one hand does not always know what the other hand is doing.

Indeed, I do not understand how it is possible to answer the questions that have been raised by the Legal Affairs Committee without reference to the agreement on a new procedure that has been reached between the European Parliament and the Commission on the initiative of the Committee on Economic and Monetary Affairs.

I would mention briefly that the aim of this procedure is, in connection with the removal of technical barriers to trade, to make greater use of Article 155 of the EEC Treaty. The Commission's first proposal drawn up according to these new criteria, i.e. that on building materials, was to have been submitted before the summer recess.

Commissioner Davignon notified me however that, for various reasons, it was appropriate to wait until September before submitting this proposal. I have certainly no intention of quibbling about a few days here or there, but did want to use this opportunity to ask the Commission when this specific proposal will be published. In my assessment, there is a clear link between the problems the Commission has touched on here today and the new procedure that I have just referred to.

Mr President, I must say that I am deeply disappointed.

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Alas, I am not quite sure, Mr President, what Mr Nyborg is disappointed about. He raised one specific question in relation to when proposals which had been promised

in July were forthcoming. I will endeavour, if I can, before the end of my speech, to get a note on that; but this is a debate, if I may remind him, about the general principles of harmonization and not about some particular field in which he is interested. Indeed, Mr Sieglerschmidt, I thought, spoke words of wisdom in this respect when he said there was a certain tendency of which we must all beware to condemn harmonization in general but to ask for it consistently in some particular field in which we happen to have a special interest. And I think we have to be a little careful that we don't all contradict ourselves in that way.

There are a few points which I would like to take up rather briefly, because, Mr Nyborg apart, I gather that the reply of the Commission was reasonably satisfactory to those who took part in the debate.

Mr Sieglerschmidt referred in his remark to the rôle of Parliament and argued that Parliament's position under Article 235 was considerably weaker under Article 100. I don't agree with him on this particular point, for my reading of Article 235 is that if directives are adopted under this article, consultation of the Parliament is obligatory in every case, whereas under Article 100 there is consultation of the Parliament only on directives where implementation would in one or more Member States involve the amendment of legislation. But I do fully agree with him that this House has a most important rôle to play in this field. He used the word 'filter' and I think that is an apt word. If there are proposals where this House thinks that the justification for Community action is small, I hope this House will say so; but if there are proposals for harmonization which this House thinks of special value, we equally count on you to say so and if necessary to dispel misinformed or hostile interpretations of those proposals by the press and by the public.

Our attitude to this must be a sensible and a balanced one. We must not harmonize for harmonization's sake; we must exercise a certain self denying ordinance; we must not go into unnecessary detail; but at the same time we must recognize that the Common Market is not yet a complete market, there are certain barriers to trade and some proposals in this field can be highly desirable. Take for a moment a proposal which I have cited a good deal recently, which is the lawn-mower proposal.

This illustrates several points which we should have in our minds. I think there was, as it originally emerged, unnecessary detail associated with it. There was a suggestion that there should be some harmonization of the hours and the days on which lawn-mowers should be used. That, in my view, is not part of Community business. I don't, as a matter of fact, think it should be part of the business of a national government. If such regulations are necessary, then it should be done by parish councils rather than by national

Jenkins

governments (*Applause*), at the level closest to the people. But — and perhaps the fault lies with us slightly here — because of this the proposal for a directive itself was thought by many people to be bad. Now that in my view is not so, because it is desirable to have a proper Community market in lawn-mowers: undoubtedly differing standards here hamper this market. I have received strong representations from the President of the European Federation of Lawn-Mower Manufacturers, who also happens to be President of the British Federation of Lawn-Mower Manufacturers — he's a pluralist, this gentleman, he occupies many important jobs — who has pointed out very firmly that lawn-mower manufacturers regard this as a thoroughly sensible piece of harmonization in the interests of trade and not in the pursuit of some abstract principle.

The lawn-mower story somewhat illustrates the principle which should guide us: don't try to do too much, but don't be afraid of doing something when there is a sensible case for it, because it can and will lead to practical results to make more perfect the Common Market, which is as yet still far from being perfect. Do it certainly under the law and not beyond the law and do it subject to the advice and criticism of this Parliament.

In conclusion, Mr President, I should like to deal with the point Mr Stetter raised when he asked what time-limit we envisaged for revising existing proposals. Well, that is referring to Point 2 of the Oral Question, and I think Mr Nyborg was to some extent making a similar point. I don't think this is a matter for time-limits. We keep these matters under constant review; if and when necessary, we shall act rapidly and, I hope, effectively to change or withdraw proposals as quickly as we can. We shall be guided by flexibility here in accordance with the spirit which, I think, lay behind the question.

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — Mr President, may I first say I do not share the disappointment expressed by my friend, Mr Nyborg, at the reply of the President of the Commission. As my friend and colleague, Mr Stetter, has said, we welcome his reply, its content and the spirit in which it was made. On his answer to Mr Stetter in regard to our second question as to when our action can be initiated in regard to the amendment or withdrawal of existing proposals, I respectfully suggest he starts by taking a good, hard look at the directive on liability for defective products, where there is no genuine approximation of law and no evidence at all of a direct impact on the functioning of the common market.

To my respected friend and colleague, Mr Sieglerschmidt, may I express a warning to be a little careful of the siren voices of what he calls a dynamic interpretation of law, because a dynamic interpretation of law leads not seldom to putting a coach and horses through it and defeating both its letter and its spirit.

May I then conclude, Mr President, by thanking the President of the Commission for what he has said, in particular for defining so clearly the parameters within which harmonization directives can be exercised, and also for stressing so clearly his keen desire to avoid unnecessary detail in the content of our directives. I think what he has said has made his short and important exchange of views very well worthwhile.

President. — The debate is closed.

I call Mr Sieglerschmidt on a point of order.

Mr Sieglerschmidt. — (*D*) Mr President, I should like to make a brief personal remark. I did, of course, accept your decision to stop me speaking, as is proper. But I would point out that this afternoon far longer speeches were made by Members who were speaking on their own behalf and not on behalf of their groups. I therefore feel that some thought might perhaps be given to not cutting off the spokesman of a group when he is talking about something important.

President. — Mr Sieglerschmidt, the greater part of the items taken this afternoon were reports, and on reports, Members are entitled to speak for ten minutes. Because of this, I specifically pointed out just before you spoke, Mr Sieglerschmidt that on this particular oral question, five minutes was the limit.

I call Mr Brown.

Mr Brown. — Mr President, may I say your ruling worries me very much. I had a contretemps with a Vice-President in the Chair at our last part-session, who attempted to call me to order on the time that I had. I had a total amount of time available to me, and he intervened against me on behalf of one of my colleagues, urging me to give up my time to her. When I said I would take that into account, I ran up my full time. And watched it very carefully.

He then proceeded to give my colleague an extra five minutes. I do not quite see therefore why you were so harsh with my colleague tonight, when there is plenty of time. There is no harassment, and yet you have in fact cut him off when he was speaking on behalf of the group, while another Vice-President in the Chair was able to use this largesse of his to give my colleague a chance to make her anti-market speech.

President. — In the event that what you are saying, Mr Brown, is correct it would appear to suggest the great danger of creating precedents of this kind. It is now ten o'clock. We have still two items to take. In addition to the Members of the European Parliament, a considerable number of members of the staff of the European Parliament have been on duty since 9 o'clock this morning, or even earlier. I think in all fairness to them, as well as to Members, that we ought to stick to the rules. Mr Sieglerschmidt had his five minutes; he had one further minute. I several times indicated to him that he should stop. He continued. All the evidence suggests that if a rule like this is there, the only safe thing to do is to comply with it.

14. Price of dairy products

President. — The next item is the following oral question with debate (Doc. 368/78) by Mr Soury, Mr Ansart, Mr Bordu, Mr Eberhard and Mr Porcu, to the Commission :

Subject : Possibility of a price freeze on dairy products
On 26 September the Commission presented its latest report on milk to the Council of Agriculture Ministers. The reports comments on the continuing imbalances between supply and demand in dairy products, which has led the Commission to propose measures as drastic as a price freeze combined, if necessary with social aids.

Can the Commission reply to the following questions :

1. Has it taken into account the fact that the surpluses of dairy products are confined to particular Member States, (of the 900 000 metric tons of milk powder at present stocked in the Community, almost 600 000 are in the Federal Republic of Germany and only 32 000 in France)?

Has it studied the causes, particularly in the monetary sphere, of this situation and ways of remedying it?

2. Does it consider it necessary to penalize all the Community's milk producers indiscriminately, including those who can only keep going on their small farms thanks to milk production, such as the vast majority of French producers?

Is it aware that :

- (a) a price freeze would result in the departure of thousands of small dairy farmers from regions already severely affected by the flight from the land and unemployment,
 - (b) the kind of social aids it is promising have never proved effective in safeguarding farmers' incomes and keeping them on the land,
 - (c) a price freeze would result in chaos in economic, social and human terms?
3. Has it considered the following ways of dealing radically with the problem of dairy surpluses?
 - (a) Promoting consumption of dairy products, not only by prompt sales at reduced prices, but above all by improving the purchasing power, in particular of the lower income groups, contrary to what is envisaged in the austerity plans of the different Member States which have been approved by the Community institutions.

- (b) Action to eliminate unfair competition against Community dairy products?

Is it, for example, intending to press in the GATT negotiations for measures to stop margarine from being allowed into the Community virtually exempt from duties?

4. Does it envisage basing the price paid to the producers on production costs, which are increasing all the time, particularly in France, following the unfreezing of industrial prices?
5. Can it confirm that the plan to enlarge the Community would mean an increase in the supply of dairy products, a conclusion that can be drawn from the 50 % increase in Spanish milk production in the last three years?

I call Mr Soury.

Mr Soury. — (F) Mr President, I realize that time is running on but I feel that the predicament of milk producers, and in particular French milk producers for whom I now speak, is worthy of our attention. Our milk producers are extremely concerned and, faced with the proposals currently being worked out by the Commission in Brussels, they are worried by the implications of the solutions being put forward. We intend not only to comment on these proposed solutions but also to submit our counter-proposals.

The Commission's premise seems to us highly arguable. It tries to suggest that consumption is unchanged, that it cannot go up even if it does not go down, as in the case of butter. Having arrived at this conclusion Brussels chooses to lay the blame on prices and on an intervention system which, it is said, encourages irresponsible production. This rough and ready diagnosis leads to talk of possible price freezing or else of a reduction in prices accompanied by social aids, all of which measures bode ill for milk production. How on earth can one talk of a price freeze when, as everyone knows, production costs are rising? When faced with a problem as important as milk which concerns one out of three of the Community's farmers it is not good enough to deal in approximations or political *a priori's*. Mr Gundelach, when you glibly trot out the figures for present stocks you forget, deliberately no doubt, how they are distributed geographically. We all know about those veritable milk factories that spring up in some areas, especially close to ports. Everyone knows, but I will say it just the same, that of the 900 000 tonnes of milk powder stocked in the Community almost 600 000 are to be found in Germany and only 32 000 in France, where production is dropping. As in the case of pigmeat, we see in these figures the indirect consequences of monetary disorder and of the predominance of the German mark. This predominance of the mark is not about to end, thanks to the European system launched in Bremen which will lead eventually to what many commentators are already referring to as the mark zone. In other words, the root cause of the imbalance

Soury

between supply and demand in dairy products is to be found in the policy of the nine Member States and the situation is bound to get worse.

Of course it is easy to throw the blame back into the producers, but not one word is said about substitute products like margarine and yet everyone knows that they constitute unfair competition to dairy products and that the manufacturing ingredients enter into the Community mainly from the United States and virtually without customs duty. Why not do something about that rather than threaten milk producers with price freezes? Naturally the big American and Dutch multinationals, like Unilever, find this a more profitable operation, but what we want to know is whether the Commission is concerned more with defending their powerful interests or with defending those of the producers. We feel that this question must be debated, not least because we are conscious of the considerable pressures being exerted by the United States in the negotiations to gain access to our markets and to which the governments of the Member States always succumb in the end.

We now come to another important consideration in our review of the situation, that is the part played by public consumption. You say that the reason for the decline in the consumption of butter lies in the price. If millions of families are unable to afford the price of butter the reasons for this are not unknown to you. It is quite obvious that the 6 million unemployed in the Community cannot afford a lot of butter. The unfavourable market position is going to be made still worse by the plans that Brussels has worked out which will mean the phasing out of hundreds of thousands of jobs in the iron and steel, textile and paper industries. You know that according to an official Commission report 65% of the working population and the elderly in the Community are forced to economize. That 65% represents many tonnes of dairy products that could be consumed but are not.

And what do you do? You can see the situation but you still persist in cutting back dairy production. The dairy sector is a crucial sector and is the mainstay of the small and medium-sized farmers throughout the Community. It is often the only thing preventing wholesale flight from the land and all of us in this House recognize the need to combat this evil. In fact we discussed this matter during the last part-session. But your proposals, if they are carried through, would cause considerable additional damage in these regions of the Community and indeed the Community as a whole. You talk of social aids, yet we all know they have never worked in other sectors of agriculture and we warn you in the strongest terms against relinquishing your responsibilities which your policy seems to imply you are doing.

Let us repeat that it is not our intention that European farmers should become scroungers reduced to living in dread of the day the money supply will run out. We ask you to beware of the economic, social and

human chaos that would result from a price freeze on dairy products. You must abandon this course and formulate a completely new approach to the problems of the dairy sector. We believe this can be done. The solution is to be found, first of all, through promoting increased consumption. You need to conduct an in-depth study aimed at drawing up measures not only for sales at reduced prices but also and above all for improving purchasing power. I remind you of those 65% of European workers who are having to cut back — is this not an anachronism in this day and age?

The second step to be taken — and please don't say it is not possible — is to eliminate unfair competition with dairy products. When will we at last make a stand against the demands of the Americans, ever ready as they are to knock at our door? We must formulate a broad report policy that is free of political *a priori's*. This also applies to food aid to developing countries. Let us seek ways, through agricultural research, of diversifying the uses of dairy products. Such a policy could embody principles for fixing prices paid to producers on the basis of production costs which, alas, are continually rising — certainly in France, following the recent removal of restrictions on industrial prices. Such measures would ease the minds of hundreds of thousands of the Community's small farmers, especially in consideration of the proposed enlargement of the Common Market, which would lead to a considerable increase in availability of dairy products.

This is the way for the Commission to safeguard the interests of Europe. You would have farmers believe that the only answer is to cut back production, but we are submitting to you alternative proposals that are both realistic and constructive. It is not true to say that the Community's interests are best served by cutting milk production. Is the Commission prepared to look at our proposals? The farmers are waiting for its answer.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — Mr President, I do agree with the honourable Member that the milk sector is one of the most important sectors in the common agricultural policy, and that it is of predominant importance to a great number of farmers, many of them small farmers, in important parts of the Community.

Having said that, I am about at the end of my agreement with the honourable Member. Rarely have I heard in this House a document submitted by the Commission treated in such a cavalier fashion. It is misread and misrepresented. Take one example: the heading of the question is: 'Price freeze'; one of the elements the honourable Member referred to three or four times as the main element in his analysis — the term does not exist in the document.

(Applause)

Gundelach

How on earth can you build up a whole question on a concept which does not exist in the document about which you are talking?

(Applause)

Furthermore, Mr President, with all due respect to the procedures of this House to which I will always bow, I have great difficulty in understanding why this is a matter of urgent debate. Because the Commission has not, in this document, made any proposals. It has clearly indicated that it intends to make proposals concerning the milk sector, as is its responsibility in the context of the price review and the review of related matters which takes place every year: proposals to be tabled in the months of December and subsequently discussed in depth, in among other places, this House. But since there is a major problem in the dairy sector, the Commission was invited by the Council at the end of the last price review, in preparation of the next, to submit an analytical report with some indications of main lines of thinking, by September. That is what we have done. The ordinary way of proceeding with such a document would be, in my view, that it would be considered by your excellent Committee on Agriculture who would then submit a report to the House, on the basis of which we could then have an enlightened debate on what is in the paper, not a debate on what is not in the paper. That could be of great use to the Commission in formulating its price proposals, which would then be submitted to the House for further discussions. In that way we could proceed in an orderly fashion. But this kind of political show really does not do justice to the very fundamental and very difficult issue we have to deal with.

Having said that, I shall make a number of comments on the issue. The problem in the dairy sector is not, as the honourable Member suggested, one of alarm about the level of stocks today. As a matter of fact, very far-reaching measures have been taken over the last 18 months, at a great cost, to support the consumption of dairy products, not least inside the Community but also in exports — and by the way, honourable Member, we exported in the last year more than the Community has ever done before in its history. Even with these extraordinary measures which have been indeed very costly, we have just barely managed to keep consumption from sliding down, rather than thumping down. But production continues to increase steadily year by year. Therefore, not basing analysis on any stock figures, but on a long-term trend in the consumption curve for all dairy products taken together — cheeses go up, cream goes up, butter goes down, and production continues to increase. Why? Because irrespective of the prudent price policy we have been pursuing now for two years, there is still sufficient incentive for certain farmers, aided by public assistance from national funds, to continue to

invest in the dairy sector, despite the fact that it is a structural surplus sector. Improvements in breeds, improvements in conditions of production, lead to a continued increase in yield of milk per cow. So even if there is a diminishing number of cows due, among our other reasons, to premiums paid by the Community for voluntary slaughtering, still the production goes up.

That is the real problem we are confronted with, and when we have gone to the ultimate limits of our financial capacity, i.e. what the taxpayers will accept in supporting consumption, I cannot see how we can fail to take the existing gap seriously: we must deal with it in one way or another in our thinking, because, I repeat, we have not made proposals. We have been saying that we must try and remove that extra incentive which leads to continuing investment in the milk sector, in order to level off production. Here we are thinking in particular about the aids paid by national governments to increase milk production in their territories. We think further that a totally unlimited and unregulated access to intervention on milk powder in particular is one of the incentives which keep production at too high a level. That is why we are reverting to a form of the co-responsibility levy which was discussed two years ago, and considering how this levy could be made somewhat more flexible in accordance with the amounts delivered to the dairy and the money used in consultation with the farmers — because it would be their money — to carry part of the burden in maintaining consumption with aid to skimmed-milk powder, cream, butter for social purposes, etc., etc. Another way of going about it would be to make the intervention price directly proportionate to deliveries beyond a certain reasonable level. We have not decided which of these courses — or any others you may think of — to take but we have felt that the situation is sufficiently grave to call for a serious consideration of these or other measures. At all events, when putting them forward we have made it quite clear that the common agricultural policy cannot discharge itself of its social responsibility towards all those small farmers who depend upon milk production. That is why we have made it quite clear in this paper that if we have to remove these incentives which in particular play a part with the big enterprises which are mostly responsible for producing the surpluses, we shall compensate the smaller ones for any loss they may suffer by means of income aids or other appropriate measures, because under the present employment circumstances we have no interest in forcing people to leave the land. Any argument, therefore that by the ideas we have put forward we should be pushing people into greater difficulties on the land are ill-founded.

As far as the competition with margarine is concerned, there is first the point to make which, I think, illustrates why consumption is falling. There is

Gundelach

a change in eating-habits, there is not the need these days for the same amount of calories as there was in the days where a greater part of the population had to perform hard physical labour. You will therefore see that it is not only butter consumption that is falling: even margarine consumption is falling. Please note that, because it indicates that we are here dealing with a permanent phenomenon and not a conjunctural one which will change when our economy, as we hope, in the not-too-distant future returns to a reasonable degree of growth. That will not change, because it is eating-habits which have changed.

Margarine is surely competing with butter, but there must be a free choice for the consumer. Whether or not the Community of Six, when the common agricultural policy was established, should have put a tax on the import, of soya is a matter for discussion. I personally feel that perhaps they should have thought seriously about it. But, honourable Members, they did not. You were there then, I was not. They entered into a treaty commitment to the United States to import soya and soya oil either duty-free or with a very low duty. We have no means of discharging ourselves of treaty obligations. They must be honoured. No international economic system can operate without the honouring of treaty obligations, especially a Community which depends for its life on its ability to export to the United States as well as to other countries. So may be the commitments should not have been entered into, but that was done many years ago. Now we can only withdraw from them by paying compensation, which we have no means of doing.

It is not true that the United States are pressing for further concessions in these fields. Rather it is true that we are pressing the United States for concessions for our cheeses on their market, for better outlets for our dairy produce, so that argument too is the other way round. In our view, there is no other way of solving this problem than by braking the level of production, but it must be done in a way that is socially acceptable to the hundreds of thousands of farmers who depend on milk production and who have no alternatives. We have taken that fully into account in our ideas: we would welcome any further suggestions in an organized debate in this House, and shall look forward to a totally unprejudiced debate. The Commission has not made up its mind on what exactly it should do. But it has fairly and squarely put to the Council and to Parliament a problem which is there and will not go away by itself, and we shall take our responsibility in making appropriate proposals after, I hope, useful and constructive discussions prepared by the agricultural committee in this Parliament at a later stage.

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

Mr Dewulf. — (*NL*) Mr President, my first comment is addressed to the Bureau. Our working methods are

becoming absurd and ridiculous, and I wonder whether the Bureau still has enough onus to impose a minimum of self-discipline on this House. But since the debate has begun, I must speak.

Parliament's Working Party on Milk did indeed meet today and the debate on the milk policy was serious and emotional. The times are not suited to demagogy or electioneering, and I would say to Mr Gundelach on behalf of my Group that at all events we agree with the Commissioner's diagnosis. We are facing a difficult structural problem, and we must make every effort to control production, a process in which the producers and dairy factories will have to play a direct part.

Time is short. I have only five minutes in which to speak, but I will try to make a few important points. I can accept unconditionally certain parts of the report, but I would comment on just a few aspects which Mr Gundelach knows well. The first problem: the Community's dairy farmers have few alternatives, if any, to dairy farming, and at a time when the economic situation in the Community is gloomy, it would be the worst policy imaginable to direct those dairy farmers towards unemployment. That would be harder and give rise to even higher social and financial expenditure. A second weakness in your report is the definition of the small dairy farmer. Since the enlargement of the Community the British have given a new meaning to the concept of the dairy farmer, and it does them credit. But this concept has also created a new problem for the dairy policy. On the whole, continental farmers have smaller holdings, but to achieve a sudden changeover to a policy which simply applies price controls to some and gives income subsidies to the very small ones we need an extra link in the chain. So at all events, and it is a most difficult problem, there can be no question of tinkering with farmers' incomes in general or with this group's living standards, regional and sectoral disparities notwithstanding. Nor is there any question — and no one is advocating this — of curbing technical progress which must be given free rein in this sector. There must also be no question — and the Christian Democrats would emphasize this point particularly — of any splitting up of family farms. These days they are the buttresses of the agricultural policy.

And now to the point. The major problem in the debate — and this is a particularly difficult debate, Mr Gundelach — is to know what methods we are proposing. What we are pointing out in this very brief debate is the need for a certain amount of continuity in the policy to be pursued. It would be disastrous to begin a new experiment with different instruments and measures. And perhaps we can say that in the past we made too many experiments with constantly changing measures, and that it is a lack of continuity which has brought our dairy policy to the pretty pass in which it now finds itself.

Dewulf

Some of my colleagues in the Christian-Democratic Group, and in particular those from the continent, would like to see the co-responsibility levy made into a more flexible, more variable and more energetic instrument. At all events, to put it once more in crystal clear terms, the worst possible measure you could take is to introduce the quota system. But since you have been experimenting for some time now with the co-responsibility levy, we think that if you refined the system you might possibly achieve something, without causing other aspects to be neglected.

My last comment is to say that we can find nothing in this report about the international situation. What concrete proposals has the Commission made in the negotiations on dairy produce it has conducted with the United States in UNCTAD and GATT?

Ladies and gentlemen, that is all I have to say. The debate has barely started, Mr Gundelach. The Christian-Democratic Group will approach this debate positively, cooperating with the Commission in a free and frank manner.

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

Mr Herbert. — Mr President, like my colleague, Mr Dewulf, I would like to dissociate my group from the political overtones of this oral question with debate. However, in its analysis of the market imbalance in the dairy sector, it is true that the Commission gives all the reasons for increased production but evades outlining the remedial action that must be taken. Time only permits me briefly to refer to two such areas.

First is the question of imported feed. The report quite correctly states that the most important contributing factor making for higher milk yields is the increased use of feed. The vast bulk of this feed is imported, and yet the Commission's solution is merely a prudent price policy. Surely the availability of unlimited supplies of imported feed must be tackled and must be discouraged, irrespective of what the Commissioner has said now, so as to terminate the absurd situation in which cheap imported feed protein is converted into costly Community protein. I realise, and appreciate, that the Community pig and poultry producers could be affected here. But surely it is not outside the competence or the capacity of the Commission to ensure that the interests of such producers would be protected in any new measures the Commission introduced to discourage the use of imported feed for dairy production.

The second area that I would like to refer to, Mr President, is that of the continuing imports of butter from third countries. Is it fair or reasonable to ask Community producers to bear the consequences of the Commission's draconian measures, while producers,

for example, in New Zealand are exempted, and indeed encouraged to get, perhaps, a further extension of Protocol 18? Here again, Mr President, I submit that this burden must be shared, and mainly shared by non-Community producers. In conclusion, Mr President, I believe that the two areas I have mentioned constitute a glaring weakness in the Commission's document.

President. — I call Mr L'Estrange.

Mr L'Estrange. — Since listening to Mr Gundelach, my mind has been put at ease to a certain extent, but I would still ask him and the Commission to be careful. He stated that he was putting his foot on the brake in a way socially acceptable. I think that is a difficult thing to do without stepping on somebody's toes. But I would like to say that any undue interference could have drastic effects on the farmers of Ireland, because over 70 % of the milk farmers of Ireland are under 30 acres of land, and while milk prices have increased, and while they are earning a reasonable income at present, any setback now could vitally affect them, because the majority of them have borrowed heavily to improve and modernize their cow-byres and farms and are heavily committed to their banks and to the Agricultural Credit Corporation, which is a state lending agency for farmers in my country.

With heavy repayments of loan commitments each year, wages for their workers increasing, rates on agricultural land increasing, indeed food and the cost of production all round increasing, price freeze would certainly result now in the departure of thousands of small farmers from the land in Ireland. Our country has already been severely affected by the flight from the land, and our aim now is not to add to the already large number of unemployed. We want to see happy, contented if not too well-off, family farms and people remaining on the land of Ireland. I am glad to learn from Mr Gundelach that he would compensate the small farmer, and I accept his assurance there. I am also glad that he said he has no intention of driving the small farmer off the land. I believe his intentions are good, but still things can go wrong at times. More I believe can, and should, be done in market promotion, but I give credit to Mr Gundelach for all that has been done already. But I would certainly agree with the proposal of improving the purchasing power, particularly, of the lower income group, and this could be done if each nation gave a sliding scale of increases to all workers instead of percentage increase across the board. But I would appeal to the Commissioner to be careful about any proposals that might do irretrievable harm, and to remember that instead of promoting justice he might create a great measure of injustice for a certain number of small farmers in our country.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — Mr President, to Mr Dewulf I would like to say that I very much agree that in the present-day Community, the concept of a small farmer of course is bigger than it was a few years ago. And when we use that term in the paper we are thinking about what were only a few years ago medium-sized farms. I do not think the nature of the debate tonight is such that I should go into details and numbers of cows, but rather give that general indication and add to that that the main thrust of the policy I am trying to conduct in the agricultural field is precisely to safeguard the family farms. I think that is what is the real objective of the Common Agricultural Policy. That is what we should strive to secure. What I am concerned about is that the credibility of that policy, with that objective, is being upset, and here we really get into what Mr Herbert and the honourable Members who posed the question were also referring to: the cheaper imports of fodder, which lead to vast combines of an industrial nature. How can that be dealt with with the same rules as apply to the safeguard of the interest of a farm of a family size? Herein really lies the problem to which we have to find a solution. We have not, Mr Herbert, in this paper been silent — on the promotional aspect — and that is also a reply to Mr L'Estrange. We have been pursuing a very active policy promoting, internally and externally, the sales, not only of butter but of butter oil, skimmed milk, skimmed-milk powder, full-milk powder, yoghurts etc., and we shall continue to do so, and we believe that we shall continue to do so, but we don't believe that it will solve all of the problem. Hence the necessity for some break. And naturally you are right, Mr L'Estrange: it will hurt some toes. We just have to see to it that it is those who can take it and not the toes of those who can't take it. Herein lies the delicacy of the operation which we are forced to undertake.

On the external front, also — the cheap imports of fodder. As I said, we have a limitation on our ability to manoeuvre. It is not a matter of competence — it is a matter of law. We cannot disregard treaties which the Community has concluded. Indeed on the import of butter, or beef for that matter — on the import of butter from New Zealand, we cannot disregard them. The Community cannot live in a world where it does not fulfil its obligations. Because it itself is, as I said, depending for its life on a reasonably orderly international economic activity, where law is respected. We are demanding of the Americans with great insistence that they respect the law in regard to anti-dumping and countervailing duties. We are taking a stand against the Americans this Community has never before taken and it seems to have results. Can we then, in the next breath, break our obligations towards that country or other countries, small or big? Of course we cannot. But we can seek — and reference was made to this in the GATT negotiations, as I already mentioned in my first reply — better outlets for our exports of a number of dairy products. We can

demand that, and I think we have a reasonable chance of getting worthwhile concessions. We can, in the context of commodity arrangements, or more general arrangements for cooperation in the agricultural field, find ways and means of disciplining, at least to a reasonable extent, the imports of cheap fodder, which are increasing to an extent which is alarming. Here, Mr Herbert, we agree. But it has to be done in a way which is in accordance with our international obligations. But there are ways and means, and they will be used: that I can assure you, because it is one of the weak points in the Common Agricultural Policy, but solutions must be found in accordance with the rules of the Treaty.

So in conclusion, Mr President, I repeat I am looking forward to a full and frank discussion in this Parliament on this delicate issue on the basic grounds I have indicated tonight and where I am happy to realize that there is a vast amount of agreement. We will have difficulties in finding a solution — I am not hiding that — but given imagination and goodwill, I am sure that we shall be able to achieve it. It will not be at the cost of those who are in particular dependent upon the production of dairy products.

President. — I call Mr Soury.

Mr Soury. — (F) Mr President, I have listened carefully to what Mr Gundelach has said and I hope he will allow me to make three brief observations. In his reply he set great store by the proposed technical measures. However, I note that he has not touched upon, and indeed seems reluctant to touch upon, what is to me the essential problem, that is the political problem. I am certainly not trying to suggest that the hard times experienced by workers throughout the Community are solely responsible for the dairy crisis, only that it is one of the principal causes. And yet, Mr Gundelach, you make no mention of this. My second comment concerns price freezing. I am pleased to hear you say that there is no question of a price freeze. I have here in this folder several cuttings containing information about the work of the Commission which in fact suggest that a price freeze might be contemplated. That is why we put the oral question. However, if we detect a retreat from the proposals outlined then we are more than happy. Thirdly, by talking about the surpluses you confirm the seriousness of the situation. Also you have stressed the need to grant these social aids to the small farmers. We gather from this, therefore, that the prices that will be applied under your policy will be no longer viable for hundreds of thousands of small farmers all over the Community. If that is the case then our worries over the fate of all these farmers continue to be justified. In conclusion, we are glad that this debate took place tonight and assure you of our readiness to take part in a future debate in this Parliament.

President. — The debate is closed.

15. *Massacre of seals*

President. — The next item is the motion for a resolution (Doc. 369/78) tabled by Mr Dalyell, Mr Lange, Mr Lagorce, Mr Lamberts, Mr Mitchell, Lord Kennet, Mr Albers, Mr Edwards, Lord Castle, Mr Ellis and Mr Fitch on the massacre of seals.

Mr Dalyell. — Mr President, twelve hours and 40 minutes ago I gave an undertaking to the President that I would be as brief as possible. Therefore I'll speak in shorthand. First of all, could I ask about the Commissioner's own view of the Commission's competence in this matter of seals? What rôle does he see the Commission playing in seal management? Perhaps he would expand on the clear answer that he gave at Question Time. But of course some of us do see this as an international decision, that grey seals, however intelligent animals they may be, do not understand the limits of territorial waters, and their antennae, however sophisticated, do not register the boundaries of nation-states at sea. Therefore does not this whole decision, given the fact that we hear from the Federal Republic, for example, that the grey-seal population is declining in their waters, have to be taken by all those countries involved around the shores of the North Sea rather than by one country?

Secondly, do the authorities think that the appetites of a few thousand seals, to use the words of Mr J. W. Sharp writing to *The Scotsman* on 3 October, can make more than a fractional impact on fish-stocks, when compared with the daily invasion of huge factory-ships from Russia and elsewhere which mean that neither British fishermen nor seals can earn a fair living?

I think that is a legitimate question. It brings us on to the next issue, which is the scientific evidence for the massacre of some 900 seal mums and 4 000 pups. I am not a marine biologist, but I am a member of the Fauna and Flora Preservation Society and have a history of consistent interest in these matters. I notice that the RSPCA, the World Wildlife Fund, the *New Scientist*, and Friends of the Earth through their local committee under Mrs Sue Flint in Orkney, have all expressed their gravest doubts.

With regard to the report to which my friend and colleague Mr Hughes referred, what we want to know is not what reports have been published but on what particular evidence the British Government have taken their decision. How, for example, are they so sure that seals eat as much as is said — in particular this figure of 65 000 tonnes of cod? This is not the view of the local secretary of the Fishermen's Association in Orkney, Mr Joe Malloch. Indeed, some of the locals have argued that, so far from being deleterious to fish-stock, the truth is that the seals eat the squids and the squids eat the larvae of the lobster, and this may be one of the reasons why lobster fishermen are among those who are very doubtful about this action.

On the subject of evidence, I have of course to refer to a resolution passed at the General Assembly of the International Union for the Conservation of Nature and Natural Resources at Ashkhabad, in the Soviet Union, who noted that this was one of the world's rarest seals and that Britain planned to reduce them by 50 % over the next six years. The IUCN is a reputable body, a collection of scientists and scientific bodies who suggested that over-fishing rather than the seals might be responsible for declining catches by inshore fishermen in Scotland. Their resolution urged that Britain should suspend — and this is very much the point of what we are getting at — any cull of grey seals at Orkney, North Rhona and in the Western Isles until adequate data were available on the impact of grey seals on fish-stocks. The Union immediately cabled a copy of the resolution to the Secretary of State for Scotland, and the conservationists promised to take the problems of people into account in their plans to protect threatened plants and animals.

This, as I say, is a wholly serious body that is raising scientific doubts, and I ask the Commission whether it is prepared to undertake any kind of — let us say for want of a better word — neutral enquiry into the facts of the situation, because it brings us to another issue that some of us are increasingly worried about. That is the issue of money.

As we understand it, this Norwegian firm of G.C. Rieber have been given some £15 000-20 000 in order to complete the contract for the slaughter of the seals. It may or may not be argued that the Norwegians have the greatest experience of this. I do not propose to go into that tonight, but it is not a fact that the more seals and seal pups are killed the more money comes out of it? I am not clear, nor are many people, of precisely what the financial implications of all this are; but we would like to state that if decisions on seal-culling have to be made, we hope that questions of financial gain to firms or to governments should not come into the basic decision that is made, because, quite truthfully, some of us find pretty nauseating the whole matter of sealskin fashions. The *Glasgow Herald* tells us of an eye-catching jacket worn by a model and costing £520: it is made from the pelts of three seals and is a novelty item on sale in a Glasgow salon. The paper goes on to say that the ornaments in her hands are strips of a seal-pup's skin crafted to form a miniature of the animal. A finger-length model costs £1.75 in tourist shops throughout the country; the 'family group' cost £9.33. They are extremely popular, said one dealer, and he had almost sold out his stock. Well, if we are to deal with creatures who may or may not be nearer extinction than we think on such a basis, some of us find it, frankly, a bit revolting, to put it mildly.

Mr President, there is a public right to know in this matter. It should not be shrouded in secrecy. We have

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reports of sharpshooters battering down hatches in order to evade journalists, and if those who want to go ahead with this kind of slaughter on this kind of scale are really sure that they are doing the right thing, then they should face the questions and not try to evade them. We ask for evidence. This is the view of many organizations, and I must say that I pay tribute to them on this occasion. I have criticized them endlessly on the nuclear issue, but on this occasion I must pay tribute to Green Peace, Friends of the Earth and other organizations who have not only gone to a great deal of trouble but possibly incurred personal danger to prevent action and gain time so that a rational decision can be made. If anybody wishes to criticize Mr MacTaggart, of Green Peace, I must reply that some of us have the greatest admiration for this man for what he did some years ago to prevent the French nuclear-testing programme from polluting the Pacific. So I stand here, having met him, to say that I have a high personal regard though I do not always agree with him. Mr MacTaggart is a serious man. He and others deserve an answer *before* blood is spilt and not after.

I feel that even at this hour of night this Parliament can legitimately put these questions to the Commission. We await Mr Gundelch's answer with great interest.

President. — I call Mr Corrie.

Mr Corrie. — Mr President, this is of course a deeply emotive subject. Photographs of seal-pups with tears running down their cheeks moves the hearts of most people. Sad to say, we seem to live in a world where we care more about animals than we do about children. So let us try and keep emotion out of the debate and look at the cold, hard facts. I am in no way an anti-conservationist; I am probably very much the opposite, but we have got to get the balance right. The situation is that the British Government rightly or wrongly, has given the licence for this cull to go ahead, and I believe it is too late to stop it. I also believe we should not encourage those who are physically trying to stop it, because my real fear is that if these conservationists who go out and mingle with the seals to stop them being shot get the men who are crackshots and trained in this sort of job exasperated and upset, these men will start shooting at moving targets instead of shooting at them when they are sitting there on the ice, when they would kill them. If these people start moving the seals round and those who are shooting them start shooting at moving targets, they are far more likely to injure and maim the seals instead of killing them outright.

The arguments for and against the cull will go on, but I think this year it is too late to achieve anything. I, like Mr Dalyell, would like to see all the facts and figures possible. I would like to see the Commission initiate a study into the grey-seal problem and perhaps feed it through to the Agricultural Committee

so that by next year we have all the information collected before us.

This, Mr President, is why I put down an amendment suggesting we delete everything in paragraph 1 after the words 'hunters from Norway'. This will presumably be taken tomorrow.

President. — I call Mr Brown.

Mr Brown. — I simply wish to add my voice to this resolution tabled by my colleague. I very much respect the way that he put forward his argument, I also share Mr Corrie's view. I think that the emotional side is important. You cannot eliminate emotion entirely. But I found the reference to a massacre offensive. The word massacre can only conjure up a heinous crime in the minds of people. It would only be a heinous crime, in my view, if it was cruel, and nobody, Green Peace or anybody from Canada or America or anywhere else, has argued that shooting these seals was in itself cruel. There has been no accusation of cruelty.

The second argument concerns conservation. Now no one can possibly deny that there is a real need to conserve fish, whether or not you do it by trying, as in fact my own country has done, to control the fish stocks. If there is an argument that seals are in fact depleting the fish stock, then it will be necessary to take action to control them. Now no one, not even my friend, Mr Dalyell, has claimed that control is unnecessary. There must be a point at which control comes in. If this is so then those who are arguing this case must say where that control mechanism begins. How many grey seals are we to have around our shores, and when do we take action? Are we to abdicate our responsibilities and merely say: oh well, they are lovely little things, let's leave them alone?

They have the responsibility of telling us at what point we must say: we are very sorry but we must now cull the seals. Surely they are not trying to argue that they can go on proliferating and somehow always remain at the same acceptable population level.

Thirdly, there is the question of the cull itself. It does seem to me that somehow we have got to ensure that if the culls are necessary, they are organized in a way that makes them acceptable to people. Like Mr Corrie, I saw this very emotional film on television it looks as if the same film is syndicated everywhere. But if you saw a film about the slaughter of deer would it prevent you from eating venison? In the park opposite where I live there are some beautiful little fallow deer. Now, I am bound to remind my honourable friend that he has sat down to dinner with me and eaten venison, and he did not then complain about the lovely little bambi being killed in a most appalling way. But they are killed in a most appalling way. Maybe that is an argument for vegetarianism, or for those of greater stature than he. But I am not a vegetarian myself.

Brown

I do not believe it is possible to argue this case simply on the emotive grounds or by showing that type of film I would therefore say to the Commission that there is a need for evidence and for the House to be presented with the true facts of the case.

I would draw the House's attention, to the fact that I have never heard of this type of campaign before. There are seals all over the world and they have always been killed. Why then this sudden agitation?

Surely what we need to do is to examine carefully all the facts of the matter, decide whether control is necessary, and then consider unemotionally how best to carry it out.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — Mr President, I do not in any way want to make light of what really is an emotional problem for many, and the debate has taken place in other parts of the world on this subject. But of course the solution does not lie in turning vegetarian. Because I am informed that new auditory devices are capable of detecting the cries of horror when plants are being cut. So I think we are confronted with a problem which we in all events have to deal with as has been recommended dispassionately. The Community's responsibilities in regard to the living resources of the sea, according to interpretations which hitherto have been agreed, do not stop at fish and lobsters, but also include whales and seals. So that is the first answer to the fundamental question of Mr Dalyell. Yes, it is in the competence, according to basic regulations, of the Commission to deal with questions concerning, in this case, seals.

It is not a competence which has been elaborated in any specific regulations or other instruments adopted by the Council, so I will say forthwith that I could not accept any texts which demanded the Commission to make representations to this or that Member State, because I do not believe that I have any legal basis for making representations to this or that Member State at the present time over what they should do or what they should not do, and in which way they should do it. I must make that quite clear in order to avoid any misunderstandings. But I do indeed believe and can assure the House, that I think we have the mandate, the right to institute what Mr Dalyell qualified as a neutral investigation — I think others were calling for the same — as to the situation of the grey seal, how the stocks develop, what the inter-relationship is between that stock and fish population, and other relevant issues, in order that one may come, in the context of this overall fishing policy which we are seeking, to a sound basis for dealing with this part of the living resources of the sea, and partly of the land.

So, I can accept this invitation from those who have spoken in the debate, to undertake on behalf of the

Commission to make such a study and to call upon the cooperation of all the governments involved in participating in such a study by making available to me the scientific material they may have in their possession. Because without such cooperation, with the limited manpower I have at my disposal it could take too long for me to get a result. And I think I have here some specific regulations about cooperation in regard to the exchange of scientific information which I can call upon and therefore I am sure that all Member States, including the United Kingdom, will cooperate with the Commission in establishing the facts of the situation, and I shall be happy also to communicate these facts to the House, and we can then see what solid positions we can take, what regulations we can establish in order to deal with this matter — but on the basis of knowledge and facts — a knowledge which I admit quite openly tonight that I am not at the present time in possession of.

President. — I call Mr Dalyell.

Mr Dalyell. — I could absolutely echo the concluding words of my friend, Mr Brown, when he said, let us know what we are controlling it to. If I can put it this way, and I do not mean it frivolously: yes, of course, one can understand the question of 'Bambi in the park', because at least there is a very clear idea of 'Bambi management', and as to those which are culled, we know exactly what the numbers are, and the numbers are clear for everybody to know. What is the issue here is that there is a very considerable dispute about the scientific evidence, on which irrevocable action is being taken. If it is necessary at the end of the day, as proved by the scientific evidence, that blood on this scale of seals has to be spilt, so be it. I am not against, nor are many of those who are with me, seal management as such. It may be necessary. But what in this instance is far from clear is whether in fact the basis — the factual basis, the scientific basis — of what is being done is sound, and if the government of Britain was quite so sure, why then did the Cabinet Minister immediately responsible say last Friday, yes, of course he would have talks, but after the culling took place. This is not the response of those who are too confident about the worth of their own scientific evidence. So, I leave it at that — other than to thank Mr Gundelach very much for the tone and spirit and content of his reply.

As I understand it, and he will correct me if I am wrong, the Commission is prepared seriously — I do not hold it to anything tightly because this is an urgent debate — but I understand it that he would discuss seriously with his colleagues the possibility of a so-called 'neutral investigation' of the situation of the grey seal. That is, I think, all that one can ask. But of course this is something that affects more than one country, because part of the whole basis of the argu-

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ment is that the decision, by its very nature, should not be taken simply on the basis of factual information in British territorial waters. Because it does affect the decision that this particular species is declining in other people's territorial waters. That is a very basis point to the whole argument. Therefore I simply sit down by asking Mr Gundelach, if I have got him right: that he would use his best endeavours, I will not hold him to anything else, to set in motion a so-called 'neutral investigation' of the situation of the grey seal. Is he prepared to assent to that?

President. — I call Mr Gundelach.

Mr Gundelach. — Yes, Mr President, the answer is 'yes'. Naturally that study would cover the territory of the Community, and probably also consultations with other third countries in the North Atlantic area.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote tomorrow at 4.30 p.m., with the amendment which has been moved.

The debate is closed.

16. *Agenda for the next sitting*

President. — The next sitting will be held tomorrow, Wednesday, 11 October 1978, with the following agenda:

10.00 a.m. and afternoon:

- Oral question with debate to the Foreign Ministers on arms supplies;
- Oral questions with debate to the Council and Commission on Summer Time;

- Motion for a resolution on the Camp David meeting;
- Joint debate on two motions for resolutions on the situation in the Lebanon;
- Motion for a resolution on the situation in Nicaragua;
- Joint debate on two motions for resolutions on energy policy;
- Oral question with debate to the Commission on the situation in Iran;

3.00 p.m.: Question Time (questions to the Council and to the Foreign Ministers,

4.30 p.m.: Voting time.

I call Mr Brown for a procedural motion.

Mr Brown. — Mr President, I understand that the acceptance of urgent procedure for two of those items before the energy debate was on the presumption that the President-in-Office would be present for those items. I do not believe the President was aware that the reason why the reports by the Committee on Energy and Research were placed there was because we have to have the President-in-Office available too. Consequently, since our items are of long-standing, would he consider taking the energy reports first, with the other items following that, since the President-in-Office must be present for our report?

President. — You may not have been present when the President of the time announced the order of business for tomorrow. The arrangement now is that the energy debate will be held at 6.00 p.m. precisely.

The sitting is closed.

(The sitting was closed at 11.15 p.m.)

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IN THE CHAIR : MR COLOMBO

President

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

President. — The sitting is open.

1. *Approval of minutes*

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

Since there are no comments, the minutes of proceedings are approved.

2. *Documents received*

President. — I have received from the Council a request for an opinion on the proposal from the Commission of the European Communities to the Council on :

a directive on the approximation of the laws of the Member States relating to

— towing hooks,

— reverse,

on wheeled agricultural or forestry tractors (Doc. 373/78) which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Regional Policy, Regional Planning and Transport for its opinion.

3. *Texts of treaties forwarded by the Council*

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

the Agreement in the form of an exchange of letters amending the Agreement between the European Economic Community and the Kingdom of Sweden.

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

4. *Agenda*

President. — Parliament decided yesterday afternoon to devote four hours, including one hour for the Council and the Commission, to the following items on today's agenda :

— oral question on arms supplies ;

— oral questions on the introduction of summer time ;

— motion for a resolution on the outcome of the Camp David summit ;

— motions for resolutions on the situation in Lebanon ;

— motions for resolutions on the situation in Nicaragua.

Unfortunately, I have to announce that a problem outside our control has arisen and that there will have to be a slight amendment to the timetable agreed on by the political groups. The aircraft bringing the President-in-Office of the Council to Strasbourg is unable to land because of poor weather conditions. We are assured, however, that he will be here in the Chamber at 11 o'clock.

I therefore propose that the sitting be suspended until 11 a.m. and then extended until 1.30 p.m. This will mean that the debate on energy will begin at 6.30 p.m. instead of at 6 o'clock.

I call Mr Cointat.

Mr Cointat. — (*F*) Mr President, when Mrs Walz spoke yesterday she said with good reason that Parliament was postponing the problems for which it is responsible to rather unholy hours. I wonder if it might not be better to deal with these energy problems now. This would please Mrs Walz and most likely you, too, Mr President, and all the other Members. In this way Parliament could give priority to dealing with matters for which it is responsible.

President. — I made this proposal to the chairmen of the groups but they replied that the speakers down for this debate might not be in the Chamber. However, I do know that the Member of the Commission with responsibility in this sphere is able to attend the debate. If all the speakers involved are present, we can start with the debate on energy.

I call Mrs Walz.

Mrs Walz. — (*D*) Mr President, I am in favour, but I cannot see Mr Flämig of the Socialist Group, who is to present the second motion for a resolution. Nor do I see the Members who, as we just decided at a group meeting, want to speak in the debates. For my part, I am ready to begin, but I am not sure if it is fair on the

Walz

Socialist Group if we begin now when Mr Flämig, who of course knows nothing of this, is not present.

President. — I call Mr Klepsch.

Mr Klepsch. — (*D*) Mr President, I do not know how long the delay is going to last. Perhaps we could arrange things so that we can start with the debate on energy. This one hour would not be enough to complete it anyway, but we should be putting the hour to good use. The whole timetable which was fixed for today is otherwise going to be disrupted, as the general debate would drag on until 7 o'clock. We realize, of course, that it is rather inconvenient to start without Mr Flämig, but he will get the chance to speak in any case.

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (*D*) Mr President, I have no authority to speak on behalf of my group on this matter. Nor can I say where Mr Flämig or other speakers from my group are at the moment. I should just like to say that basically I think this arrangement is a good idea, provided, however, that the debate on energy — as Mr Klepsch has already suggested — is interrupted when Mr von Dohnanyi arrives.

President. — I call Mr Rippon.

Mr Rippon. — Mr President, I see great difficulty in changing the agenda at the last minute. It must be assumed that, although there are some people present who are ready to talk about energy, others have proceeded on the assumption that the debate will not take place until later this evening. If our debates are to have any meaning, it must be assumed that those who want to speak also are prepared and need to listen to the debate. I think we should hesitate to make an arrangement of this kind which, in my view, would set an undesirable precedent. We must consider in future whether it is right that last-minute motions for resolutions, tabled on the grounds of urgency, should take precedence over the real business of the Parliament, which is to discuss the matters which, as Mrs Walz said, are within our own control.

A great deal of work has been done by the chairman of the committees, the rapporteurs, the committee members and official in preparing these items. I believe that, in future, we ought to give absolute priority to our own business over emergency resolutions of a political nature.

(*Applause*)

President. — In view of the considerations expressed by the House, I now suspend the sitting until 11 o'clock.

The House will rise.

(*The sitting was suspended at 10.15 a.m. and resumed at 11.10 a.m.*)

President. — The sitting is resumed.

5. Arms supplies from Member States

President. — The next item is the oral question with debate (Doc. 337/78) by Mr Fellermaier, Mr Sieglerschmidt and Mr Cot on behalf of the Socialist Group to the Foreign Ministers of the nine Member States of the European Community meeting in political cooperation :

Subject : Arms supplies from Community Member States

The authors of the question

— are pleased that on 25 May 1978 the Member States, through the Danish delegate, then President-in-Office of the Council of Ministers, presented a united position at the UN General Assembly's special session on disarmament,

— note, however, that the joint position adopted by the Nine on the problem of arms supplies is not at all satisfactory,

— are disturbed that, as the President-in-Office of the Foreign Ministers bluntly stated at the sitting of the European Parliament of 12 April 1978, there is no common EEC policy on exports to third countries,

— look, therefore, to the Foreign Ministers meeting in political cooperation to do their utmost to find a solution to this difficult problem and accordingly ask the following questions :

1. Are not arms supplies to areas of tension fundamentally incompatible with the peace policy pursued by all the Member States ?
2. What prevents the Foreign Ministers from designating — where necessary — areas of tension in respect of which the individual Member States will not approve arms supplies unless, exceptionally, it has been otherwise decided in prior consultation with the other Member States ?
3. Could the Foreign Ministers not make a joint effort to arrange meetings between buyers and sellers, in the form of regional conferences, in order to restrict the arms race in areas of tension ?
4. Do the Foreign Ministers intend to prohibit arms supplies to countries where basic human rights are flagrantly violated ?
5. What other ways do the Foreign Ministers see of pursuing a credible common policy in this sphere ?

I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (*D*) Mr President, Mr President-in-Office, ladies and gentlemen, in April this year I put a similar question to your predecessor. Although — or perhaps precisely because — the answer Mr Andersen gave on behalf of the Council was thoroughly unsatisfactory, there was a whole series of supplementary questions and a great deal of interest was aroused. Six months later, almost to the day, the Socialist Group is now taking up this question again. It would be a miracle if after only six

Siegerschmidt

months the Council's answer were to be much more substantial than back in April, but there is no harm in hoping for miracles, even if the familiar Israeli proverb that you have to believe in miracles to be a realist does not necessarily always apply in Europe.

The least we expect, however, Mr von Dohnanyi, is not to be fobbed off with a short, vague and meaningless answer, but to have at least each of the questions we have put dealt with one by one. This would also, I think, be a matter of good manners in the Council's dealings with Parliament. Above all, Mr von Dohnanyi, we naturally want to know where, if at all, the difficulties lie which prevent the Council from making any further progress on this question.

I should like now to explain why we regard these questions we have tabled as so important. We are often told by outsiders that the European Community has now become a considerable power in world politics, and there may well be some truth in that. But if this is so, then this Europe should in the first instance prove itself to be a power for peace, and the question then is whether it is right for such a power to export weapons to areas of tension — weapons which can then be, and indeed have been, used accordingly.

Of course, we know that peace still depends today on the military balance between the blocs, and therefore there is no excluding the possibility that such arms shipments might at some time be necessary, which is why our first question on this point indicates that *in principle* this should not be allowed. But it seems to me equally clear — and we should like to receive an answer on this — that if it is only in exceptional cases that such arms shipments to areas of tension are allowed, then the other members of the Community should really be consulted by the country supplying arms. That is the reason for our question on consultation procedures, and in our view this is not an excessive demand but represents rather a modest and realistic conception of a possible arrangement.

Clearly, the European Community cannot act alone in this field, for the necessary limitation of arms exports is just one aspect of the necessary worldwide disarmament. That is why in the preamble to our motion we mention the United Nations General Assembly's special session on disarmament, because we want to bring out the worldwide implications of this question.

Mr President, this must not, however, be used by the Member States of the European Community as an excuse for just waiting to see what, if anything, happens at the United Nations. Here too, I think, we should remember the old English proverb: Charity begins at home. We must start by doing something ourselves in this field, and that is why we have put the third question on joint initiatives by the Foreign Ministers in a worldwide context.

There is something I should like to mention here. Recently I read a report by the World Council of

Churches on arms exports to the Third World. Looking at the figures there one cannot help feeling that what is happening is simply scandalous — the way what I would call the youthful drive for self-assertion in countries of the Third World is being exploited by arms suppliers, creating a massive arms export trade and the squandering of resources which could be used for quite different, better purposes, namely economic development, and development in general.

Perhaps, Mr President, the Foreign Ministers should consider whether we should not try to reach a worldwide agreement on the limitation of arms exports, a sort — I hesitate to use the term — of SALT agreement on arms exports.

What is particularly worrying and shocking, however, is when arms, including arms from Member States of the Community, are supplied to countries where there are glaring violations of human rights and these arms are actually used in those countries to violate human rights.

I should like to illustrate this with an example. In January this year there was a general strike in Tunisia. The government of the country used this opportunity to fire into a peaceful crowd of strikers, causing a bloodbath. Just think: workers in democratic countries produced weapons with which their striking fellow workers were shot down. The governments, the ministers of the Member States really must do all they can to prevent incidents like this, which may involve weapons from the Community.

Let me just add in conclusion that we know there is a tendency for escalation in the field of arms supplies. This does not have to happen, but has happened often enough. It starts with arms exports to a particular country. These are often followed by military advisers, and finally the process ends in military involvement. Now in my view the other Member States who have no part in these arms supplies have a right to be consulted at the beginning of any such potential escalation and not only at the end when nothing more can be done about their involvement.

On this point, therefore, Mr President, we shall not relent and we hope that the other groups will also appreciate the importance of this question. Even if we achieve nothing today we shall continue to call for a solution to this question, as we believe that the task of safeguarding peace, which is also a task for the European Community and its Member States, can only be tackled really effectively if the Community and its Member States improve their cooperation in this field as well, so as then to make a corresponding concerted stand at the United Nations.

(Applause)

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Foreign Ministers. — (D) Mr President, in reply to this question I should like to start by referring to the statement made by the President-in-Office, Mr Andersen, on the same subject in Question Time on 12 July 1978. You said, Mr Sieglerschmidt, that you did not find this reply satisfactory. I would counter that by saying that the Council has endeavoured to make its position clear on this point. This is a complex problem and in view of the complexity of the situation and of the problem it may well be that in the end nobody can really be completely satisfied with any answer that can be given today.

I should like to say at the outset that the Council, too, is concerned at world arms developments. The governments of the Nine continue to endeavour to harmonize their views on the policy to be adopted towards areas of tension. There is no standard answer for all situations to the question of whether arms supplies can be reconciled with the objectives of a peace policy. I cannot and will not mention particular regions or countries; you will recall, however, that a few months ago the world was busy discussing questions connected with arms supplies and problems of equilibrium. It is in fact possible therefore to make varying assessments of the political impact of these supplies. In view of the constantly changing political situation in the world, defining areas of tension by a decision of the Foreign Ministers would scarcely leave the governments sufficient scope for taking prompt, responsible political action appropriate to the particular situation. The governments of the Nine, whose constitutions guarantee respect for human dignity and the protection of human rights, decide their policy towards other States on their own responsibility and on the basis of this joint position. On this basis they agreed to the arms embargo on South Africa imposed by the United Nations Security Council, and this is being strictly adhered to. The governments of the Nine will continue their efforts to find opportunities for joint action within the framework of the efforts of the United Nations and other bodies to restrict arms exports.

(Applause)

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

Mr Jahn. — (D) Mr President, ladies and gentlemen, we Christian Democrats welcome the fact that the Socialist Group has put this question to the Foreign Ministers of the nine Member States meeting in political cooperation. If it were addressed to the Commission or the Council we could be sure that the answer would be just as brief and terse as that given by the President-in-Office of the Foreign Ministers at the sitting of the European Parliament on 2 April 1978, when he pointed out that there was no common Community policy in the field of arms exports.

The excuse for this is Article 223, which excludes arms and munitions from the Community's jurisdiction. In our view, however, it cannot be in the interests of this Parliament to put a narrow interpretation on its tasks, since the scope for decision-making laid down in the Treaty goes beyond the specific provisions. Clearly, this is a difficult subject, but there is no doubt that if there was the will the Foreign Ministers or the Heads of State and Government could find some way of tackling it.

As you said, Mr Sieglerschmidt, it is difficult to define specific areas of tension. We are familiar with only a few, and on these there are widely differing points of view. Just think of the Middle East, where arms are being supplied by East and West to opposing sides, which does nothing to reduce the tension. I have a lot of figures here, one or two of which may be worth quoting before I finish. The same goes for Africa, Latin America and Asia. We should not discuss this in a fragmentary fashion, depending on the extent to which particular trouble spots are spewing flames in our direction, but should have a fundamental exchange of views to decide what regions this Parliament regards as areas of tension. That would be a useful task which could follow from this Oral Question.

The second important point is to reach agreement between the Nine so that, as a Community, we do not supply any arms to these generally accepted areas of tension. We are aware, Mr von Dohnanyi, that this will be difficult, but we can surely reach agreement quickly on a suitable consultation procedure.

As regards point 3 of the Oral Question, we shall only succeed if there is complete agreement. As to the 'development of local arms industries in areas of tension', we shall above all have to deal with the arms industries of the individual Member States and not just with the governments. None of us want arms to be supplied to countries which are flagrantly violating basic human rights. Here too, we have no choice but to make a meticulous list of these States. You referred only to South Africa, but there are a lot of other countries with which we have close ties and about which we must think carefully. It is thus important, indeed essential, for us to make such a list, for we are all familiar with international politics and recognize the difficulties involved. In addition, we have the clear findings of studies undertaken by various organizations — e.g. a list of arms shipments to developing countries from the Peace Research Institute in Stockholm, and the International Bureau for Strategic Studies in London. Looking at the most recent surveys, for the years 1974, 1975 and 1976, one is amazed to find, for example — I want to quote just two figures — that, these countries received USD 11 057 million — it is no use hiding the fact — from the Soviet Union and USD 12 303 million from the United States. So it roughly balances out.

Jahn

The main recipients of Soviet exports are Africa and above all the Middle East with 57 %, while North Africa and the Far East each receive 13 % of Soviet arms exports. As things stand at present in the Middle East, the main recipients are Syria — we had a taste of that in the previous debate on the Lebanon — and other North African countries; but then there are also American arms shipments in similar quantities. Often, however, areas of tension are created by arms supplies from the Eastern bloc. 70 % of all Soviet development aid is in the form of armaments. My group's view is that the problem of arms supplies to areas of tension should be discussed — as Mr Sieglerschmidt said — by a major international conference. We are aware of the difficulties involved, but we can only get to the root of the problem if we tackle the whole question of arms supplies to areas of tension on a global basis together with our allies outside the Community. Basically, my group supports the Socialist Group's initiative.

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

Mr Granet. — (*F*) Mr President, the Liberal Group regards this as a debate on a very serious problem. We know that the situation in the world is explosive and that the international climate is being aggravated by the arms shipments made by certain industrialized countries. Consequently, if we are on the side of peace, we must obviously make an effort to restrict, or reduce the supply of arms or subject it to moral considerations. For, without a doubt, this is a moral problem and it is Europe's prestige in the world that is at stake. This is therefore a serious problem, and we think the Socialist Group was right to raise it.

But it is also a difficult problem. It is not simply a question of defining areas of tension. There is no point in concentrating merely on this problem of areas of tension, which as the previous speaker said, are very difficult to define.

Any ban on arms exports from European countries must not lead to the eclipse of Europe in these areas of tension, leaving the field wide open for world rivalries, i.e. between the Soviet bloc and the American bloc. Moreover, we are all aware that defining areas of tension presupposes much closer coordination of foreign policies than we have at present. Also, it is clear that the definition of areas of tension involves a very considerable encroachment upon national prerogatives, which makes it all the more difficult.

In starting with the problem of areas of tension we are rather putting the cart before the horse. None the less, while it is a difficult problem, the fact remains that something must be done. The Liberal Group therefore, noting that all the countries in Europe are at present exercising self-restraint in their exports to certain areas, wonders if it would not be possible quite

simply to coordinate the activities of all the various committees investigating exports of sensitive goods and nuclear materials.

We know, for example, that all the countries of Europe now refrain from exporting nuclear research establishments, or from exporting plutonium, enriched uranium or reprocessing plants to any part of the world, whatever the conditions. There is thus a new awareness on the part of every nation in Europe. And if there is this awareness on the part of each of the Nine, why should they not come together in a sort of forum, a working party to try and establish certain European principles of self-restraint in exporting sensitive goods? This would be a modest beginning, it is true, but it would be none the less a first step towards finding a solution to this difficult problem of arms exports.

Let me say in conclusion that in our view the fundamental problem, the essential principle with regard to arms exports, is not so much the definition of areas of tension, nor the question of a global ban on arms exports — for we are aware how difficult these are. In our view the essential principle is that of preventing the 'destabilization' of the world. For destabilization also means increasing the risk of conflicts even of worldwide conflicts.

We are well aware that behind arms export policies it is often the 'destabilization' of some part of the world that is at stake. This being so, anything can happen. In conclusion, the Liberal Group is in favour of such initiatives, the purpose of which is to avoid leaving the field wide open for the two major blocs and 'destabilizing' the world, which would inevitably pose a threat to peace.

(*Applause*)

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

Mr Normanton. — Mr President on behalf of the European Conservative Group, may I at the outset stress that this question, tabled by the Socialist Group, on Community arms exports, must, however worthy it is in its moral objectives, be judged by the capability of the Conference of Foreign Ministers meeting in political cooperation to effect increased stability among the Community's arms customers by suspending arms supplies. We, the European Conservative Group, do not believe that the control of arms supplies by the Community will affect the international behaviour of our customers one single iota. We regret it, but that is our view on that point.

Between 1970 and 1976 the Third World purchased 34 billion dollars worth of arms; the United States accounted for more than a third, and the Soviet Union also accounted for in excess of one third. We in the European Community account for 21 % of the Third World's arms imports. Given the nature of the world

Normanton

political interests of the United States on the one hand and the Soviet Union on the other, we believe it would be sheer naïve to suppose that the suspension or control of arms sales to the Third World would affect the definite competitive desire — indeed determination to acquire markets and political influence by either the United States or the Soviet Union. Furthermore, customers for these products are in a buyers' market — and let this House not forget that fact. If the Community passes a moral judgment on the best interests of a client nation for armaments, that nation can turn to a whole host of alternative suppliers, ranging from the Soviet Union to, the United States, India, Yugoslavia, Egypt, Iran, Brazil, Israel and many others. Indeed, the only net effect of the denial of overseas markets to Member States of the Community would be some significant increase in unemployment in the Community's so-called defence industries, an increase in the unit production costs of the products which those industries are producing for our own requirements, a reduction in the value for money in the Community's defence budgets and, above all, a major reduction in our own defence capability.

Furthermore, let us just look, as Mr Jahn did a few moments ago, at those areas we call areas of tension, areas where there is or has been actual or incipient civil war or regional conflict. There is the threat to independence, indeed to parliamentary democracy itself, in the Caribbean; we ourselves ought to have the courage of our convictions and stand up and give recognition and support to Jamaica, Trinidad, Grenada, all under grave political, and indeed potential military pressure from Cuba, not the best protagonists of parliamentary democracy; the Horn of Africa, Somalia, Lebanon, Syria, Vietnam and Cambodia — all areas where Soviet equipment is the sole means by which parliamentary democratic institutions are threatened. In Iraq on North Korea, for example, again it is constantly Soviet equipment which is used to attack and maintain pressures of a political character against the potential development of true parliamentary democracies in these areas, Israel is principally supplied, as we know, with the products of her own technology and her own industry India has a quite significant and growing national defence industry, and yet is still supported, not insignificantly, by Soviet military equipment. Pakistan has its own emerging small arms industry, but is still heavily dependent upon the United States on the one side and China on the other. Angola and Mozambique are not only Soviet equipped, but are supplied with Cuban mercenaries to deploy the products of the Soviet industry.

In all these regions of the world, regions where conflict does exist at the moment, and where potential conflict is almost certainly liable to break out, the suspension of Communist arms sales is most unlikely to change the risk of conflict or the degree of stability.

But far more importantly, we believe it would remove whatever influence the Community may have in influencing world events. And if we in this House wish to be taken seriously, then influencing events is the name of our game. By withdrawing from this particular area of supplying armaments, we have no doubt we will in fact be renegeing on that scope for influencing events. In other areas of the world — one can list many — the Community competes with the United States of America for these significant markets. For the benefit of the tablers of the question which is before the House to debate, it is not inappropriate, I suggest, for me to mention that during the past four years it is a British Socialist Government which has maintained an open arms sales policy to the Gulf States, to Iran and to Egypt — and indeed also to Libya and many other parts of the world. For example, it is the Soviet Union which has concluded an arms sale worth 1 000 million dollars with Libya, and a contract with Iraq to equip their airforce worth 1 000 million dollars. The British Socialist Government has contracted with Saudi Arabia to supply and maintain, at a cost of 870 million dollars per year, facilities for the training and operation of the Saudi Arabian airforce. One can go on and list many other areas in which the British Socialist Government has given and is giving aid and commitments in arms supplies. I am not castigating the British Government. Indeed, on the contrary, I believe they are being far more realistic than some who have appeared to support the policy implied in this question.

May I, in conclusion, Mr President, say that, as far as the European Conservative Group is concerned it is of crucial importance that this area should be a matter of coordination within the Community and in Community involvement in world sales. To withdraw from this would be the height of political irresponsibility for which we, this House, as spokesmen for the people of Europe, would be rightly indicted.

(Applause)

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

Mr Kaspereit. — *(F)* Mr President, I think that everyone here — and the EPD Group is no exception — wishes to see peace restored in the world and that we are all determined to do all we can to make progress towards this goal. I think, however, that the question tabled today raises only one aspect of the real problem, which is the whole question of disarmament.

Indeed, how can the question of arms supplies be solved as long as some countries continue to be not just equipped but overequipped with armaments? Our group does not claim to have any particularly new ideas to put forward. Nor do I think, honestly, that the proposals set out in the question, however respectable and however humanitarian they may be,

Kaspereit

will achieve anything at all. As you know, we have been talking for a very long time about the whole problem of disarmament; there have been innumerable meetings but, unfortunately, nothing much has been achieved.

None the less, there is no denying that the question raised does concern our governments. It is true that France supplies arms. It makes no secret of the fact. The United Kingdom does the same. Italy too. Gradually, the Federal Republic of Germany is gaining a share of this market. For my part, I should like to confine myself to one point in today's debate.

Allow me to read you a text which dates from May 1973. 'The fact is that all countries, without exception, are concerned to provide themselves with a minimum military capacity for their own defence. The fact is that the closer their contact with powerful nations the more they want to turn to nations which neither threaten nor oppress them. The countries in these continents are thus willing, in fact, to pay more for these arms simply in order not to be dependent on a powerful neighbour. In selling them arms on terms which, moreover, are not very favourable for us, we help them to acquire a minimum degree of independence. This gains us some sympathy, even if, on the other hand, it creates certain difficulties for us. Is this too base or mean an objective? There are cases where theoretical idealism leads purely and simply to the triumph of brute force. Is that what we want? Are we to preach humility to the poor and non-violence to the weak?'

This text, Mr President, was written to a French bishop by Georges Pompidou on 8 May 1973. I do not think that it has lost any of its validity today.

(Applause)

President. — I call Mr Bordu.

Mr Bordu. — (F) Mr President, I shall not reply to those Members of Parliament who are victims of an obsession which is in danger of becoming morbid, so as not to turn this debate into a joust — although the speculation associated with arms sales is very real. The question before us on arms supplies is to be seen in the context of a general longing for peace on the part of the peoples who live under the threat of or who are the victims of war itself. We must not, however, in the field of armaments, confuse aggressive strategies with the exigencies of national defence.

We cannot talk about arms without thinking of the resulting cost and the senseless wastage they represent. Let us take a few examples. France spends FF 20 000 million on the production of arms, 40 % of which are for export. The Federal Republic of Germany sells arms via subsidiaries in other countries and itself purchased military equipment for more than DM 10 000 million in 1977. The United Kingdom

produces arms worth about UKL 1 800 million, of which 30 %, worth UKL 550 million, is exported. These figures reflect the enormous wastage involved and show how right it is to pursue the goal of disarmament, though this is no easy matter.

We must try and find a way of putting moral considerations before profit, which is the real cause of the increasingly murderous arms race. Secondly, attention must be drawn to the existence of the neutron bomb, which must be outlawed.

But it is not just a question of keeping a clear conscience. We must do more than that. Saving on arms could be a way of helping the 850 million people on this planet of ours who, according to the annual report of the World Bank, are living in abject poverty. It should be realized that selling arms also means abandoning certain countries to the selfish interests of the arms producers — which sometimes take on a neocolonialist character. Supplying arms also means supporting a particular political and military strategy.

This can be seen in the privileged position granted to South Africa and particularly Iran. Clearly, the aim of this prodigious exercise is to over-equip Iran with arms, for the orders it has placed are fabulous. 'Six submarines, 1 000 tanks, four nuclear power stations' — I quote from yesterday's *Le Figaro*. One wonders what the purpose is behind such an arms build-up. The movement to create a pan-African army derives from the same desire to sell arms on a systematic basis. After all, it should not be forgotten that selling arms is also a sort of outside intervention, a kind of military interference. That is our view on this question.

President. — I call Mr Edwards.

Mr Edwards. — Mr President, I am very pleased to take part in this debate on behalf of the Socialist Group. May I say that I was appalled as I listened to Mr Normanton's speech. We had many such speeches during the thirties, and they led directly to the Second World War which almost destroyed Europe. If the same line is pursued throughout Europe it will lead straight to the Third World War. If a Third World War breaks out only one per cent of the population will survive.

Next year, Mr President, Europe will be performing one of the greatest miracles of our era. Two hundred and fifty million people will have an opportunity of voting for a directly elected European Parliament. If the directly elected Parliament is to win the support of the people, it must pursue majestic aims. If we are to win over the youth of Europe, we need something more than the miserable non-policy put forward by the President-in-Office this morning. In the old days, when we were campaigning for peace, we used to talk about the merchants of death who supplied sophisticated arms to some of the poorest peoples the world.

Edwards

Now unfortunately, it is four of the governments of the Nine who are the new merchants of death.

How can we in Europe who, after fighting one another for two thousand years, after millions of Europeans have died in nationalist, religious and élitist wars, have now come together and made war and conflict unthinkable in the nine Member States, justify selling arms to some of the poorest nations of the world? How can we justify putting sophisticated weapons into the hands of poor people, whose life expectation is no more than thirty years? These people are, in many cases, starving, and one single weapon represents more money than they have earned in their whole life. How can we continue to pursue this policy? We ought to be ashamed of ourselves. It is a disgrace to Europe and to our civilization.

This great mountain of wealth — three hundred and forty billion dollars in one year — by the toil and industrial know-how of the workers, technicians and scientists of the world, should be used for constructive purposes. It should be used to build hospitals, to improve our countries and to make them flower like gardens. This is the policy we Socialists wish to pursue for the greater good of present and future generations.

One of my colleagues will wish to argue that the sale of arms is in the interests of the workers in the armaments industry. In Mr Normanton's words, a cutback in arms production will mean a loss of jobs. Now I can speak with some authority on behalf of the workers in the armaments industry. For 37 years I was General-Secretary of the British Chemical Workers Union and, until quite recently I was National Chemical Officer in the biggest union in Britain, the Transport and General Workers Union. These unions have always been in the forefront of the campaign for controlled disarmament. My chemical workers prefer to manufacture life-saving drugs rather than poison gas. They prefer to produce medical instruments and medicines rather than atomic bombs. And this is true of all the workers in the armaments industry.

In Britain, for example, one of our aerospace factories, Lucas, was threatened with redundancy which would have deprived 2 000 workers of their jobs. Now these workers set up a committee to consider what they could do to save their jobs. And they succeeded in developing new technologies, including kidney machines; and thousands of people in Europe are dying because there is a shortage of kidney machines!

The intelligence and skill used to manufacture weapons of war can be turned to the production of socially beneficial goods. Do not accept the argument that any attempt to convert the armaments industry to the production of new, socially beneficial technology

will be opposed by the workers. I can speak for the workers as well as anyone else here. They will welcome such alternative employment, rather than waste their intelligence and energy on armaments production.

If, as a Community, we wish to inspire faith in the future we must put peace on the agenda. We need to argue for international peace and disarmament, otherwise Europe will be destroyed by a dreadful and unnecessary Third World War.

(Applause)

President. — I call Mr L'Estrange.

Mr L'Estrange. — Mr President, I would like to say that I think we are all aware that the greatest affliction facing mankind today is the ever-intensifying arms race. And unless a stop is put to the arms race, there must come a time when the one side or the other will be seized with the fear that within a given period it will be unable to match the armaments of the other, and will launch a preventive strike. That will be the time when the myth that a massive arms balance is necessary for peace will be exploded in a catastrophic war in the ultimate madness of world destruction. Western Europe could be devastated in the first hours of a surprise attack. As has been said many times, even if the continuing massive production of armaments does not lead to the devastation of the planet by war, it will condemn countless millions of our fellow human beings to continual starvation and misery. These countless millions, who could be immensely succoured and helped by the sums now spent on armaments, appeal to us in the name of sanity and compassion.

The time has come for the nations of the world to stop to think, and to ask where they are going. Arms supplies and disarmament have become one of the most important themes of world policy at the present time. It is now ascertained that world expenditure for armaments amounted to USD 400 000 million in 1977, more than USD 1 000 million per day, two-thirds of which were accounted for by the USA and the Soviet Union alone. Paying the armaments bill calls for 6 % of the national product of the entire world, and if the expenditure on arms continues to grow at the same rate, the human race will need its entire production capacity of today for armaments by the turn of the century. Military weapons and destructive potential have reached the highest level of concentration here in Europe where East and West meet. Therefore it should be the greatest wish of the EEC to strive for permanent peace, that does not depend on the balance of military power but on conciliation and cooperation.

L'Estrange

Can we have peace, conciliation and cooperation, which the ordinary people long for, when we have the dangerous inflammable situation that we have in Africa today, where Russia, with Cuba and East Germany, has taken the biggest gamble of the decade in trying to clamp a Communist vice on strategic areas of Africa. We are always told here about what is happening in South Africa by certain politicians, but we never hear of what is happening in the rest of Africa, and it is reckoned that at least forty to sixty thousand Communist soldiers are in Africa today. And they are not there for the good of their health, or to get the sun, but they are there for the raw materials, for the lot, and to stir up trouble. And it matters not whether the executors of the Kremlin plan are East Germans or Cubans, the planners and the pawns are essentially one in purpose. Had Communists conquered in Zaire, they could have manipulated all Africa, and that threat in Africa would be a menace to the West and could have led to a Third World War. The problem facing the Nine is very difficult, because it is so hard to see détente survive and Russia expand at the same time. And the danger facing us all is that the nations of the world have never in the past armed to the teeth and then thrown the arms into the sea. But I still have hope that the EEC can play a third role and help bring sanity back to a world rushing to its own self-destruction. As Members of Parliament, let us all strive for peace, democracy and human rights in all countries. We are all aware of the advantages which would flow from lasting peace. The resultant freedom from fear of war would be welcomed by the peoples of the world. Further, the release of immense resources at present devoted to arms could ensure that no man, woman or child need suffer or die from want of food, shelter or medical care.

I want to refer specifically to the matter as it affects Ireland. My fellow delegates must be aware that for the past ten years terrorist groups have murdered over one thousand eight hundred of my fellow country men in Northern Ireland. Ireland is not a manufacturer of armaments, therefore the weapons used in this murderous campaign have all come from external sources. I do not say that other governments knowingly supply those arms. But obviously there is not in all countries adequate control over the export of arms. Adequate control would soon cause the availability of weapons to the terrorists to dry up and allow proper democratic solutions to our difficulties to be sought without fear of the bomb or the bullet. I therefore urge strongly that the proposals to control the trade in armaments be accepted and put into effect. I would suggest that each of us in our own parliaments, and indeed here, endeavour to have a day set aside for a debate on a motion calling for the convening of a special session of the United Nations General Assembly. We should call on our governments to formulate practical proposals to end the mad arms race. Above all, I believe we could call on the super-

powers to make what I call a leap in the dark, to make generous concessions to each other on the basis of mutual trust. I would ask them to formulate proposals to bring to the special session on the basis that they can trust each other, that neither has the intention of assaulting the other, I believe the resolutions of our parliaments on these lines could lead to a conference and would be a vital step towards world peace.

And in conclusion, I want to say that there is another process which I believe will have practical benefits. That is the stepping-up of the practice of exchange visits of parliamentary delegations. Members of my Parliament are constantly delighted at the consensus of view which is apparent at such meetings. I think that an intensification of such meetings at which disarmament would be the first item of discussion, would and could produce progress. Let us remember that jaw, jaw is better than war, war.

(Applause)

IN THE CHAIR : MR ADAMS

Vice-President

President. — I call Mr Mitchell.

Mr Mitchell. — Mr President, I wish that we lived in an ideal world where there were no armaments, and all the money that is at the moment wasted on armaments could be used to build the kidney machines that my colleague, Bob Edwards, talked about. Unfortunately, we do not live in that sort of world. I wish also that the newly developing countries of the world, particularly the poorer ones, would not spend so much on arms as they do. But, Mr President, one of the things that happens when a country becomes independent, is that it makes its own decisions on what proportion of its national wealth it spends on arms. We may think that these decisions are wrong, but they are taken, and that is what democracy is about. Each country has the right to make decisions.

If a country, a developing country or any other country, is going to spend money on arms, I would rather those arms came from the Nine than from the Soviet Union or from the United States of America. Because it is still true in this world in which we live, that the sale of arms and political influence go hand in hand. We may not like it, but it is so. That was brought home to me very strongly indeed about five years ago, when I was talking to the president of a Middle Eastern State, one of the world's areas of tension. And I was saying to him, now why is your country apparently becoming part of the Soviet bloc? And he said to me: 'I do not want to become part of the Soviet bloc, but you in the West will not sell me arms, and the Soviets will. In those circumstances, I am virtually forced to be in that position'.

Mitchell

If we can get a world agreement on disarmament, by all means let us have it, but please, I plead with the Council of Foreign Ministers, let us not take unilateral action in this case. Because all we will be doing, if we stop selling arms, is handing the sales over to the Soviet Union or the United States.

(Applause)

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Foreign Ministers. — *(D)* Mr President, allow me, at the end of this debate, to say a few words. The widespread approval shown here for Mr Edwards' speech — and which I saw reflected in the galleries of the House — shows what the people in Europe want and demonstrates how sincerely the peoples of Europe long for peace, for a world at peace.

I should like to assure Parliament that the efforts of the Council, and of the nine Member States and their governments, are devoted to the cause of peace. Arms limitation and disarmament are an objective of all governments and thus of the Community. I think we can say that selfish considerations — such as concern for maintaining employment or reducing the costs of equipping one's own armed forces — should play no part in arms exports and, in my view, are not in fact of decisive importance.

Nor can there be any question of using arms exports to create spheres of influence, and I should like to take up the phrase used by Mr Edwards: we have put peace on the agenda. But putting peace on the agenda does not mean that peace has been established; as was said just now, to establish peace it is also necessary to establish equilibrium. It was also pointed out that there are always other forces in the world upsetting the conditions for this equilibrium I should like to stress that all of us in the Community and the governments of the Community are playing our part wherever possible, in the United Nations or at regional level, in preparing disarmament and arms limitation measures. We cannot hide behind the excuse that we are always being forced to act differently because of the actions of others. However, I agree with Mr Mitchell: we must also take note of what others are doing and adapt our own actions accordingly. This cannot excuse what we do, but it may well explain what we are obliged to do.

Mr President, in conclusion I should like to make a personal remark: I am sure that all governments need constant exhortations from their parliaments to make every effort to avoid any unnecessary contribution to continuing the arms race. I am grateful for the renewed exhortation that I have heard in various forms from all sides in this House today, and you may rest assured that I shall take this message to the Council and report on the opinion of this House.

(Applause)

President. — The debate is closed.

6. Introduction of summer time

President. — The next item is the joint debate on the following two oral questions with debate (Docs. 281/78 and 282/78) by Mr Müller-Hermann, Mr Klepsch, Mr Pisoni, Mr Noè and Mr Santer to the Commission and the Council respectively:

Subject: Introduction of summer time

The European Parliament has always made it quite clear that it considers agreement within the Community on the introduction of summer time to be absolutely essential. It is incomprehensible that at their meeting of 12 June 1978 the Transport Ministers, who are responsible for this matter, were unable to agree on the introduction of a common summer time in 1979 and that the people of Europe will again have to cope with three different time zones.

Can the Commission/Council answer the following questions:

1. What were the compelling reasons which prevented the governments of the nine Member States from agreeing on a common summer time?
2. In the year of direct elections to the European Parliament, how do the governments intend to justify to the people of Europe their 'indecision' and 'lack of unity'?
3. Does the Commission/Council see any possibility of agreement still being reached in time for all the technical requirements for a common summer time in 1979 to be met?

I call Mr Müller-Hermann.

Mr Müller-Hermann. — *(D)* Mr President, summer 1979 looks like being yet another long period of confusion over the time in the Community. We have different summer times which begin and end on different dates, and of course the whole thing — especially in the year of direct elections to the European Parliament — is annoying for the Community's citizens because it provides a vivid illustration of the European governments' lack of will to reach agreement. All of us who talk to ordinary people in our countries know that there is only moderate support for this concept of a united and free Europe, and one of the reasons for this is surely that there is little to bring home to our citizens the reality of Europe. For various reasons we will have border checks, we have no European passport, we have no European currency, we have different taxes, and we also have these different times in the European Community, which makes it particularly difficult for all those who travel within Europe and across its borders and have to think on a European scale.

Mr President, at this point I cannot help addressing a special word of criticism to my own government, that of the Federal Republic of Germany, because it is

Müller-Hermann

standing very much in the way of agreement over a common European summer time. At the same time, I am the last one not to see the problems which the Federal Republic faces as a result of the partition of Germany and Berlin. This problem is constantly with us all in the Federal Republic and, I think, in the Community also. After very careful consideration of all the factors involved, the responsible Bundestag committee unanimously recommended that, despite the misgivings which naturally exist with regard to the GDR and East Berlin, the Federal Government should support the rapid introduction of a common summer time. The Federal Republic has not followed this recommendation and must accept the criticism that its decision was anti-European and that ultimately — I know, of course, that this is a harsh criticism — it is allowing the government in East Berlin to dictate its action. The situation is as follows: the People's Republic of Poland has also introduced the same summer time as most Member States of the Community, so that the GDR would have to cope with time differences on two long borders if the Federal Republic were also to decide to adopt a European summer time together with the other Member States. This means that, if the Federal Government could bring itself to take this courageous decision, the buck would then be passed to the GDR.

My colleagues in the Christian-Democratic Group and I have chosen this particular moment to raise this topic again because the Federal Republic currently holds the presidency of the Council, and thus has a very special responsibility, and we have not tabled a motion for a resolution on our questions on which the House should vote today. Our ultimate aim is that the Federal Republic, while justifiably giving full consideration to various aspects of the problem, should agree to the introduction of a common summer time for 1979, which would be a resolute step forward instead of the present disunity and indecision in Europe. I think that, if the decision could be taken soon by the Council and the Commission, there would be time to make the necessary technical preparations, and in 1979 — the year of the first direct elections — we could demonstrate the Community's unity in an important question. This is all I wanted to say to introduce the questions and to present the motion for a resolution.

(Applause)

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Council. — *(D)* Mr President, I should like first of all to draw attention to the Council's reply to written Question No 389/77 by Mr Berkhouwer. Mr Müller-Hermann, the Council stressed on that occasion that it was well aware of how important this question of harmonizing summer time was for the citizens of

Europe and especially, of course, for those who regularly have to cross the frontiers, e.g. to work on the other side. On this occasion I would once again emphasize — as in the reply to the above-mentioned question — that a harmonization of this kind gives rise to genuine difficulties both in the administrative and in the economic and social sectors. Mr Müller-Hermann, you have just referred particularly to the problems of the Federal Republic.

I should just like to point out that one of the problems affecting the whole Community is that, even if all the Member States had summer time, very different summer times would continue to exist in Europe. The Council has gone into this problem and has pointed out that proper harmonization would require far more radical measures than all nine Member States merely agreeing to summer time.

One of the particularly difficult problems is that of international trains — and the associated timetables — which cross the territory of third countries which do not have summer time. As you know, in a referendum held this year in Switzerland — which is an important transit country — the people came out strongly against summer time. In view of these overall problems, the Council once again stated at its meeting of 12 July 1978 that, in the present circumstances, it would not be possible to make a decision in time for a uniform summer time applicable to the whole Community — and I stress, Mr Müller-Hermann, for the whole Community — to be introduced for 1979. The Council has agreed to instruct its responsible departments to continue the work on this matter and to refer the question to it again as soon as there is any new development, possibly in time for a decision to be made before 1 April 1979. Therefore, without wishing at this point to go into the special problems of the Federal Republic of Germany to which you, Mr Müller-Hermann, referred almost exclusively in presenting the question, I think it can be said that the Council has made every effort to create a uniform basis for summer time, and that there is still a chance that we shall be able to reach a decision before 1 April 1979.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — *(D)* Mr President, the Commission has, as you know always supported the harmonization of summer time. First of all we tried to persuade those who in any case wanted to introduce summer time to agree on the same dates. We did not succeed. We then went all out to ensure that there was broader harmonization. I do not know whether it will be possible in 1979 to bring about this harmonization. If not, it would be a great pity. The European public simply does not understand that we cannot manage to introduce coinciding summer times. I think that, politically, it would be a particularly appropriate gesture if, in this year of direct elections, we could take this step.

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

Mr Seefeld. — (*D*) Ladies and gentlemen, in 1976, when I was Parliament's rapporteur on the introduction of summer time, I said on behalf of a large majority of Member that we all hoped the state of affairs which had unfortunately come about in recent years would not persist.

We stated two main reasons for our wish: our initial aim was that Member States which had already introduced summer time should at last begin and end it on the same dates. I think that this demand is just as valid today as then, and that is why I should like to reiterate it.

Our second demand, which I repeat now, is that the countries who have not yet come to any decision on the introduction of summer time should, in cooperation with the Council, make every effort to fall in with the general arrangement. I can therefore say on behalf of my colleagues that the great majority of us feel that we should like to revive the 1976 resolution and hope that — as Mr von Dohnanyi stated — every effort will be made to arrive at a uniform arrangement.

The present state of affairs is extremely difficult for those who cross the borders to work, and I also draw your attention to the large number of travellers passing through our countries and particularly those who live and work in the border regions and must suffer the consequences of this state of affairs. I would draw your attention to the difficulties of transport, and on this point I should like to address a further comment to the Commission. Our resolution requested the Commission to make a thorough investigation of the drawbacks of the introduction of summer time for international passenger and goods traffic within the Community and to submit its findings. I very much regret that, in a written answer, the Commission subsequently stated that it was unable to do so at that time. Ladies and gentlemen, I note therefore that all are agreed that we should take this step, that it would be desirable and that we should make every effort to achieve this. But there is one friendly criticism that I must make, Mr Müller-Hermann. You once again made a point of stating that the German Government was standing in the way of a European solution because of a particular problem. I would find it most regrettable if we became involved in an argument in which your party in the Federal Republic were to criticize the Federal Government — as happens from time to time — for not doing enough for German unity or for not doing enough for Berlin and so on, while you perhaps stand before this House and criticize the same government — precisely because it is doing enough in this respect — for not being European enough.

I refuse to accept this contradiction and would point out, Mr Müller-Hermann, that it is not the case, as you

suggest, that the Government of the Federal Republic of Germany is allowing the GDR to dictate its action. No, it is rather that this government is attempting to prevent the division of Germany from becoming deeper and is making every effort to maintain the few existing links. Just think, for example, how the people of the GDR listen to German radio and watch German television and how the opinion of all of us in the divided city of Berlin was that the problem should be approached very carefully. Therefore, you cannot now accuse me of being contradictory; I am and always have been in favour of a European solution and I maintain this position, but I ask you not to turn the special situation in and around Berlin and in Germany into an unnecessary bone of contention. Together with you, I am confident that we shall find a solution and that, together, we shall overcome the confusion as soon as possible, and for this reason I was glad to hear Mr von Dohnanyi saying that every effort would be made to find the hoped-for solution perhaps even for 1979.

To sum up briefly: I am always have been in favour of a uniform summer time; I am in favour of its beginning and ending at the same time throughout the Community; I am in favour of all the countries of the European Community being included, and I am especially in favour of not getting involved in arguments which would only make political co-existence more difficult. Mr President, I should like to say on behalf of my group that we support what has been said in this House in the past and hope that solutions may be found as soon as possible.

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

Mr Emile Muller. — (*F*) Mr President, this debate provides me with an opportunity of recalling the position consistently adopted by the Liberal and Democratic Group. There can be no doubt that public opinion does not understand this dividing line through a Europe which is seeking unity, while the introduction of summer time has been under discussion for years. Doubtless problems do exist, but I have not the slightest intention of entering into any argument. The fact remains however, that we are almost condemned to finding a solution as soon as possible.

I have very close personal experience of this problem since I am a mayor in a border region and can see the drawbacks caused by this time change. I therefore understood very well the point made by the President of the Council that the Swiss had voted against summer time in a referendum. But I am convinced that if the Nine manage to solve the problem among themselves, the Swiss will follow suit and review their position by organizing perhaps a second referendum which will enable them to fall into line with the rest, even though they are not members of our Community.

É. Muller

Our border region has a specific problem as a result of the existence of the international airport of Basle-Mulhouse. There is no need for me to stress the disadvantages: when your plane leaves at 7.10 a.m. in Switzerland, it leaves at 8.10 a.m. in France, and the two countries are only a hundred metres apart.

We therefore have no choice but to find a solution which will enable us to achieve harmonization — which would at least show the outside world that we have a common resolve, the resolve to achieve what can be achieved without jeopardizing anyone's national unity. I think that the time has come for the governments to take this decision, which will definitely have the whole-hearted support of the group which I represent.

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

Mr Nyborg. — *(DK)* Mr President, I should like to start by associating myself with what Mr Muller has just said.

It is a sad fact that the Community, the European Council and the Nordic Council have had interminable discussions which have produced nothing but general expressions of sympathy for the idea of introducing summer time. The excuse for taking no positive action on the matter is that some national railways insist that it would be too difficult to work out timetables for international trains. The Danish experts also maintain, for example, that Denmark can only have summer time if West Germany has it. Arguments like that are unconvincing, and it is about time the Council of Ministers made another serious effort to have a common summer time introduced in all Member States by next year.

A common summer time in the Community would make international communications and transport easier and would help to lower energy consumption. Tourism would benefit from more hours of daylight, just as the population in general would enjoy more hours of daylight for leisure activities. I therefore urge that the remaining hindrances be overcome, so as to prepare the way for the introduction of summer time in the Community next year.

May I conclude, Mr President, by quoting an exchange between King Christian X of Denmark and the then Danish Prime Minister when the King was giving the Royal Assent to an earlier bill on summer time. To the king's remark 'But I thought the farmers were against summer time', the dignified reply was: 'Your Majesty, we are not there to govern for the farmers alone'.

President. — I call Mrs Ewing.

Mrs Ewing. — Mr President, I will be very brief on this subject. I only want to make a plea to Parliament

to understand that some countries have different periods of daylight from others in this Community, and to ask for a little understanding for some of the problems this causes.

I would be in favour of accepting as a very simple elementary principle that, where a country believes it is absolutely essential for the good of its populace to have a different time, whatever changes are made are all made on the same day.

Having said that, I would ask you to realize that if we do not continue present arrangements in the UK, then the North of Scotland and the northern part of Central Scotland, where my constituency is, will continue to have the problem of not only coming home in the dark, but of going out in the dark as well. Dawn breaks at a different time. It may seem that I am raising something trivial, but you must understand also this: most of Scotland is still a rural country, and children walk to school, unless the distance is more than three miles, on narrow roads with no pavements. Until the sunlight thaws the ice, which I am afraid we have a lot of throughout the winter — sometimes places are completely cut off — the roads are extremely hazardous. When Central European Time was introduced for an experimental period, I am afraid we had a tremendous slaughter of children. One child in my constituency lost a leg.

This is a very serious psychological matter to us in Scotland. We have got used, I think, to the psychology of coming home in the dark, but to ask us both to go out and come home in the dark will cause absenteeism, and that is a very big matter for all industry. When we had the experiment with Central European Time throughout the year, we found that the CBI wanted it, big business wanted it — they make telephone calls to other businessmen. With all respect, I would say their inconvenience in telephoning matters very little in comparison to the interests of all the other industries which complained about absenteeism because of the dark mornings.

Agriculture is still the biggest industry in Scotland. That may surprise many Members who tend to think of Scotland in terms of our industrial areas, and forget that we have as much of the best arable land as Denmark for example. Agriculture is still our biggest employer of labour. Cows do not understand if their routine is changed around too much.

I would make a plea that you take into account that we have this special peripheral area. Admittedly in the summer we have more daylight than perhaps anyone else in this Community, but we also have more darkness to put up with in the winter. Our schools start at 9 a.m. You could say: why not change that? But Scottish educational institutions are very long established and I do not see them being changed. I do not think

Ewing

any of us could easily contemplate going back to that experiment, which proved to be so tragic for so many people in Scotland. There was no mother with an easy mind in the North of Scotland whose children went to school, and not all mothers, who often have young children at home, can leave to walk the two or three miles and back again twice a day.

These are the realities that I would ask you to bear in mind. I am all in favour of trying to be cooperative; though we must have some concession because of our winter darkness, I nevertheless say that if we must make different arrangements, let them all be made on the same day in the year.

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Council. — (D) Mr President, I wish to be very brief. I am afraid, Mrs Ewing, that we will not be able to harmonize daylight and darkness in the Community so as to achieve equal periods of daylight through legislation. Even if it were more efficient than it is, the Council would probably not be able to manage that.

However, I have listened with interest to the various points made and should like to stress that the Council is anxious to arrive at a solution. This solution must take account of certain special and widely differing factors about which we have heard. And Mr Müller-Hermann, you are quite right to remind me that 1 April 1979 is a date by which we shall aim to achieve something if possible, but I would not wish to leave a false impression and make promises which I could not ultimately keep.

President. — I have received from Mr Müller-Hermann, on behalf of the Christian-Democratic Group, a motion for a resolution with request for immediate vote to wind up the debate (Doc. 375/78 on the oral question to the Commission on the introduction of summer time. I shall consult Parliament on this request at the beginning of tomorrow's sitting.

The debate is closed.

7. Outcome of the Camp David summit

President. — The next item is the motion for a resolution (Doc. 372/78/rev.) tabled by Mr Bertrand, Mr Klepsch and Mr Caro on behalf of the Christian-Democratic Group, Mr Fellermaier, Mr Spénale and Mr Dankert on behalf of the Socialist Group, Mr Pintat on behalf of the Liberal and Democratic Group and Mr Rippon on behalf of the European Conservative Group on the outcome of the Camp David summit.

I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, thank you for allowing me to present this motion for a resolution, which was tabled by the groups you mentioned, and which concerns the outcome, development and implementation of the Camp David agreements. This is a welcome opportunity to consider once again the views which we expressed earlier concerning developments in the political situation in the Middle East.

On 15 December 1977, following President Sadat's historic visit to Jerusalem, the European Parliament adopted a resolution which paid tribute to President Sadat and Prime Minister Begin for their courage in trying to establish cooperation and friendship after 30 years of mutual enmity. In this resolution we expressed the hope that President Sadat's historic visit would lead to a genuine attempt to bring about a just and lasting peace in the Middle East.

On 15 December last we made an urgent appeal to the representatives of all — I repeat, all — the countries concerned to support the initiative of Sadat and Begin. We also supported the views expressed by the nine Foreign Ministers meeting in political cooperation on 29 June 1977. On 25 December 1977 Prime Minister Begin paid a return visit to President Sadat at Ismailia in Egypt. There was subsequently an increase in tension, uncertainty and unrest because the other major Middle East countries were unwilling to support the initiative. Tension therefore mounted, and today we must express our admiration for President Carter, who had the courage in these extraordinary circumstances to take it upon himself, with all the risks that this entailed, to bring together the two statesmen, who had no further contact with each other, at Camp David to try to work out a new solution. Last September we called upon the nine Foreign Ministers to promote all measures which might help to bring about a just and lasting peace in the Middle East. I should now like to ask the President-in-Office of the Council what these ministers have been doing in the meantime. Have they taken steps since last December to help to achieve a just and lasting peace in the Middle East? We paid tribute to President Carter for taking the initiative to hold further talks, despite the enormous risks which failure of the talks would have created. Fortunately, after 13 days and nights of discussions at Camp David, the three statesmen managed to turn a vain dream into a firm possibility and signed two agreements which are sure to open up new possibilities for the future.

The final talks are now about to begin in Washington; they will be based on the Camp David agreements, in which both statesmen undertook to conclude a peace agreement within three months. Such an agreement must be based on two elements, an outline agreement to secure peace in the Middle East for all the countries concerned, and a second agreement which will enable Egypt and Israel to conclude a peace treaty.

Bertrand

These two agreements will be discussed this week in Washington. We are pleased that Parliament has pledged full support to the talks and that it has expressed the hope, as it did on 15 December last, that the talks will lead to the long awaited just and lasting peace in the Middle East.

We believe that peace should not be merely the subject of a peace treaty between Egypt and Israel. Once again, we must appeal to all those involved in the conflict to support the talks.

I am convinced that a first provisional settlement between Egypt and Israel in the coming talks will be an irreversible step towards peace in the Middle East as a whole. It would also certainly mean a step nearer a solution for the Palestinian people, who stand to gain most from a peace treaty between Egypt and Israel.

I should like in this connection to draw the House's attention to the statement which President Carter made to Congress on 18 September, the day after the signing of the two Camp David agreements. First of all, he paid tribute to President Sadat and Prime Minister Begin for their great courage and for the personal efforts they had made. He praised them for their work towards achieving a peace which is of vital importance not only to the nations they represent, but also to the other Middle East countries, and indeed the world. President Carter viewed the major problems of the Middle East in the light of the actual content of the Camp David agreements. He said that one of the main problems which had so divided those concerned boiled down to the fact that peace should not merely mean that the guns fall silent and there are no more bombs or tanks: the people of the Middle East ought to be able to establish diplomatic, cultural, economic and human relations among themselves on the basis of equality. According to President Carter the Camp David agreement has paved the way for such relations between Egypt and Israel.

The second major problem concerns the security of all concerned, including the Palestinians and Israelis: they must be able to live in complete safety, without fear of attack or threat from their neighbours. President Carter has stated that the Camp David agreement has made it possible to achieve such security.

The third problem concerns the fixing of safe and recognized frontiers for all countries in the Middle East, the end of military occupation, the establishment of an independent authority or the return to independence of the areas occupied by Israel during the 1967 war. The American President said that the Camp David agreement made it possible to achieve these goals.

The fourth problem is the very difficult human question of the plight of the Palestinians, who are at present living in disputed areas, or in camps. According to President Carter the Camp David agree-

ment guarantees that the Palestinian people will be given a say in the settlement of all aspects of the Palestinian question. By signing the agreement Israel has committed itself fully to this principle, a fact which it wishes to make known before the world.

That is what President Carter had to say about the Camp David agreement and the possibilities which it opens up. I think that Parliament should endorse these possibilities. Our wishes in this respect are contained in the motion for a resolution. I hope that Parliament will unanimously approve this motion, thereby voicing its wish that the very difficult talks about to begin in Washington will produce the desired results.

(Applause)

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

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, the Socialist Group wholeheartedly welcomes the outcome of the Camp David talks as the first significant step towards peace in the Middle East. However, a very large number of problems have still to be overcome.

President Sadat's historic visit to Jerusalem raised hopes of a lasting peace in the countries concerned. Sadly, however, the past few months have seen an increase in the kind of discord which, in just over a quarter of a century, has given rise to four bloody wars. It will probably be very difficult to eliminate this discord, despite the success of the Camp David talks. There was a danger that each side would refuse to compromise on all the major issues, and the wholehearted involvement and political courage of the American President — who lent his entire political authority to the negotiations — were necessary to achieve the outline agreement at Camp David. President Carter, President Sadat and Prime Minister Begin have shown themselves to be responsible statesmen, who recognize their responsibility for peace in the Middle East, with all its implications for world peace. We hope — and I am sure I speak for the entire House — that the follow-up peace talks due to begin in Washington tomorrow, which aim to fill in the details of the outline agreements, will be conducted in the same spirit as the Camp David talks. However, we are also aware that the most hotly disputed, and therefore the most difficult problems, namely the question of the Israeli settlements on the West Bank, the question of East Jerusalem and the Palestinians' right to self-government are still unsolved. I believe that the Community can help in overcoming the problem of how the Palestinians' right to govern themselves may be exercised in practice. We are aware that in the long run we shall not be able to avoid the question of the PLO and of how this organization is to be assessed; we are also aware that this question could lead to

Fellermaier

considerable difficulties and that despite the good relations which marked the Camp David talks between Egypt and Israel, the tide of opposition is swelling so much that the PLO could in the end be the rock on which the success of Camp David is founded, or could founder. I therefore believe that it is the Community's duty to make its own contribution in this part of the Middle East.

It is the duty of the European Parliament, and indeed of all the other Community institutions, to lend their firm support to the peace initiatives in the Middle East.

The Community must surely be aware of its responsibility to do all it can — however modest its contribution may be — towards ensuring that the peace talks are constructive. Of course, we appreciate that this problem can only be solved on a world-wide scale and that our contribution can only be made in very small stages. But wherever we can offer practical assistance, cooperation in the Middle East should be fostered with the Community's active support. I would therefore be grateful if, with reference to paragraph 4 of the joint motion for a resolution tabled by the Christian-Democrats, Socialists, Liberals and the European Conservatives, the President of the Council could tell us more specifically how the Council proposes to speed up the economic, technical and social development of the Middle East? As we know, peace will lead to major economic difficulties with which the countries concerned will be unable to cope. The Europe of the Nine should make a determined effort to develop ways and means of dealing with this problem immediately and effectively. I therefore call upon the President-in-Office of the Council to give us further details of the Council's attitudes. I also call upon the Commission — which also has responsibilities in this area — to tell us its views and what proposals it intends to make to the Council.

Ladies and gentlemen, I should like in conclusion to echo the words of Mr Bertrand in calling upon the House to vote unanimously in favour of this motion for a resolution. In this way we will demonstrate the European Parliament's desire to help — on however modest a scale — towards achieving a lasting peace in the Middle East, for in securing peace in the Middle East we are also safeguarding peace in Europe.

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

Mr Berkhower. — (NL) Mr President, 36 years ago an event occurred in Egypt which was of the utmost importance for Egypt and Europe — the battle of El Alamein. Churchill said afterwards 'We are now at the end of the beginning'. These words may be echoed in connection with Camp David, which also involved Egypt and the Middle East. My group fully endorses the views expressed by Mr Bertrand and Mr Fellermaier.

Camp David is indeed a beginning — let us hope the beginning of the road towards a peaceful settlement.

The Camp David agreements are on 'agreement to agree': America, Egypt and Israel 'agreed on the following framework for peace'. An enormous amount of practical work has therefore still to be done. Furthermore, matters were discussed which concerned other parties not present at the talks, for example the Golan Heights, the West Bank, the Gaza Strip and of course, last but not least, the whole question of the city of Jerusalem, for the talks covered not only the situation in the Middle East as a whole but also the status of Jerusalem.

But let us take an optimistic view of things. Mr Fellermaier has already pointed out that Europe once again had no part in events which were taking place on its doorstep. The United States, on the other hand, took a very active part, and was even a signatory to the agreements. The Soviet Union also took no part in the talks, but it is much further away from the Middle East than Europe. If the situation develops as we all earnestly hope it will, I shall support the measures outlined in paragraphs 4 and 5 of the motion, to which Mr Fellermaier has already referred.

I should like to make a suggestion to the Commission and Council. We want proposals to be made for multi-lateral cooperation aimed at speeding up the economic, technical and social development of the region. By 'region' my group means the whole of the Middle East, if you like from Morocco to Saudi Arabia. Perhaps Europe could begin to make up for its political non-involvement by working out plans for economic assistance and measures based on the following idea.

Could the EEC not hold discussions with other major trading powers in the world? I am thinking of the United States, Japan, and possibly other prosperous industrialized countries — all are welcome — not forgetting the wealthy Arab oil-producing countries. They should also be invited to help in setting up a kind of Marshall Plan for the Middle East, which could be financed from funds made available by the nine Member States and by the other countries which I have mentioned. These funds could and should be distributed to all countries, not only to Egypt and Israel, but also to the other poor Middle East countries which are in economic difficulties. For Israel and Egypt are not the only countries with huge debts and whose people crave for peace so that they can engage in peaceful pursuits and get their economies back on their feet. The same applies to various other Middle East countries. Of course, such a scheme cannot be worked out here and now, but I thought I would put this suggestion to the Commission and Council. By applying a comprehensive scheme of this kind to the whole of the Middle East the Community could constitute an economically, socially and possibly even politically stabilizing element; we could thus make up for our previous non-involvement, and by our presence promote peace and well-being and help to secure a lasting peace for the Middle East.

Berkhouwer

That is the point I wished to emphasize on behalf of my group in connection with paragraphs 4 and 5 of the motion for a resolution. I hope the Council and the Commission will consider this suggestion.

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

Lord Bethell. — Mr President, I would like to join with other speakers in giving an unqualified welcome to the agreement at Camp David and in expressing my hopes that this will be a step towards peace in the Middle East and the solution of perhaps the most intractable international problem facing the world at the present time: one which involves not only the countries in question, Israel and its Arab neighbours, but every nation on earth, and in particular the nations of Europe which we represent in this Parliament. I was one of those, some months ago, who spoke with equal warmth in welcome of President Sadat's initiative — his courageous, exciting initiative — in going to Jerusalem and in meeting the Israeli leaders. I can think of few international events in recent years which have seemed so inspiring and so brave for a political leader to undertake, and it is with great relief that I note that this initiative by the President of Egypt has to some extent borne fruit, because the President must have understood that in taking this courageous step he was placing himself and his line of approach to the problem in great danger. Had there been no reciprocation from the Israeli side, had he not been able to demonstrate that the path of conciliation was the path of progress towards the achievement of some Arab aspirations, then we would have had a most appalling backlash from the more militant Arab leaders, and President Sadat probably would not have been able to maintain his position as an important leader in that part of the world.

However, luckily, thank goodness, the President of Egypt has been proved to be correct; his line of approach has been proved to be justified; significant concessions have been made by the Israeli side, and a step towards peace has been achieved. It is only a step towards peace though, of course, and there remain serious barriers towards that enviable aim. I would like to mention two of them. It is a very serious barrier to peace that, of the Arab countries only Egypt seems yet to be ready to recognize the existence of the State of Israel, and this debate, which began not thirty years ago as some speakers have suggested, but eighty years ago — the question of who owns that part of the fertile crescent — is something which will have to be faced with great concern in the near future. It is now absolutely certain, and recognized throughout the world, that this argument is at an end. Israel has the right to exist within firm and secure frontiers, and while giving a great compliment to President Sadat for having faced this inevitable fact, one must wish that

his initiative could be followed by other Arab leaders and by the leaders of Palestine, and that it will be found possible for the leaders of the Palestinian Arabs eventually to give up that section of their national covenant which demands that the State of Israel should cease to exist. Once this is achieved there will be, I think, a very real chance of peace in the Middle East.

The second important barrier to agreement seems to be the terrible fact that the Palestine Arabs have no country, and I would urge those colleagues, and the Council, who have connections with Israel to bear this fact very closely in mind, because whatever may have been the state of affairs thirty, forty, fifty years ago, when the Arabs of Palestine were in an earlier state of political and intellectual development, the fact remains that now they are a nation. A vital nation. In many ways they have the characteristics of the Jewish nation before they achieved statehood in 1948. They are a dispersed nation, and in many countries of the Arab world they fulfil important tasks and, in some areas, are the intellectuals, the cream of the universities, the administration, the press. They fulfil a very vital and influential role throughout the whole of the Arab world. And, of course, they suffer from a very real sense of injustice that they have no country. Speaking personally, I believe that there will be no peace, no real peace in the Middle East until the Palestine Arabs have a country. I very much doubt whether local autonomy, the original plan proposed at Camp David — I know it is only a transitional plan — will satisfy the Palestine Arabs, and I do not think that it should. Eventually, they must achieve statehood, and the sooner it comes the better and the sooner the situation will be defused. It remains a great problem for those who have to decide this dilemma, how land can be provided for a Palestine nation without making Israel indefensible strategically. A very difficult problem, geographical, political. Very, very complicated. But I think it can be solved.

Another very serious problem is how Jerusalem can be kept a united city, and I suggest that all those who have visited Jerusalem recently will believe that Jerusalem should remain a united city.

How can we keep it united, and at the same time ensure that normal civil rights are restored to the Arabs who live in East Jerusalem? This is another very serious problem that will have to be faced.

I would like, in conclusion, Mr President, to make one constructive suggestion. In December I shall be, I hope, taking part in a delegation to Israel, and I am extremely excited at the idea of visiting Israel at this important time after the great political developments that have taken place. But it seems a shame that this Parliament does not have any concrete links of any material sort with the Egyptian Parliament, and indeed our relations as a Community with Egypt seem

Bethell

to me to be on the sparse side. They are not very clear. I very much hope that it will be possible to take certain initiatives in order to develop this relationship with Egypt — to put it on the same level as our good relations are now with Israel. I suggest that through these connections we should be ready, when the time is ripe, to make a substantial contribution towards the development of the area where the Palestinians will live. A substantial economic, political and advisory contribution. The Community, the Nine, has a role to play. A step towards peace has been taken. We, I believe, can help several more steps to be taken, and peace to be achieved.

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

Mr Sandri. — (I) Mr President, we, too, agree that the Camp David agreement is a logical outcome of the process begun a year ago by Mr Sadat's journey to Jerusalem — the journey that broke the deadlock in a situation of armed confrontation. We greeted that journey as a very courageous initiative, and we are consistent today in applauding the developments at Camp David. However, our approval is more qualified than the text of the motion for a resolution put before us, on account of a whole series of misgivings which have also been expressed by many of the previous speakers.

In essence, the Camp David agreements could be the beginning of a process leading to peace, security and a new justice for the whole region; but the subsequent steps cannot be regarded — as the motion for a resolution appears to regard them — as the automatic result of an event whose effects are now irreversible. Indeed, paragraph 3 of the motion for a resolution calls on the other parties involved in the conflict to associate themselves with the outcome of the negotiations so as to get them going again. Well, ladies and gentlemen, I think that what we all hope for is something very different from a mere *a posteriori* association on the part of the other parties who have rejected the outcome of these negotiations. Moreover, we are all aware of the legal significance of the term 'association'. Something very different is required. First and foremost, it is necessary to broaden the interpretation of the agreements already reached so as to counter the restrictive interpretations which are already appearing — for example from the Israeli Government — on the question of the fate of the West Bank; but above all I believe that broadening and not association is required if the others are to be invited to follow the same road as the two partners.

There are too many tensions building up and exploding in the Middle East. Later today we will be debating the Lebanon: but what is the Lebanese tragedy if not the result of these tensions, which have not yet found an outlet, but on the contrary have been increased by the Camp David agreements?

In conclusion, Mr President, we believe that the European Community — and let us not forget that Europe was entirely excluded from the discussions at Camp David — should not be putting forward fanciful 'Marshall plans' for the Middle East but that, given the terrible complexity of the situation in that part of the world, it should be trying to get gradually to the heart of the problems which afflict that area and which have just been mentioned by Lord Bethell — the sovereignty of all the States and the recognition of the rights of all the people not as refugees but as peoples who have a right to a State, and therefore to nationhood.

Mr President, while we shall support the motion for a resolution relating to the situation in Lebanon, we shall abstain, for the reasons I have outlined, on the present motion for a resolution, not of course because of its spirit, which is the hope for peace — as I have tried to explain — but because in our view it is a rather inadequate response to a set of problems which call not so much for an invitation to join in with what has already been achieved, as for a new initiative on all fronts, involving all the past and present participants in the Middle East question on an equal footing, including — I repeat — the European Community.

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

Mr Brugha. — Mr President, I am pleased on behalf of my group to join in complimenting the other speakers and in supporting the Camp David agreement. I believe the outcome of this meeting is a clear example to others involved in dispute around the world that sanity can prevail even between such apparent irreconcilables as these two Middle East antagonists have been for most of this century. When intelligent leaders exercising courage and humility are prepared to settle their differences in the interest of their respective peoples, then the results must be good. One can say too that the President of the United States has helped through his efforts to make a notable contribution to the beginnings of peace in the Middle East and deserves credit for the actions he has undertaken at some considerable political risk to himself.

It is regrettable that only those directly in the more recent firing line in the Middle East — Egypt and Israel — are taking part in this agreement. The sad situation is that those countries which are holding back from the agreement — and there are a number of them — are furthest from the scene of conflict. I believe that this Parliament and the Council of Ministers should make known their full approval and support for the Camp David agreement, and for our view that the other participants in the Middle East conflict must also become involved.

Brugha

It should be pointed out to the leaders of the countries withholding their agreement that, in the eyes of the world, the choice in the Middle East for each of the three peoples who believe they are right — who, indeed, believe that God is on their side — the Arabs, the Jews and the Palestinians, lies between an honourable compromise that can lead to an enduring long-term settlement, and violence that can only bring disaster and terror to their peoples in a situation where no one can possibly win.

We support all the efforts we are sure will be made in the future weeks to bring about an enduring development of peace in the long-term in the Middle East, and we hope that subsequent years will see a completion of this process.

President. — I call Mr van Aerssen.

Mr van Aerssen. — (D) Mr President, ladies and gentlemen, I should like to echo the views of the previous speakers and express my sincere gratitude for the interest they have shown in this debate. It is high time the Community abandoned its role of spectator and played an active part in this major area of world politics. Mr Fellermaier has just asked what positive contribution we can make. My group believes that we should undertake certain very practical projects to provide a token of our good intentions and to underpin our policies. Is the Commission prepared to help us to do this? For example, could we not become actively involved in the construction of the Cairo-Jerusalem railway, thereby offering a concrete token of our goodwill? We would also ask the Commission whether we should also embark on power plant construction: for example, Israel, Egypt and the Community could construct a nuclear power plant in Sinai, and the energy produced could be used to promote peaceful economic development. Perhaps the Community could also help Egypt and Israel to tap underground water sources in Sinai. It would also be an excellent idea to prospect jointly for the raw materials and minerals, in particular crude oil and various precious metals such as phosphate, which are believed to exist in Sinai. Would the Commission be prepared to draw up a practical programme of this kind? I think we should also examine the possibility of Community involvement in the canalization of the River Jordan, provided Saudi Arabia and Jordan approve the peace agreement, which they may do with our moral support. We could also jointly exploit the large phosphate deposits which have already been discovered in Jordan. It is therefore for us not just a question of discussing this policy on our own and with offering moral and psychological support, but also a matter of providing concrete tokens of our good intentions: we should undertake practical projects to make it clear that the Community is willing to help in establishing peace. We have another specific ques-

tion to put to the Commission. Perhaps it would be advisable, in our future deliberations on the Mediterranean policy, to emphasize regional cooperation by means of supplementary protocols in the agreements with the Maghreb countries, Israel and the Mashreq countries. As you know, Mr Brunner, the Lomé Convention contains certain supplementary protocols which open up possibilities for extended regional cooperation. Our question, therefore, is quite simply this: is the Commission prepared to include the same or similar supplementary protocols in these agreements, so that a homogeneous regional cooperation may be achieved?

To sum up, we hope that the political support which we have pledged to the motion this morning will be accompanied by practical measures, and we call upon the Commission to examine these measures with us so that they may be implemented as soon as possible.

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, *President-in-Office of the Council.* — (D) Mr President, I have been listening to the debate attentively and have read the motion for a resolution with interest. I am not in a position — nor would it probably serve any purpose — to give a further general outline of our common policy on political cooperation with the Middle East, in particular with the countries involved in the conflict. I shall merely answer a few of the questions raised today, and I would emphasize that I shall of course bear this whole debate in mind in the forthcoming discussions.

It has been said repeatedly that Europe has been left out, that it is making no contribution to a constructive settlement of the conflict. I feel that this is perhaps going somewhat too far. Lord Bethell, for example, has asked whether more can be done with regard to Egypt. I don't know whether his question referred primarily to relations between our Parliaments, but the fact is that we have concluded not only a preferential trade agreement but also — in 1977 — an agreement on cooperation which, if I am not mistaken, enters into force on 1 November of this year. Egypt is a party to this agreement and has therefore provided a basis for our work in the Middle East.

As far as the outcome of the Camp David talks is concerned, I do not need to repeat the statement made by the Foreign Ministers meeting in political cooperation on 17 September. We welcomed the outcome of the talks, as well as the particular effort made by President Carter, President Sadat and Prime Minister Begin. At the same time we referred to the declaration — which is still valid — of 29 June 1977, while drawing attention to a consideration which has been mentioned in today's debate, namely the need to settle all aspects of the conflict, because the entire peace agreement will be repeatedly jeopardized if any questions are left unresolved. That is why we stressed

Von Dohnanyi

this point once again, but we fully support the outcome of the Camp David talks and cherish fervent hopes for continued success.

Mr Fellermaier has asked, in connection mainly with paragraph 4, how the Community could contribute to the technical and social development of the Middle East. I can obviously not be expected to make a firm statement on this today, but I can assure you that the Nine are well aware of the possibilities and that the existing means of cooperation will be used.

I would therefore emphasize that the Council is aware of the problems referred to by various groups today, and that we do not altogether agree with the claim — made by what seems to me to be the vast majority of this House — that Europe is standing on the sidelines. If we consider the number of visitors from the Middle East whom the Community Member States have received in the past few months, as well as the Middle East visits by the Nine and the talks held with Middle East countries it is clear that the Nine can, within the limits imposed on them, make a major contribution towards stabilizing peace, a peace which has been given fresh hope by the Camp David talks.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, as there is not much time left, certain Members will say that I have been saved by the bell.

We very much welcome the clear wording of paragraph 4 of the motion. It may prove important to adopt a multilateral approach in the future. However, we should not act too hastily. All forms of multilateral cooperation must be developed on a voluntary basis. No one's interests would be served if the Community prematurely attempted, before being asked by the countries concerned, to put forward practical proposals which gave the impression that the Community was trying to assume a role which did not further the cause of peace.

Unlike the Lomé Convention, the Camp David peace agreement contains no supplementary protocols on regional cooperation. Protocols of this kind could be drafted, but the priorities must be determined by the countries concerned. The Commission would welcome any initiative aimed at fostering such a multilateral approach.

President. — I note that there are no more requests to speak. The motion for a resolution will be put to the vote as it stand during voting time this afternoon. The debate is closed.

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

(The sitting was suspended at 1.40 p.m. and resumed at 3.10 p.m.)

IN THE CHAIR: MR COLOMBO

President

President. — The sitting is resumed.

8. Urgent procedure

President. — I have received from Mr Siegler-schmidt, Mr Lezzi, Mr Ajeollo, Mr Holst and Lord Kennet, on behalf of the Socialist Group, Mr Bertrand, Mr Bersani and Mr Jahn, on behalf of the Christian-Democratic Group (EPP Group), and Mr Bordu and Mr Sandri, on behalf of the Communist and Allies Group, a motion for a resolution with request for urgent debate pursuant to Rule 14 of the Rules of procedure, on the sentencing of Tunisian trade unionists (Doc. 379/78).

I shall consult Parliament on the adoption of urgent procedure at the beginning of tomorrow's sitting.

9. Question Time

President. — The next item is the second part of Question Time (Doc. 351/78). We begin with the question addressed to the Council.

I call Question No 28 by Mr Fellermaier:

Does the Council intend to adopt a position on this proposal and to state what consequences the setting up of such a 'Council of Wise Men' would have for the Community's institutional organization?

and

Question No 29 by Mr Bertrand:

Does the Council intend to state what consequences the setting up of such a 'Council of Wise Men' might have for the current negotiations with the applicant States?

Since these two questions deal with the same subject, they can be taken jointly.

Mr von Dohnanyi, President-in-Office of the Council. — (D) The President of the French Republic has sent a letter to the Heads of Government of the Member States of the Communities, who will probably adopt an opinion on the proposal contained in it at the European Council of December 1978. The President of the Council will then naturally inform Parliament of the outcome of this meeting. The proposal would not involve the setting up of a new Council, but simply the establishment of a group of experienced advisers concerning themselves with problems which the Community has to deal with anyway. This would mean, therefore, that the Community's advisers could bring other considerations to bear on matters on which the Council has to make decisions. Clearly, it is only in the light of whatever conclusions an advisory body of this kind, if it were set up, might reach that it would be possible to ascertain the extent of its effects on the course of the accession negotiations, or to put it another way, one cannot say at this stage what conclusions should be drawn. This will become apparent from the results of the consultations on any proposals made.

Von Dohnanyi

It is extremely unlikely that this could affect the course of the accession negotiations by, for example, causing delays.

Mr Fellermaier. — *(D)* Mr President-in-Office, do you not find it a little strange that, if political difficulties arise in the course of accession negotiations, those bodies responsible for such matters by virtue of the Treaty of Rome should not be free to call on what you call advisers to assess the situation during the negotiations. And is it necessary to set up a group of what I might call 'super brains' — if I am to avoid repeating what you said to the effect that it was not to be a 'Council of Wise Men' — whose existence, in the final analysis, could only be justified by the fact that at least the public would get the impression that a new procedure was being followed which was not being followed when the United Kingdom, Ireland and Denmark finally became full members of the European Community after years of equally difficult negotiations?

Mr von Dohnanyi. — *(D)* I cannot see anything strange about this procedure. The President of the French Republic has proposed to his fellow Heads of State and Government in connection with the further development of the decision-making process within the Community, that, in addition to the Council already at this disposal of the Commission and Parliament in the form of Council of Ministers, a further Council should be set up consisting of other men and women with experience in European matters. I am not certain that this will in fact be decided — although I personally suspect that it will. We will have to wait until December to find out, but if this decision is in fact made, we will be able to work out from the advice given by these men and women, as well as by others, exactly what course of action we should take in the further development of the Community. Quite frankly, I cannot see anything strange about that. Indeed, since, as you know, good counsel always has its price, I welcome any council we can get to advise us.

Mr Bertrand. — *(NL)* The answer given by the President-in-Office of the Council strikes me as being out of line with the letter from President Giscard d'Estaing, who proposed the following procedure :

If you and all the members of the European Council to whom the above is addressed are in agreement with this proposal, the President-in-Office of the Council could request our Ministers of Foreign Affairs to discuss the matter at their forthcoming meeting so that they can decide during the European Council in December which three wise men should be appointed and what their task will be.

This is what President Giscard d'Estaing said in his letter. My question, therefore, is as follows : if President Giscard d'Estaing's eight counterparts declare that they are in agreement with his proposal, it is up to the Council to draw up a proposal regarding possible candidates and their responsibilities for the December European Council. If this in fact happens, will the Council undertake to consult Parliament on the matter before taking a decision, since the various institutions would then be brought in and would have to say whether or not they wish to be involved in this development. I should therefore like to know whether or not the Council will undertake to consult Parliament before making a proposal to the European Council.

Mr von Dohnanyi. — *(D)* The Heads of State and Governments will naturally make use of their respective administrations in deciding on the proposals from the President of the French Republic. In so far as the Council is involved, it will express its opinion on possible candidates and their responsibilities. However, Mr Bertrand, I think, it would, be making matters very complicated if we were to observe a formal procedure regarding possible candidates and responsibilities at this stage. The important thing is that the Community should consult all those who concern themselves with difficult questions. The President of the French Republic has made a proposal regarding possible additional sources of advice and we should not make things unnecessarily complicated.

Mr Radoux. — *(F)* Since Mr Bertrand has just demonstrated that proposals of this kind might well cause unnecessary complications, since we have managed without nominating wise men on European matters for the last 22 years and, finally, since there is already a body, namely the European Council, which is not a Community body but has already rendered services for which we are grateful, does the President-in-Office of the Council feel that the collegiate body which the European Council in itself represents is less wise than any three 'wise men' we might appoint, with all the difficulties which that might entail, particularly for the countries from which the wise men were not chosen?

Mr von Dohnanyi. — *(D)* One should certainly never overestimate the wisdom of the Heads of State and Government, but their wisdom cannot suffer by consulting other wise men.

Mr Fellermaier. — *(D)* It might be wise, Mr President-in-Office, to ask explicitly once more why three wise men should be more wise than all the other advisers who may be consulted at any time by all the nine Governments, by all the nine Heads of State of Government individually, jointly or consecutively, or than the Council of Ministers which can consult all the advisers jointly or one at a time? Why should

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three particularly wise men be singled out? Is this the counsel of the wise which, as you pointed out, always has its price? I am making no bones about this question, because unfortunately so far you have avoided the crux of the question to the Council of Ministers, namely what is to be the precise status of these three wise counsellors. To whom are their recommendations addressed and what weight will they have compared with all the existing advisers?

Mr von Dohnanyi. — (D) I certainly cannot put this point to the European Council at this stage, Mr Fellermaier, since it must first of all decide on the field of competency for this group of advisers, and I genuinely think that when European matters are at stake one should seek as much advice as one can. However, if one takes this view, I should think that all those who are concerned about the future of Europe can only hope that the advice we get is good advice.

Mr Shaw. — Mr President, could I have your ruling? How many supplementary questions is one person allowed to ask on a given question?

President. — We are considering two questions at once. Mr Fellermaier has just put a supplementary question in connection with Mr Bertrand's question, and Mr Bertrand is about to do the same in connection with Mr Fellermaier's question.

(Laughter from certain quarters, protests from others)

Mr Bertrand. — (NL) Mr President, this is not a supplementary question, it is a concrete proposal so that the Council will not be able to accuse Parliament of not facing up to its responsibility.

What is the President of the French Republic asking for? He is asking that we should call on the assistance of a number of independent prominent figures who are personally familiar with the workings of the European Institutions and in a position to approach issues from a different point of view. This is what the President is proposing.

I can propose three wise men, if they have no objections, namely the President of the European Parliament, the President of the Commission and the President of the Court of Justice. This would mean that Italy, the United Kingdom and France would be represented on this Council, which would meet fully the request made by the President of the French Republic — he would have his wise men but the Institutions would be involved too. This then is a specific proposal.

Mr von Dohnanyi. — (D) I will naturally inform the Council of Ministers of this proposal.

(Laughter)

President. — I call Question No 30 by Mr Edwards:

Will the Council coordinate its policies regarding the import of raw materials and other commodities from the Third World, with a view to ensuring greater stability of prices paid to producers, in accordance with the UNCTAD Integrated Programme of May 1976, and with a view to reducing both speculation and excessive profit by multinational firms operating in this field?

Mr von Dohnanyi, President-in-Office of the Council. — (D) The Community plays an active part in all the international discussions and negotiations on raw materials aimed at achieving greater market stability through the introduction of instruments and measures suited to the peculiarities of individual commodities. Basically the purpose of such instruments and measures (e.g. buffer-stocks, quotas), is, by influencing market forces without encroaching upon the freedom of traders in a market economy, to ensure a reasonable return for producers and fair prices for the consumer. By taking part in these international negotiations on the basis either of joint positions or positions coordinated among the Member States, the Community effectively coordinates policies for the implementation of the obligations ensuing from the agreements entered into.

Mr Edwards. — I am agreeably satisfied with the reply to that question, because I am assured that the President of the Council is using all the international machinery available to prevent the tendency today where the poor countries are becoming poorer and the rich richer. He did not, however, if you will forgive me saying so, deal with the last point in the question, where a number of European-based multinational companies pay poor prices to poor countries, corner the market, withhold the products by calculated shortage and make high prices, thus promoting inflation throughout the Western world. I wonder if he can think of some kind of new machinery that will deal with this aspect of the question.

Mr von Dohnanyi. — (D) The problem to which the last part of the question refers is undoubtedly a real one in certain sectors, although in many cases there is more competition between multinational companies than one tends to think and for this reason the price competition is often keener than is perhaps assumed. However, the problem does exist in some cases — I cannot deny this — and as regards the use of what Mr Edwards has referred to as the international machinery we must — and will — give some thought to this problem too.

Mr Noè. — (I) Does not the President-in-Office of the Council think that, as regards raw material supplies, particularly the research into manganese nodules and other minerals on the seabed, the Community as such should coordinate and increase the efforts being made by the individual Member States?

Mr von Dohnanyi. — (D) Certainly, the Community could be still more efficient in the field of research, including raw materials research. As far as manganese nodules are concerned, this is primarily a matter for the Conference on the Law of the Sea. The Community is currently engaged in consultations in this matter, but the point is certainly worth going into in greater depth.

President. — Since the author is not present, Question No 31 by Mr Soury will receive a written reply.¹ At its author's request, Question No 32 by Mr Howell has been postponed until the next part-session.

I call Question No 33 by Sir Geoffrey de Freitas :

What proposals from the Commission on air traffic are before the Council and on what date were they received ?

Mr von Dohnanyi, President-in-Office of the Council. — (D) On 3 October 1975, the Commission submitted to the Council a communication on an action programme for the European aeronautical sector. This contained, among other items, a proposal for a Decision introducing a joint policy in the civil aviation sector. This proposal was amended by the Commission on 28 January 1977 and is the only proposal on the subject now before the Council.

In addition to industrial policy in the civil aircraft sector, the purpose of the proposal is to lay down a number of objectives for the Community's activity in the field of air transport. The honourable Member will recall that in its Resolution of 6 July 1976, the European Parliament, while noting a correlation between air transport policy and a policy for the civil aviation industry, nevertheless recommended the Commission to keep the two aspects separate, and requested it to give details of its ideas and proposals concerning the common air transport policy.

On 14 March 1977 ; in accordance with the opinion of the European Parliament, the Council adopted a declaration on industrial policy in the civil aircraft and aviation sector. Subsequently, at its meeting on 28 and 29 June, the Council decided to examine the advisability of joint action on air transport, and at its meeting on 12 June 1978 received a report proposing a list of priority questions for consideration. Moreover, preparatory discussions have already begun within the Council on the relations to be established between the Community and the European Civil Aviation Conference, and between the Community and the International Civil Aviation Organization.

Sir Geoffrey de Freitas. — Since the citizens of our Community are very great users of air travel, is it not the duty of the Council to stimulate IATA, ECAO and above all the European Civil Aviation Conference,

to which the minister has just referred, to facilitate travel by air ? Is it not true that much of the original governmental drive to facilitate travel by air seems to have evaporated entirely ?

Mr von Dohnanyi. — (D) The point just made by Sir Geoffrey de Freitas is well worth thinking about. The Council of Ministers can only progress gradually in this as in many other fields. Only gradually will we be able to deal with the problems, but the aim is undoubtedly one we can all go along with.

Mrs Dunwoody. — Would the President-in-Office of the Council please be kind enough to draw the attention of the French Government to the fact that 5 years ago an air crash took place over Nantes, in which a number of Community citizens were killed, that they still have not reached agreement on any kind of compensation for the families of the people concerned, and that there is no point talking about air-safety regulations unless the Council is prepared to point out to the French Government that this kind of behaviour is nothing short of scandalous and needs to be raised in every known way with the representatives not only of the French Government, but of the insurance companies concerned ?

Mr von Dohnanyi. — (D) I have taken due note of the honourable Member's request. I must admit that the connection between this and the previous questions on this point is not immediately apparent to me, but I will try to clarify the matter and will subsequently inform you in writing of how things stand.

President. — I call Question No 34 by Mr Scott-Hopkins, for whom Mr Corrie is deputizing :

How does the Council view the EEC's deficit with the US in trade in agricultural products, and does it intend to take any steps to change this situation towards a better balance ?

Mr von Dohnanyi, President-in-Office of the Council. — (D) The Council is aware of the fact that America's trade balance has always been positive *vis-à-vis* the Community and that this surplus is mainly due to an imbalance in the agricultural sector. Trade relations with this important partner are naturally the subject of regular discussions with the Council.

In the course of its regular consultations with the US Administration, the Commission endeavours to find solutions to the specific difficulties arising. Special attention is given of course to agricultural exports.

However, it is chiefly from the outcome of the GATT trade negotiations in which the agricultural sector plays a key role — that the Council is expecting an improvement in international cooperation and an increase in trade so as to improve the possibilities for agricultural exports from the Community to the

¹ See Annex.

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United States. Without going into detail on the different aspects of the negotiations in the agricultural sector, I would like to refer in particular to the position which the Council made public following its last meeting on the important issue of countervailing duties and stress once more that it would not be realistic to think that the negotiations could be concluded in the absence of an assurance from the US Congress that it would extend the 'waiver' on countervailing duties.

Furthermore, the uniform application by all partners of the GATT rules is of fundamental importance to the Community, and it is therefore expecting the negotiations to bring about an alignment of US legislation with Article 6 of the GATT by the introduction of the concept of prejudice into that legislation.

Mr Corrie. — Would the President of the Council accept that while we have obligations to countries such as Australia and New Zealand to take in their food products, we do not have that obligation to America, and are all steps being taken to dissuade America from exporting to this Community products that are in excess and to persuade her to take products such as milk products which are in excess here into America?

Mr von Dohnanyi. — (D) I can assure the honourable Member that we are doing all we can to establish a balance and to avoid further imbalance resulting from the facts he describes.

Mr van Aerssen. — (D) Is the Council aware that on 26 September the President of the United States announced a new export drive in which agricultural products are to play a substantial role. Payment subsidies, for example, are to be raised by USD 1 000 million, and similar subsidies are to be granted to companies promoting the export of agricultural products? If the Council is aware of these facts, it must adopt a strategy entirely different from the one described by the President-in-Office.

Mr von Dohnanyi. — (D) I do not think the facts to which you refer call for a totally different strategy. Indeed, they tend rather to support the strategy the Community has already adopted, i.e. a strategy based upon the principle of establishing equal conditions of competition. The Community is not afraid of international competition in this sector, but is nevertheless drawing attention to the fact the conditions of competition must be comparable, and to this extent an export drive on the part of the United States would not disturb us. What does disturb us are the unequal conditions of competition for European products — for example, on the American market — which the Community is currently trying to eliminate by means of the negotiations.

Mrs Dunwoody. — Am I to take it from that remark that the President-in-Office intends to do away with all subsidies for agricultural products which are exported from the Community? Unless that is so, is it not clear that the Community will be open to very, very real criticism, since we are taking action against the importation of maize and maize products into the Community and the Americans will clearly regard that a highly selective and very distorting condition of trade?

Mr von Dohnanyi. — (D) I cannot say here and now to what extent the various exporters of agricultural products which are disposed of on the world markets take advantage of the different kinds of subsidies. I will merely say that they would be labouring under a serious misapprehension if they were to think that the lowest prices on the world market come about without subsidies. This would be a big mistake, and therefore what we must do is to establish comparable conditions of competition. It is no accident that the European Community nowadays imports a third of the foodstuffs consumed within the Community, that it is the largest importer of foodstuffs in the world and, as I explained before, always has a major trade deficit *vis-à-vis* the United States. Thus it can hardly be true to say that the distortions in competition might be advantageous to the European Community.

Mr L'Estrange. — Does the President-in-Office not believe that more could be done in the market promotion of agricultural goods in the USA? Could we not take a leaf out of the Japanese sales-book? If they can increase their sales both in the USA and throughout the world, why can we not follow them and do something similar?

Mr von Dohnanyi. — (D) I am not able at this moment to give details of what the European Community might do with a view to improving the conditions of competition for European products on the American market — whilst of course observing the GATT regulations. I should like to stress once more that there are considerable difficulties in individual sectors where the United States have created obstacles to trade for European products, and what we must do is to eliminate these obstacles as far as possible by means of negotiations with a view to establishing equal conditions of competition.

Mr Power. — The Member States must have some agricultural products which the US want. Surely it is the Council's duty to promote the sale of these products with a view to reducing our trade deficit. Furthermore, in order to dispel the feeling that we are not doing enough to sell these products in the USA, could the Council indicate one instance where they have recently been successful in promoting the sale of agricultural products in the United States?

Mr von Dohnanyi. — (D) What the Council of Ministers and the Commission must do is to eliminate distortions in the conditions of competition by means of negotiation. Exporting itself is a matter for the individual exporters, and I could quote many examples of sectors in which European agricultural products are extremely successful on the American market. However, there are also certain sectors in which there are obstacles which the European Community regards as incompatible with the GATT regulations and which must for this reason be eliminated by means of negotiations.

Mr Aigner. — (D) Mr President-in-Office, could you explain to those of our colleagues who are not yet convinced of the positive effects of our agricultural policy and market organizations that, for example, when sugar production in the world dropped by only 3 % but the world market price rose by 700 %, our market organization had a clear beneficial effect, even in the United Kingdom ?

Mr von Dohnanyi. — (D) Perhaps it would be useful if the Council were to make a list of such cases. There have indeed been years in which Community prices were lower than the world market prices. Naturally, there were also years in which some Community prices were higher, but if you want my personal opinion, I can assure you that, in spite of all our difficulties in dealing with and eliminating surpluses, the European organizations of the markets in agricultural products also have many positive consequences as regards security of supply and stability of prices for the European consumer.

(Applause from certain quarters)

President. — I call Question No 35 by Mr Dalyell.

What action does the Council plan to take with regard to non-utilization of appropriations for payments from the Social and Regional Funds, as illustrated in the report on the Financial Situation of the European Communities on 30 June 1978 recently submitted by the Commission to Council and Parliament ?

Mr von Dohnanyi, President-in-Office of the Council. — (D) As my colleague Mr Lahnstein recently explained to your Committee on Budgets, the Council is not only aware of the problem raised by the honourable Member, but regards it as a matter deserving of our attention. The Council is therefore currently studying the situation in collaboration with the Commission and the Member States with a view to finding an appropriate solution as soon as possible.

Mr Dalyell. — The members of the Committee on Budgets will welcome that friendly and serious reply. Is there any chance that Mr Lahnstein and Mr von Dohnanyi can get to the bottom of what is politically a complex matter, perhaps by the end of the German

presidency? Would it therefore, be worth my while putting down the same question in November and December ?

Mr von Dohnanyi. — (D) I will be only too pleased to try, but naturally I cannot say at this stage whether or not we will be successful. We have a lot of matters to deal with in the coming weeks and months, but I will try to settle this within the period you mentioned.

President. — Since the authors are absent, Questions Nos 36 and 37 will receive written replies.¹

I call Question No 38 by Mr Osborn :

Bearing in mind that it is very unclear which of the ACP Delegates to the ACP/EEC Assembly and Joint Committee are elected representatives of their people in their national parliaments, will the Council now start discussions with EEC and ACP governments with a view to making this a more representative Assembly in the future and in particular after signing the Lomé II Convention ?

Mr von Dohnanyi, President-in-Office of the Council. — (D) Under Article 80 of the Lomé Convention, each ACP Government has sovereign powers to choose how its country will be represented at the ACP-EEC Consultative Assembly. Furthermore, as the Community has found the institutional system under the Convention to be entirely satisfactory — an impression confirmed by the latest meetings of the Consultative Assembly and the Joint Committee in Luxembourg — it would not appear to be necessary to propose a review of the provisions of the Convention relating to the Consultative Assembly.

Mr Osborn. — Surely the President-in-Office of the Council is aware that the Interparliamentary Union, and the Commonwealth Parliamentary Association, are made up of members of parliament from countries many of which are signatories of the ACP ?

Does the President-in-Office of the Council agree that there is a need to establish strong separate links firstly at ministerial level, secondly, at ambassadorial, civil service and government level, and thirdly, at parliamentary level between individual EEC countries, and the ACP countries.

Does not the President-in-Office of the Council look forward to the day when the Assembly will be an assembly of elected representatives from the parliaments, not only of the 54-odd ACP countries, but of the nine and perhaps twelve EEC countries; bearing in mind that, whatever the criticisms of South Africa and Rhodesia, it cannot be said that they do not have an elected Parliament, even if those Parliaments represent minorities.

¹ See Annex.

Mr von Dohnanyi. — (D) The Community has links at all levels, including the administrative and political levels, i.e. at ambassadorial level and at the level of the Council of Ministers and the negotiations, and finally, at the level of the national parliaments. I do not think it is up to the Community to determine the form and structure of the parliaments of the ACP countries. Naturally, the Council of Ministers would welcome it if the experience we in the Community have of democratic structures were to be increasingly reflected in forms of democracy in our partner countries. However, I do not think it would be correct to make this a criterion for assessing the national parliaments in these countries.

Lord Reay. — When the acting President-in-Office of the Council says that he considers that the Assembly is working perfectly satisfactorily and that there is no need for revising it under the next Lomé Convention, does he also mean this to apply to the question of the numbers involved, because there are some of us who feel that the number involved in these two institutions, the Joint Committee and the Assembly, are very large indeed, particularly from the European side?

The Joint Committee now requires a membership of 54 members from the Parliament side, and the Assembly no fewer than 108 members, these figures deriving from the fact that, quite understandably, each ACP country wishes to have one representative on the Joint Committee and two representatives in the Consultative Assembly, but the requirement that these should be equally matched from the side of the European Parliament does produce numbers that seem to me very, very large indeed, and I would suggest too large and therefore that the Council should look into the possibility of reducing these numbers under these numbers under the next Lomé Convention.

Mr von Dohnanyi. — (D) I should be glad to take up this point. You will appreciate that the answer I am about to give has been agreed upon with my colleagues. I disagree with you — I feel that the important thing is that at the meetings of the parliaments the various groups and political currents should be involved in the decision-making process. I think the question of numbers is less important than the question of whether all parties within the parliaments feel that they are adequately represented. If this is the case, one can then set limits. However, I would not set a narrow limit on the grounds of cost-effectiveness, since the effectiveness of the meeting between the various parliaments depends upon integration, which can only take place if all the various political currents feel they are adequately represented. However, these were, as I said, my own views, and I am prepared to put your view before the Council for discussion.

Mr Prescott. — I wonder whether the Minister really accepts that parliaments are solely about efficiency, or really about effectively representing the people of the countries concerned. Unfortunately ambassadors don't necessarily do that, as was evident at the Lomé Assembly. But would he agree with me, following the distinction that has been introduced into this question by Mr Osborn, and as regards the attitude of people who have praised white minority regimes in South Africa and Rhodesia, that representatives from those countries, based solely on a white vote, denying the majority universal suffrage, are not to be considered or treated as elected representatives in the sense that we understand over here?

Mr von Dohnanyi. — (D) Naturally, I can endorse this general observation. I am sure that we are in agreement in this point and that this view is also shared by the Council of Ministers.

President. — I call Question No 39 by Mrs Ewing:

When does the Council propose to implement the Commission's proposals on the reorganization of the Community shipbuilding industry and what effect does it consider these proposals will have on shipbuilding in the United Kingdom with particular reference to the Scottish shipbuilding industry?

Mr von Dohnanyi. — *President-in-Office of the Council.* — (D) In December 1977, the Commission put before the Council a communication on the reorganization of the Community shipbuilding industry. The Council studied this communication and in September 1978 adopted a Resolution laying down the guidelines to be followed by the industry, the national public authorities and Community in their efforts to maintain a healthy and competitive shipbuilding industry within the Community, in the least damaging way possible. In November 1977 the Commission also put before the Council a proposal for a fourth Directive on aid to shipbuilding. This fourth Directive, which paid particular attention to the effects of the crisis currently facing the shipbuilding industry, was adopted on 4 April 1978. The general framework system for state aid is the same for all Member States and should thus not have any unfavourable consequences for any particular region or country. These then are two most recent instruments adopted by the Council in this field. There are currently no other Commission proposals before the Council.

Mrs Ewing. — I wish to thank the President-in-Office for his answer. However with regard to the mini-war between the EEC and the UK on the proposed 46% cutback before 1980 and the major price-war involving ship-building capacity in the Far East, I should like to draw his attention to a parliamentary answer in Hansard of 27 June 1978 on gross

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tonnage which stated that in 1948 and 1977 the United Kingdom's share was 49 % and 4 % respectively, whereas Japan's was 3 % and 43 %, and indicated the subsidies given to Japan.

I would ask whether the Council is aware that the present proposals run the risk of causing a second Clyde depression similar to that which followed the First World War and whether they have any practical proposals other than scrapping geriatric ships or unsafe tankers and building more efficient fishery patrol vessels?

Mr von Dohnanyi. — (D) First of all I should like to comment on the point about competition from Japan. Mrs Ewing, there have undoubtedly been cases of subsidies, i. e. support from public funds. However, this was certainly the least significant factor in the success of the Japanese shipbuilding industry, which is due primarily to a very effective combination of research, planning, management and market analysis. I think, if I may be permitted to say so, that this Parliament — like so many others in Europe — would be making a mistake if it were to attribute Japan's success primarily and exclusively to some secret power or other behind the Japanese undertakings. This success results first and foremost from effective market technology and financial policy on the part of the Japanese undertaking. However, the Council has naturally always concerned itself with the facts in this matter. We have also attempted to establish common positions as regards in the OECD and on the financing of shipbuilding etc. — I am sure you are aware of this — and what we must naturally do is to ensure not only that the conditions of competition are equal but also that Europe will continue to account for a reasonable proportion of world shipbuilding.

I should like to make a second remark regarding your comparison of figures for 1948 and, I think, 1978 or regardless if our American friends were to do this — regardless of what product was involved — it would be perfectly clear, Mrs Ewing, that the American share had dropped considerably, and the European share had increased considerably, in all areas, which would mean we were faced with problems similar to those you have just described in connection with Japan.

This does not mean that we do not acknowledge the importance of maintaining equal conditions of competition with Japan and, in particular, of facilitating exports to Japan. This is the crux of the matter. However, we must also put our own house in order, i. e. face up to our own problems, which to some extent are our own fault and not that of our competitors.

For the rest, I should like to return to a point I made in my original answer. I do not think that the framework for state aid laid down in the Resolution of

September 1978 could put any particular country at a disadvantage. Nor do I think that it could put Europe at a disadvantage *vis-à-vis* international competition.

I can assure you, Mrs Ewing, that my British colleague, Foreign Minister Dr Owen, and his representative, Mr Judd, Minister of State, and also Secretary of State for Trade Mr Dell kept a very close eye on the decisions of the Council on this matter. We would not have reached agreement if our British colleagues had thought that any region, particularly a region within the United Kingdom, could be put at a disadvantage by this decision.

Mr Hamilton. — Is the Council aware that when the United Kingdom Government, with the full consent and agreement of the trade unions concerned, took action to protect our shipbuilding industry, the party which opposed those proposals in the House of Commons was the Scottish National Party, of which Mrs Ewing is a member?

Mr von Dohnanyi. — (D) Even if the Council had been aware of this fact, it would certainly not have taken any account of it whatsoever. This is a purely internal matter for the United Kingdom to settle by itself. The Council's job is to protect the European interest within the Community.

Mr Eberhard. — (F) In view of the current situation in France which has led to the closure of many shipyards and repair docks such as those of La Ciotat, Marseilles, Le Havre and Dunkirk, does the President-in-Office feel the measures taken to compensate those persons who have thus been put out of work constitute a correct application of the Commission proposals?

Mr von Dohnanyi. — (D) I cannot go into events in individual shipyards and under quite specific conditions here and now. However, the conditions in the French shipyards have naturally played a major role in the deliberations in the Council of Ministers. I can assure you that my French colleagues, Mr Guiringaud, the Foreign Minister, and Mr Deniau have paid considerable attention to the way in which the joint decisions affect France.

President. — We turn now to the questions addressed to the Foreign Ministers of the Nine Member States of the European Community meeting in political cooperation.

I call Question No 40 by Mr Hamilton:

Has the attention of the Ministers been drawn to the evidence of flagrant breach of sanctions against Rhodesia by European-based oil companies?

What concerted action is intended against these companies and will consideration be given to awarding compensation to countries like Zambia for losses suffered as the result of such sanction breaking, such compensation to be paid by the offending oil companies?

Mr von Dohnanyi, President-in-Office of the Foreign Ministers. — (D) The British Government has submitted the so-called Bingham Report, which has just appeared, to the Director of Public Prosecutions. In view of this, it would clearly be premature for me to comment on this report in any way here today. Moreover, the Ministers have no evidence that currently — and I stress, currently — there are any breaches of sanctions against Rhodesia on the part of European-based oil companies.

Mr Hamilton. — Is the President-in-Office of the Council aware that, although what he says is quite true, there are very important political implications in the Bingham report, quite apart from any possible criminal charges that might be brought, and will therefore the Council consider the political implications of the report? Do they not agree that this report contains the story of the most disgraceful episode in the history of European-African relationships in the last 30 years, that some people, whether the charges be political or criminal, must be brought to account and that, in so far as African countries in particular have suffered grievously as a result of the deliberate evasion of sanctions by multinational companies and by European governments, the granting of some compensation to those African countries that have suffered ought to be considered by the offending companies and the offending governments?

Mr von Dohnanyi. — (D) Firstly, the Council is certainly aware of the political implications. There is no need for me to stress that we recognize the significance of the report and the facts it contains.

Secondly, so far the Foreign Ministers have not made any decision under political cooperation as to when they could deal with the report and the facts contained in it. This, as I said, is due, among other things, to the fact that criminal charges may be involved and we first of all want to wait and see what happens in this respect. However, in saying this I am not trying to belittle the importance of the political implications to which the honourable Member has just drawn our attention.

Mr L'Estrange. — If there have been breaches of sanctions against Rhodesia and if this does constitute a most disgraceful episode, is the President-in-Office aware that Mr Hamilton's own party was in power during most of that period? Why not address that question to his own government? And is he fully aware that the truth, if it becomes available, might indeed make interesting reading?

(Protests)

Mr von Dohnanyi. — (D) I am assuming that all parties involved will be questioned in connection with

these facts and, in particular, with the findings of the Bingham Report. For the rest, I should like to point out once more that what we in the Council of the Foreign Ministers meeting in political cooperation must do is to attend to the European aspects in this matter. As you were certainly aware before you put your question, Mr L'Estrange, this is not the place to give answers to the undoubtedly significant party-political problems within the individual Member States.

Mr Prescott. — Is the President-in-Office aware that this report was commissioned by a Labour government to ascertain the facts of the situation and that my party is fully committed to a public enquiry into the matter? Furthermore, is the President-in-Office not aware that my government specifically separated from the Bingham report a section, which was not published, dealing directly with possible charges that may be referred to the Attorney-General and by doing so recognized this matter to be of tremendous public and political concern? Is he not aware that the Americans are opening up, through their Congress, an investigation based on the Bingham report and would he not agree that the least that we and the Council of Ministers could do is to support the possibility of a public investigation into these serious allegations?

Mr von Dohnanyi. — (D) I do not think I need comment any more on party-political questions I have already given a general answer regarding such matters. However, I think it is important that before I state our position publicly within the European Parliament, we must wait and see what happens as regards criminal proceedings. This does not exclude the possibility — and I stress the 'possibility' — that the Council of Ministers or the Foreign Ministers meeting in political cooperation might discuss the political aspects of the matter once they have a general idea of what is happening as regards the criminal proceedings, even if these proceedings are not yet concluded. I cannot say at this stage whether this will happen or not, but at the moment it would certainly be advisable for us to study the various issues involved first, without adopting a position publicly.

Mr Bordu. — (F) Apart from the legal basis of the current inquiry, does the Council think it should decide upon economic sanctions and propose them to those countries cooperating with Rhodesia?

Mr von Dohnanyi. — (D) There already is an embargo against Rhodesia, which is observed by the various States in accordance with their competency and their capacities for surveillance. To this extent, I do not currently see any need for additional decisions in this field.

Mr Dunwoody. — Would the President-in-Office of the Council, having listened to a considerable amount of Mr L'Estrange's virulent and quite unbalanced anti-British propaganda, point out to him that Cromwell is not only dead, he is actually buried?

(Laughter)

Mr von Dohnanyi. — *(D)* I will be glad to do so if necessary. However, I thought the fact was fairly well established.

(Laughter)

President. — I call Question No 41 by Mrs Ewing:

Will the Foreign Ministers coordinate their policies as regards the request of Israel and other countries to have the expiry of the time for competent prosecutions of Nazi crimes extended from the end of 1979?

Mr von Dohnanyi, President-in-Office of the Foreign Ministers. — *(D)* However tempted I might be to reply to this question, since it concerns my country and I would be glad to clarify the situation, I am nevertheless unable to do so because the question of the expiry of the time for prosecutions of Nazi crimes is not one which comes under political cooperation within the Community. For this reason, I cannot give a joint answer on behalf of the Foreign Ministers of the Nine, although this is something which, quite frankly, I regret very much.

Mrs Ewing. — While thanking the President-in-Office for his understanding of the motivation, and while I myself think there should be some limitation in terms of years, may I ask whether he is aware of the Convention of the Council of Europe of 25 January 1974 and of the fact that only France signed that Convention? Against the background of the request of Israel, would the Foreign Ministers not think that there is one point they should consider, namely, that West Germany may not by its law extradite its own citizens to other countries; and that it is in that area that the problem with the request of Israel really arises? Should not the Foreign Ministers really include such matters in their deliberations?

Mr von Dohnanyi. — *(D)* This supplementary question gives me an opportunity to say a little more than I was able to say in reply to the original question. I would draw your attention to the fact that the Ninth Penal Code Amendment, which was passed in the Federal Republic on 4 August 1969, extended the expiry period for prosecution in cases of murder to thirty years, and that this was to apply retrospectively to cases for which the expiry date had not yet passed, which would mean that the expiry date for the prosecution of murders committed by the National Socialists would be 31 December 1979. However, this law,

according to which the period for prosecution for Nazi murders would expire on 31 December 1979, does not affect those cases where the expiry period has effectively been interrupted or — since there is more than a whole year left — will be interrupted before this date by, for example, the issuing of a warrant of arrest or the opening of a judge's hearing, since if this happens a new period begins and runs for the same number of years. The deliberations of the Federal Government in connection with the approaching expiry date have not yet been concluded, and I cannot at this stage say that the results are likely to be. I should merely like to say quite clearly to the honourable Member that the Federal Government and those responsible for criminal prosecution would be grateful for any information which might enable them to initiate proceedings to interrupt the expiry period where this has not yet been possible. We in the European Community have particular reason to attach great importance to having a clear legal process within the Community. It is important for the Federal Republic that it should be informed by, in particular, countries outside the Community — such as the Eastern bloc countries or the GDR — of all the facts which would make it possible to interrupt the expiry period by the opening of criminal proceedings. This is possibly also why you drew attention to the Convention of 1974.

Mr Bordu. — *(F)* I should to thank the President-in-Office of the Council for what he has just said and point out that we are not insisting unnecessarily on this point, nor do we wish to give the impression that we are trying to blame an entire nation for its past. This is not our aim.

Nevertheless, even though we are not blaming an entire nation, we cannot, at a time when national socialism appears to be rearing its ugly head again, forget what happened. Indeed, we in France have even seen Frau Geissler, known as 'the bitch of Tulle', come to our country and say. 'It's me, I've come back to buy my foie gras', in a town where she had insulted 99 patriots who were hanged on telegraph poles.

I should like to repeat here what was said by prisoners from Buchenwald when they left the camp: 'We will not forget anyone or anything. We will do it without hate but we will not forget'. This is why it strikes me as important that, from this point of view, we should not feel hatred but at the same time we should not forget this tragedy which took place in the second world war.

Mr von Dohnanyi. — *(D)* I should like to stress on behalf of the Nine Member States, including, of course, the Federal Republic of Germany, that one should not forget anything which happened in the past if one is to overcome it. However, I should merely like to add, Mr Bordu, that if you feel that

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national socialism is rearing its ugly head again, you must be thinking of a country outside the Community. I would be grateful then if you could tell me where this is happening. There may indeed be such countries, but there are certainly none within the Community. I have no difficulty in saying this here in my capacity as President-in-Office of the Council, since I lost my own father in the Oranienburg concentration camp and therefore know exactly what would be involved if national socialism were to raise its head again. I am certain you would help me to chop this head off.

(Applause)

President. — Since the author is absent, Question No 42 by Mr Lagorce will receive a written reply.¹

Question No 43 by Mr Brugha will not be put since it has already been discussed in the debate on the motion for a resolution on the results of the Camp David Summit (Doc 372/78/rev.).

I call Question No 44 by Mr Bordu :

Do the Foreign Ministers consider the practice of restricting access to certain occupations compatible with the resolve to respect human rights in the Community ?

Mr von Dohnanyi, President-in-Office of the Foreign Ministers. — *(D)* I find myself in the unfortunate position of having to tell you once more that this is not a question which can be dealt with under political cooperation. However, perhaps one of the honourable Members will, as in the case of the last question, put a supplementary question which will enable me to go further and clarify this matter somewhat.

Mr Bordu. — *(F)* This question has in fact been answered elsewhere. I should like to say, however, that I sincerely hope that decisions will be taken at national level, since the mayor of Hamburg has just made a statement on this point which strikes us as extremely positive.

Nevertheless, I should like to draw attention to another problem which strikes me as being of considerable importance. The next Lomé Convention may contain a reference to human rights. If an associated country were to ask the same question about a particular Community country, would it receive the same reply as the one you have just given me ?

Mr von Dohnanyi. — *(D)* If I were to be really sharp, I would have to tell you that you should really know that the Lomé Agreements come under the

European Community, i.e. the EEC, and I have already replied that the problem to which you refer is not one which comes under political cooperation between the Nine. These are two completely different questions. To this extent then, I could say that, in putting your question, you have clearly failed to look closely enough at the political and legal aspects of the situation.

However, I will not answer in this way but rather tell you that, as far as the nine Member States are aware, there is no restriction of access to certain professions within the European Community, but that there are differing attitudes and practices in the nine Member States as to how far the appointment of civil servants can be made dependent on their acceptance of the country's constitution. Perhaps, Mr Bordu, you might take note of the fact that the basic principles applied in the Federal Republic are laws which were introduced at the beginning of the 50's in order to avoid situations such as those we witnessed during the Weimar Republic when — unfortunately — any civil servant was in a position to criticize democracy and the republic and at the same time draw his salary. The principles underlining the law which we have not revived were anti-fascist — indeed, there can be no doubt that this is an anti-fascist law.

(Applause)

This law was introduced with a view to preventing the same situation arising as in the Weimar Republic, i.e. that senior civil servants, some of whom, as you know, were taken over from the period before 1945, were in a position to exercise their functions on the one hand, and to criticize the republic outside on the other. No-one in the Federal Republic will deny that this law, which was introduced for the reasons I have described, has to a certain extent been distorted in practice, but even without laws of this kind the procedures followed in other Member States are similar. I have no wish to single out any country in particular, but I doubt whether in any country members of all the various political parties would be admitted, for example, to security bodies and I should like to draw your attention to the fact that this procedure is also occasionally applied outside the European Community, sometimes under conditions which we can in no way accept. I would be glad if, in the interests of the European Community, something could be done, by means of information and greater acquaintance with the facts, to gradually offset the one-sidedness of the views expressed here by certain political forces.

If certain political forces could be more open-minded in their criticisms and judgments this might make our discussions on various problems easier. This means, however, that one must be just as open to the views of others one is to one's own views.

(Applause)

¹ See Annex.

Mr Prescott. — Mr President, this is a difficult and sensitive matter that should always be subject to exchanges between us. My own country, as I have said before, has been involved in the problems of torture and trial without juries in certain parts of Britain. But I do think this discussion is made more complicated when there are Members of this House who accuse ministers in relation to matters of human rights and refer to Lomé, when their own very action was to vote against consideration of human rights in the renewal of the Lomé agreement. I do not know whether the minister is aware of that, but it is the kind of double talk that does not make it easy to discuss these matters in this House.

Mr von Dohnanyi. — (D) I have insufficient experience to know whether the customary procedures in the European Parliament are the same as those in the Bundestag, where I have more experience. If so, you might perhaps allow me to answer this question although it does not directly relate to the matter in hand.

President. — We are very broadminded, Mr von Dohnanyi.

(Laughter)

Mr von Dohnanyi. — (D) Thank you, Mr President. Mr Prescott, the question of the advisability of including 'human rights clauses' is a very difficult one. As we know, the implications of the problems in this field are far-reaching, and for this reason the Community has proposed intensive consultation on this matter with our ACP partners. However, we have also stressed that we are not doing this with a view to interfering in the internal affairs of these countries. I simply want to make this quite clear so that no misunderstanding will arise. On the one hand, there is a major problem, on the other hand, no means of intervention.

Mr Ansart. — (F) Mr President-in-Office, might I point out to you that, as I see it, you have just made a very serious statement, and I would be grateful if you could explain your views on this subject in greater detail. You have in effect said that civil servants have no right to be full citizens, i.e. to have and express political opinions.

I should therefore be grateful if we could get this quite clear, since the very fact that you are justifying to a certain extent restrictions of access to some professions in the Federal Republic is in itself something we cannot go along with. However, you also appear to be implying that these restrictions should be extended to other countries. If so, believe you me, there will be uproar in my country, since we have a long tradition of fighting for democracy for all, including civil servants.

If I go back home with the answer you have just given me, this might put a very different complexion on the debate we had at a previous Parliamentary part-session on the questionnaires issued to Community officials.

However, it would be too easy and too serious for me to interpret your words, and I have no wish to do so. Perhaps you could set our minds at rest on this matter?

Mr von Dohnanyi. — (D) I regret that the previous supplementary question meant that I had to depart from the relatively simple procedure whereby I could have said — as I said before — that this is not a matter for the Foreign Ministers meeting in political cooperation. However, if we are to go on like this and I must, on behalf of the Council, involve all the nine Members, I should like to state quite clearly that I, at any rate, am not aware of any country within the European Community which would deny any citizen, including civil servants, the right to hold and express his own political views. The question is whether the abolition of certain basic rights, e.g. freedom of opinion or freedom of the press, could be a prerequisite for or an obstacle to employment in a particular field. Anyone who pursues such anti-constitutional aims naturally comes up against certain problems. However, Mr Ansart, this is where the matter gets too specific, and I cannot justify going into the details in the context of European political cooperation. I would, however, be grateful if you were prepared to discuss this point openly elsewhere. I am limited in what I can say here in my capacity as President-in-Office of the Foreign Ministers.

President. — The second part of Question Time is closed.

I call Mr Dalyell on a point of order.

Mr Dalyell. — Mr President, you did say that we were broadminded in this House, I think you will agree, Sir, that you did allow the last question to be treated very broadly. I don't quarrel with that, but those of us who have very specific questions on the order paper, such as No 46, feel that it is a bit hard when specific questions which are down remain unanswered in these circumstances.

President. — The time allotted to Question Time is over.

10. Welcome

President. — On behalf of the House I should like to welcome the delegation of the Bundesrat of the Federal Republic of Germany which is on an official visit to the European Parliament.

President

Since its establishment the Bundesrat, which is the representative organ of the Länder of the Federal Republic of Germany, has always taken a keen interest in the problems of European unification. It has thus shown that the Community is important not only to the Member States but also to the regions which form part of them.

(Applause)

11. Votes

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

I shall first put to the vote the motion for a resolution contained in the *Albers report (Doc. 326/78): 1978 Tripartite Conference*.

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, Mr Lezzi, on behalf of the Socialist Group, has tabled Amendment No 1 seeking to delete the words *in good time*.

What is Mr Albers' position?

Mr Albers, rapporteur. — (NL) Mr President, this is an essential amendment. I should have proposed the deletion of these words if it had not been tabled, because the Commissioner's reading of part of a summary cannot be regarded as informing Parliament in good time.

President. — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

I put to the vote paragraph 1 thus amended.

Paragraph 1 is adopted.

I put to the vote paragraphs 2 to 11.

Paragraphs 2 to 11 are adopted.

On paragraph 12, Mr Lezzi, on behalf of the Socialist Group, has tabled Amendment No 2 seeking to replace the words *the European workers' and employers' organizations* by the words *the Standing Committee on Employment and the Economic and Social Committee*.

What is Mr Albers' position?

Mr Albers, rapporteur. — (NL) Mr President, although the change which has been requested — namely, specific reference to the Standing Committee on Employment and the Economic and Social Committee — does not entirely cover the involvement of worker' and employers' organizations, I nevertheless feel that this rather more precise rendering merits attention. I therefore recommend that the amendment be adopted.

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

Amendment No 2 is adopted.

I put to the vote paragraph 12 thus amended.

Paragraph 12 is adopted.

I put to the vote paragraphs 13 to 15.

Paragraphs 13 to 15 are adopted.

On paragraph 15, I have two amendments seeking to add a new paragraph:

— Amendment No 3 by Mr Lezzi, on behalf of the Socialist Group:

15a. Requests its Committee and Social Affairs, Employment and Education to submit a report on the results of the Tripartite Conference;

— Amendment No 4 by Mr Normanton:

15a. Requests its Committee on Social Affairs, Employment and Education and its Committee on Economic and Monetary Affairs to submit reports on the results of the Tripartite Conference;

What is Mr Albers' position?

Mr Albers, rapporteur — (NL) Mr President, I welcome this amendment as it provides Parliament with an opportunity to consider in a subsequent report the Tripartite Conference due to be held on 9 November. In this case I should prefer the amendment which goes a step farther — Mr Normanton's amendment — in asking not only the Committee on Social Affairs, Employment and Education for its opinion, but also the Committee on Economic and Monetary Affairs. I therefore recommend the adoption of Mr Normanton's amendment, which means that Mr Lezzi's amendment will no longer be necessary.

President. — I put Amendment No 4 to the vote. Amendment No 4 is adopted.

Amendment No 3 is therefore no longer necessary.

I put paragraph 16 to the vote.

Paragraph 16 is adopted.

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

The resolution is adopted.¹

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I put to the vote the motion for a resolution contained in the *Dunwoody report (Doc. 318/78): Decision adopting agricultural research programmes*.

The resolution is adopted.¹

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We shall now consider the *motion for a resolution tabled by Mr Dalyell and others (Doc. 369/78): Massacre of seals*.

On paragraph 1, Mr Corries has tabled Amendment No 1 seeking to delete all words after *hunters from Norway*.

What is Mr Dalyell's position?

¹ OJ C 261 of 6. 11. 1978.

Mr Dalyell. — Mr President, Mr Corrie very courteously told me just now that he had to catch a plane to London, and therefore would not be here to move his amendment. I do not know whether he wanted to press it or not, but I think perhaps he shares the view of some of us that Mr Gundelach's excellent statement of last night covers the matter. Our attitude is that this killing of seals should not go ahead until such time as the Gundelach report becomes public. That may mean next year. Our attitude is: let us now wait for the Gundelach report.

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

Amendment No 1 is rejected.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

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

The resolution is adopted.¹

I put to the vote the motion for a resolution tabled by Mr Klepsch and others (Doc. 372/78/rev.): Outcome of the Camp David meeting.

The resolution is adopted.¹

12. *Situation in Lebanon*

President. — The next item is the motion for a resolution tabled by Mr Fellermaier, Mr Dankert and Mr Spénale on behalf of the Socialist Group, Mr Caro, Mr Klepsch, Mr Bertrand and Mr Granelli on behalf of the Christian-Democratic Group (EPP Group), Mr Caillavet on behalf of the Liberal and Democratic Group, Mr Rippon on behalf of the European Conservative Group, Mr Sandri on behalf of the Communist and Allies Group and Mr Kaspereit on behalf of the Group of European Progressive Democrats on the situation in Lebanon (Doc. 378/78). This motion for a resolution replaces the motions for resolutions contained in Docs. 360/78 and 370/78/rev. which have been withdrawn.

I call Mr Spénale.

Mr Spénale. — (*F*) Mr President, by a quirk of the agenda we happen to be discussing Lebanon immediately after discussing the Camp David talks: this is a coincidence, but, I feel, a fortunate one. However, I shall not dwell on this point.

Yesterday, as you pointed out, urgent procedure was adopted in respect of two motions for resolutions, the first tabled by the Socialist Group and the second by the Christian-Democratic Group (EPP). The Communist and Allies Group had tabled an amendment to the first motion, and there was consequently a danger that a major procedural debate would be required to determine precedence, whereas a brief glance through the various documents shows that their aims were the same and that they were similar in wording. In view of this, our methods and procedures should perhaps be revised.

If we agree with the main points of a motion already tabled by one of the groups but wish to make a number of additions, should we table amendments — as the Communist and Allies Group has done — or draft a new motion, thereby forcing the House to carry out the difficult task of rejecting one of two motions tabled for the same purpose? The Committee on the Rules of Procedure and Petitions and the Bureau should examine this question, as the problem will arise again and is bound to cause difficulties. However, our difficulties have now been cleared up, as we have agreed on a joint motion for a resolution tabled by the six groups. This should make for a considerably shorter debate and make it easier to achieve unanimity — a worth while aim under the circumstances.

To turn to the matter in hand, we were all deeply shocked by the recent events in Lebanon. There are two aspects of the situation which we find particularly scandalous: firstly, troops were sent in with responsibilities similar to those of a UN force, i.e. their highly publicized mission was to act as a buffer between certain warring factions in Lebanon. However, although the troops were accepted as a peace-keeping force by the Lebanese authorities, they departed from their mandate, which was to give equal protection to each community, and finally joined in the fight against one of these communities. The result is that such peace-keeping forces may not be used in future, although they could play a valuable part in maintaining peace in certain trouble spots. Special care will have to be taken when selecting such forces, as their role must be essentially neutral.

But the scandal becomes horrifying when we remember that this peace-keeping force finally embarked on a deliberate policy of trying to wipe out a religious community which it was supposed to be protecting. While we can understand that isolated incidents may be sparked off here and there by nervousness or fear in dangerous surroundings, there is absolutely no excuse for the deliberate attempt to slaughter a religious community, as has happened in Lebanon. World opinion cannot remain silent in the face of such atrocities, otherwise we might as well admit that we have made no progress since the days

¹ OJ C 261 of 6. 11. 1978.

Spénale

of the wars of religion, that the Inquisition was a good thing, that we are still in the Middle Ages and that the final carnage is imminent.

For this reason our motion for a resolution is a plea. However, in the interests of effectiveness, and prompted by a desire not to provoke any hardening of attitudes or complicate the task of those whom we call upon to bring about a lasting peace without delay, our motion condemns no one, as this could be done in other debates which are less urgent and less important than the security of the Lebanese communities and the rebuilding of their country. It is concise in the interests of effectiveness and simply requests the Commission, the Council and the Foreign Ministers meeting in political cooperation to hasten a further return to peace based on national unity and the security of all communities, be they Arab, Christian or Israeli. It also calls for immediate aid, together with the resources essential for it to rebuild a sovereign State within its own frontiers. The Socialist Group hopes that Parliament will approve the motion for a resolution unanimously. This House also thanks those in the UN, in particular in the Security Council, who have already helped to establish a ceasefire. We would be pleased if the President-in-Office of the Council could tell us the Council's position and give us an assurance that the motion for a resolution will be given the attention it deserves and that effective action will be taken.

IN THE CHAIR : MR LÜCKER

Vice-President

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

Mr Caro. — (*F*) Mr President, I should first of all like to say that my group is pleased that a successful attempt appears to have been made to enable the House to adopt a unanimous position in this distressing debate.

We are shocked and horrified at the appalling situation in Lebanon and at the senseless slaughter of the Christian community. Our duty now is to take action : that is the gist of the motion before us. In the face of the atrocities perpetrated in this small country, which symbolizes tolerance and constructive co-existence between the Judaeo-Christian civilization of the West and the Islamic civilization of the East, Europe should take a united stand. We are shocked and horrified at the dreadful situation in Lebanon. At the end of just one week of intensive artillery attacks, the International Red Cross published the following list of civilian casualties : over 500 dead, over 2 000 wounded, about 45 000 homes destroyed, 400 000 homeless, and half of Beirut devastated, not to mention the 700 000 Lebanese refugees who daily bear witness to their country's suffering.

We are shocked and horrified at the savage slaughter of the Christian population, which forms an essential part of the Lebanese community. We are shocked and horrified at the appalling plight of the Christian ghetto in Beirut, which is doomed to destruction. Ashrafiyed — let us remember his name with sorrow, for it will be written in blood in the gloomy history of humiliating defeats suffered by free communities.

We are shocked and horrified at the atrocious military action perpetrated by the Syrian forces, who were unable to change the strategic positions of the warring factions and so turned their attention to the cold-blooded slaughter of civilians. Is this senseless killing going to escalate further? Will the survivors be starved by economic sanctions? The honour of Europe is at stake : our cause is the fate of Lebanon, and the time to act is now.

If we analyse the problems posed by the present situation in Lebanon, we find an obvious link between the pressure mounted by Syria and the Camp David agreements. The immediate aim is not to wipe out the Christian forces but to undermine the Camp David agreements by forcing Israel to intervene on behalf of the Lebanese Christians.

The opinion has also been advanced — notably by Mr Raymond Eddé, Head of the National bloc — that Syria could be using Lebanon as a *quid pro quo* for acceptance of the Camp David agreements or a non-aggressive pact with Israel. This theory seems to be borne out by the fact that resolution No 436 recently passed by the United Nations Security Council contains no reference to the internationally recognized Lebanese frontiers, although these were mentioned in Resolution No 425 of March of this year. The Camp David agreements have taken us one step further along the difficult road to peace and will apparently lead to the sharing of power in the Middle East. We accept the Camp David peace agreements, but we would have to reject them if Camp David turned out to be another Yalta, with whole sections of the population subjected to the control of certain powers on the principle of non-intervention. Are we going to stand idly by and witness another Budapest? Our concept of peace is based on respect for the rights of man and of nationalities. We must ensure that this concept prevails.

Despite the ceasefire the situation is still extremely precarious. The ceasefire was not the subject of an agreement and was not followed by proposals for a settlement. Furthermore, the Soviet Union, in the joint communiqué published following President Assad's recent visit, has promised to strengthen Syrian military potential. As a sign of an impending resumption of hostilities, the Soviet Union is evacuating its citizens in Lebanon, and a regular Palestinian unit has reportedly arrived in Beirut. This coincides with Israel's religious festival Yom Kippur, which marks the anniversary of the Yom Kippur war.

Caro

We therefore need to draw up proposals for a political settlement without delay, as suggested the day before yesterday by President Giscard d'Estaing. Lebanon urgently needs to be given every opportunity to restore its traditional balance and to re-establish peaceful coexistence between religious and minority groups. If this senseless killing were to break out again, we would be forced to agree with Jean Daniel of the *Nouvel Observateur* that Syria's attitude could raise a question for civilization which is of far greater significance than day-to-day policy: can the Arab world assimilate non-Moslems?

It would be disastrous for mankind if this all-important question is not answered very soon in the affirmative. What are we in Europe doing to help? Diplomatic action, speeches, motions and demonstrations are all very fine, but what is the result? Political pressure would be even better. I must, in this connection, pay tribute to the efforts made by the national governments, and I am sure you will not take it amiss if I pay special tribute to the government of my own country.

But what are we Europeans asking for? This is where the motion before us may prove effective. We are asking the Foreign Ministers meeting in political cooperation to get together without delay to adopt a clear stand and courageously voice Europe's outrage.

For what purpose? To save the Christian community from being systematically wiped out by the Arab peace-keeping force and to prevent a resumption of hostilities; to preserve at all costs Lebanon's internationally recognized frontiers on the basis of United Nations resolution No 425 of March 1978 and to keep alive hopes of a just and lasting peace in the Middle East following the Camp David agreements.

The problem is how can these goals be achieved? Without doubt, the most satisfactory solution would be to send in a United Nations peace-keeping force without delay. This would be responsible for ensuring that the ceasefire is observed until a political settlement has been reached.

My group thinks it would be a very good idea for the nine Member States to agree to offer to the United Nations troops to be sent to Lebanon as a token of Europe's solidarity with an oppressed community. However, if the United Nations refused to do this, our governments should act on their own initiative. I think it worth while to read out a particularly moving appeal which some of you may have read in the press and which accurately reflects our attitudes to this present-day tragedy. It was made recently by Professor Milliez of the Broussais Hospital in Paris, who is a member of the Supervisory Board of the Faculty of Medicine at Beirut University: 'Protests of a purely formal nature are now being made in various parts of the work concerning the massacres which have been afflicting the Lebanese Palestinians for

years. Europe should be ashamed of its silence and apathy. What does it matter if those affected are Jews, Christians or Moslems? The only thing which counts is the death of innocent people, for the guilty are always protected. When will the West, which calls itself civilized, stop passively witnessing its own demise? It all started with Hitler 40 years ago, and it is going on today with the genocide being perpetrated in the Middle East. How shameful to die lying down!

At a time when the people of Europe are being called upon to exercise their sovereign right to elect the European Parliament by direct universal suffrage, we should demonstrate the credibility of this united Europe, for which we have worked and struggled so hard. Crimes against humanity are crimes against ourselves and our children. We must stand by the oppressed, whatever their colour or opinions. Let us act quickly and emulate the remarkable enthusiasm and courage of John Kennedy, because today, in our shock and horror at the slaughter of the Christians of Ashrafiyeh, we are all Lebanese. May the Europe which we represent do its duty and remain the hope of the free world!

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

Mr Pintat. — (F) Mr President, Mr President-in-Office, ladies and gentlemen, the guns have fallen silent in Beirut, but the ceasefire is precarious. The latest information suggests that fresh attacks by Syria may be imminent. As Mr Caro has just pointed out, the warning signs are not misleading. More Syrian and Palestinian troops have been moved to Beirut, and the Russians are evacuating their diplomats and technicians together with their families.

For four years the world has stood idly by while a sovereign State has been going through its death throes. In the absence of sufficiently large-scale intervention by the United Nations, peace and order will not be fully restored unless an effective peace-keeping force is sent in quickly. The Community has a humanitarian task to carry out: we must open our doors to refugees and grant greater financial and technical assistance to the Red Cross and the Red Crescent to help the unfortunate victims of this horrifying conflict. At a later stage, the country must be rebuilt on the basis of the cooperation agreement. For the moment, however, we must take swift action to halt the slaughter.

The governments of the Nine must urge Moscow to observe the United Nations resolution. At the same time they must effectively press Syria to respect the ceasefire. By giving military aid to the Palestinians in order to gain a foothold in the Lebanon, and by entering Lebanon in the guise of protectors of the Christians in order to terrorize them even more later, Syria is no longer hiding its intention to annex Lebanon. We must do our utmost to ensure that

Pintat

Lebanon is not simply taken over by Syria. Forty years ago the major European democracies sacrificed Czechoslovakia for the sake of an illusory peace. The situation in Lebanon is even more complicated, and the Liberals fear that, by sacrificing Lebanon, we could be posing an even greater threat to world peace. Lebanon is a State recognized by all other States, and if the West accepts its annihilation, this will encourage terrorism on a world-wide scale. Action must be taken quickly to avert such a situation.

To begin with, the Syrian troops should be replaced by troops from other Moslem countries not directly involved in Middle East politics, for example Morocco, Tunisia, Iran, etc. The United Nations should also try to introduce Christian troops alongside the Arab peace-keeping force to consolidate the balance between Christians and Moslems in this divided country. Action must be taken immediately, for we cannot discount the possibility that the Syrian and Palestinian troops may launch fresh attacks to nullify the very welcome results of the Camp David talks. Provocation of this kind could force Israel's hand: Israel has renewed its promise to help the Christians because Europe is not playing a responsible part. Europe has for too long been discussing Middle East problems in terms of citrus fruit quotas and oil supplies. Of course, these are important issues, but our consciences must be aroused by the tragic events in Lebanon. We must take action now. The democracies of the West must oppose the imperialistically motivated exploitation of the plight of the Lebanese people.

Of course, the cause of these religious disputes is deeply rooted in the history of Lebanon. But they are purely artificial and have been stirred up by those with vested interests in the fighting, for throughout the twentieth century the various ethnic groups in Lebanon have shown that they can live together in peace and mutual respect. This House should make a unanimous appeal for cooperation among our nine national governments. They should meet to adopt a joint position, and take the necessary risks together.

Why not include European troops in a UN peace-keeping force? The aim is to restore peace in Lebanon, to ensure that it is truly independent and to drive out all those who are cold-bloodedly and savagely interfering in its internal affairs. For this reason the Liberal and Democratic Group will be voting unanimously in favour of the motion for a resolution, as it hopes that the nine governments will jointly take swift action to save Lebanon.

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

Mr Bordu. — (*F*) Mr President, Lebanon is being torn apart, its unity is threatened, and its communities

hitherto in a state of precarious balance imposed by French colonialism, are the victims of forces which are clearly seeking to partition the country.

The lasting settlement which this country needs depends on a solution to the whole Middle East question. The social conflicts which are devastating Lebanon have arisen because the Palestinian question has not been given the full attention of all the parties involved in the Middle East situation. The life of a community — and at the same time the life of the Palestinian people, which is forced to make its home wherever it is given a welcome — is at stake in Lebanon. We must remember that the Palestinians' struggle has been conditioned by the attempts to isolate them, and the successive rejections which these attempts have entailed: their struggle has many aspects, both positive and negative, depending on the behaviour of individuals, some of whom have lost all self-control.

These questions have to be discussed if we are to resolve them, but this may prove awkward for those who wish to partition Lebanon and who prefer to ignore the Palestinian problem, believing, at worst, that the slaughter of Palestinians is a lesser evil than the slaughter of other communities. The slaughter of all communities must be stopped, and I would remind the House that, before the Christians, the Palestinians were the victims of a justly condemned repression.

The Palestinian resistance, which was driven out of Jordan in September 1970, found a refuge in South Lebanon, and its presence there is governed by the Cairo agreements of 1969 between the Lebanese authorities and the Palestinian leaders.

Since we have to consider the future of the Lebanese people as a whole, we should take account of the aspirations and well-being of all the communities in Lebanon. We would have preferred the motion for a resolution to refer directly to the well-being of the Palestinians, in the same way as reference should be made to the religious communities. However, as the motion refers to all communities without discrimination, we are satisfied with it and have withdrawn the amendment tabled to this effect. We shall therefore be voting in favour of the motion as it stands.

In conclusion, I hope that the situation in Lebanon is not worsened by the intervention of a new force, as certain extreme right-wing Lebanese leaders hope. This would only add to the confusion in Lebanon. We remain convinced that it is up to the people of Lebanon to decide on their own future. In our opinion the only solution is to observe the UN resolutions calling for Israel's withdrawal from occupied territory, to hold talks aimed at involving the UN, to recognize the Palestinian people's right to an independent State, and to respect the sovereignty of all the Middle East countries, including, of course, Israel.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, the Commission shares most of the sentiments expressed in this debate. These appeals are especially important at the present moment. But the practical questions of aid to the Lebanon are just as important. As you know, we are currently supplying extensive food aid and we hope that it can continue to be distributed to the population without any major delays. In addition we granted, via the Red cross, special aid of 100 000 u.a. in March of this year, and we are willing to provide more aid. As soon as we receive requests from the Lebanese Government and authorities, we shall deal with them rapidly. We want to see to it that help is brought quickly to the people who are now experiencing so much suffering there. Everything you can do to stabilize the political situation should be accompanied by practical aid.

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Council. — (D) Mr President, I should like to stress that the governments of the nine Member States of the Community share the concern expressed by the House, and that we consider the effects of the tragedy in the Lebanon on the people and its wider political implications to be extremely serious. The Lebanon and the present conflict there are bound up with many different interests, and anyone who wants to ease or even solve the problems of the Lebanon must realize that many different levels are involved, possibly more than almost anywhere else in the world. There are questions of international politics which overlap. There are problems of regional security for the country's immediate neighbours. Questions of international importance regarding raw materials are involved in the Middle East conflicts, and in the Lebanon itself there are social and religious problems which aggravate and deepen this concentration of international problems there and make it particularly explosive.

The Foreign Ministers and the Heads of Government of the Nine really have taken every opportunity in recent years to discuss the many facets of these problems with our partners in that part of the world — despite the comment just now that there has been nothing but speeches, more speeches and resolutions! It is a welcome fact that, with world politics as they are today, persuasion, negotiation and the recognition of interests remain the most important instrument of policy. Therefore what the Foreign Ministers and the Heads of Government of the Nine have done to ease or to solve the tragic conflict has been directed towards this end. In representations made on 6 October in Damascus, Tel Aviv and Beirut through the Presidency — in the person of the Foreign Minister of the Federal Republic — the nine Member

States of the Community made an urgent plea for moderation and an end to the fighting. In doing so, they used their personal relations with the Foreign Ministers or the Heads of Governments in order to make a further contribution — a bilateral one — to the stabilization of the situation.

In the United Nations Security Council the Nine, represented by the Presidency, brought their weight to bear — if I may put it like that. After thorough consultation, the Foreign Minister of the Federal Republic, as President of the Community, called on the various factions to cease hostilities and acts of violence, and bilateral aid is being provided by the Member States, who are thus supplementing the multilateral aid which the Commission intends to provide.

I would stress once again that we are witnessing in the Lebanon a tragic combination of various interests, and the Council, the Foreign Ministers and the Heads of Government of the Nine regard it as their duty — in keeping with the sentiments expressed in this debate — to do everything possible to help to alleviate the suffering of the Lebanese people, and ultimately to help to bring peace to the whole region, which is after all the real aim.

President. — Thank you, Mr von Dohnanyi, for this statement and especially for the information about what has been done in the last few days by the Council of Ministers and the governments of the Member States. Unfortunately, I cannot help feeling that the general view in the House is that things are not actually happening as we have heard from the speakers. Consequently, I presume that the Political Affairs Committee, even after the vote on the motion for a resolution, will make a point of continuing to consult the Council and the Commission on this matter over the next few days.

I note that there are no more requests to speak. The vote on the motion for a resolution as it stands will take place during voting time tomorrow. The debate is closed.

13. Situation in Nicaragua

President. — The next item is the motion for a resolution (Doc. 361/78) tabled by Mr Fellermaier, Mr Spénale and Mr Dankert on behalf of the Socialist Group and Mr Klepsch, Mr Bertrand and Mr Caro on behalf of the Christian-Democratic Group (EPP Group) on the situation in Nicaragua.

I call Mr Holst.

Mr Holst. — (DK) Mr President, when Parliament was voting yesterday on whether this motion should be dealt with by urgent procedure, there was criticism from one Member at least, and I had the impression that his views were shared by others.

Holst

It was asked why Parliament should discuss a question on Nicaragua, which is so far away from here. The President of Parliament stated yesterday that, if the Foreign Ministers and governments of the nine Member States could discuss situations such as the one in Nicaragua, this Parliament should also be able to do so. I would go a little further and say that, since we sent Members to the third Latin America-European Parliament Inter-Parliamentary Assembly in Mexico in July 1977, which was concerned with human rights, it would be strange if we were not to display an interest in what is going on in this field. This is why Parliament is today discussing Nicaragua.

Allow me a wry comment. If Parliament has the will, the time and the energy to discuss motions on wine labels, I think we should also find the will, the time and the energy to discuss violations of human rights and the thousands of refugees who are today suffering under conditions which we cannot simply ignore.

On behalf of the Socialist Group, I should like to thank the Christian-Democratic Group for having been so good as to join us in tabling this motion. There are two sides to the motion: the first concerns aid to the large numbers of refugees who have recently crossed from Nicaragua to Costa Rica and are now in an extremely difficult situation.

The Vice-President of Costa Rica, Dr Rodrigo Altmann, has called for help since, even with the best will in the world, Costa Rica is not in a position to care for the 7 000 refugees already there, far less the 10 000 who may still be coming. It is thus physical aid which is required now, and this is what the motion calls upon the Commission and the governments of the Member States to provide.

It is primarily a question of providing shelter for the 7 000 refugees already there; it is a question of providing help in the form of medicine, blankets, tents and such like — and it is tragic to hear from Costa Rica that what they need most is medicine suitable for administration to children.

This is one side of the motion. The other side concerns the political situation, for it must be pointed out that what is involved here is not a natural disaster. What is involved is a political move by a dictator whose family has been in power in Nicaragua since 1933 and who has blocked any moves to establish a democratic government.

The motion for a resolution is thus also intended as a call for the release of the political prisoners in Nicaragua. It is intended as a call for the United States, in particular, to use its influence and its contacts to make direct representations to the government of Nicaragua — in the sense that such a move would represent support for the respect of human rights throughout Latin America.

At the same time, we call upon all like-minded forces in the UN to take immediate steps to prepare the way

for both emergency aid and political measures. The situation at the moment is that only a few international aid organizations are operating on the spot in Costa Rica. Among these is a new organization — at any rate it is new to me — which has already achieved a great deal. This is the Longomai movement, and I should to mention it by name here, since I feel we need all the aid and all the goodwill we can get to cope with all the difficulties arising from the situation in Nicaragua which — to put it mildly — is now extremely serious.

I would therefore ask you all to support this motion, and to do so with the aim of ensuring that human rights are respected, with the aim of ensuring direct aid for the refugees in this difficult situation, and with the aim of helping Costa Rica, which does not have the physical and material resources to meet this challenge itself. Mr President, I am sure that you — as chairman of the group involved in cooperation with Latin America — will agree with me that this is a suitable and constructive expression of our interest in this field.

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

Mr Fioret. — (*I*) Mr President, as Mr Holst reminded us in his speech, some Members expressed doubts yesterday morning about the urgency of a debate on the motion for a resolution on the tragic events in Nicaragua.

The President, Mr Colombo, with great firmness — and rightly — reaffirmed the right and duty of Parliament to express its views as early as possible whenever basic human rights are violated by any government or régime.

Indeed, duty to denounce political oppression falls to us even more as human beings than as politicians, for wherever human rights are violated — under whatever ideological or political pretext — the tocsin of freedom is sounded above all for our own consciences, in that our very humanity is injured, and because any silence or acquiescence on our part would make us guilty of not voicing and broadcasting the suffering of the victims.

Aware that, even now, fundamental freedoms are being crushed by dictatorial régimes with increasingly cruel and sophisticated weapons and methods — particularly in the case of those peoples who, having acquired self-awareness, reject tyranny and dictatorship as a form of government — the European Parliament last June solemnly approved an exemplary resolution on human rights throughout the world, to show not only that we condemn those who do not respect them, but also that the free and democratic Europe which we represent refuses to have any dealings with those régimes which play havoc with human rights.

Fioret

The bloody oppression carried out by the Nicaraguan Government takes us back to the days of the most crude and ferocious barbarism, for it has not only struck at the political enemies of the Somoza régime but has also involved in the slaughter the innocent and defenceless population, which has been forced to avoid massacre by seeking refuge in the neighbouring Republic of Costa Rica.

Therefore, as well as expressing the most forthright condemnation of the dictatorial régime in Nicaragua and demanding that the genocide being perpetrated in that country should cease, the Commission and the Governments of the Member States should take immediate steps to provide the Government of Costa Rica with the funds needed for the supply of aid and for the organization of reception centres for the refugees, as a clear manifestation of European solidarity with the victims.

The Christian-Democratic Group, on behalf of which I have the honour to speak, is convinced that if Europe establishes a real presence and takes effective action in South America to defend the oppressed, the conclusions of the Third Latin America — European Parliament Inter-Parliamentary Assembly on human rights of July 1977 will acquire precise and momentous political significance and will demonstrate that the Declaration of Human Rights is not merely a flag which we wave in our Parliaments, but is given practical expression in concerted actions which can become a point of reference for peoples who are fighting for freedom.

In reaffirming therefore, the full support of the Christian-Democratic Group for all points in the motion for a resolution tabled by Mr Klepsch and Mr Fellermaier, I would particularly stress the urgent need for the Foreign Ministers meeting in political cooperation to take joint action at the United Nations to facilitate humanitarian measures and to support the mediation of certain member countries of the OAS in order to start a process of democratization in Nicaragua.

Allow me, Mr President, before concluding my speech, to express in this House our sincere solidarity with the leadership of the Christian-Democratic Party of Nicaragua, who imprisoned together with leaders of other parties, by manifesting their faith in democracy, are sowing the seeds of liberty in Nicaragua, and let us hope in the whole of Latin America, to which Europe should give greater attention and more aid, precisely to encourage progress towards democracy and liberty, a process which is nearly always speeded up by more humane and civilized conditions of life.

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

Mr Sandri. — (I) Mr President, I should like very rapidly to stress one particular aspect of the tragic events in Nicaragua. A few weeks ago it seemed that General Somoza, the Nicaraguan dictator, was vacillating and about to step down as a result of the blows and the pressure of the popular masses who had joined the fight under a variety of flags. I would remind you that even the moderate political forces had decided to take part in the uprising, encouraged in this by repeated appeals from the United States of America and from President Carter himself, who had warned Somoza against continuing his repression. General Somoza's only response was to defy the President of the United States on television a fortnight ago by stating that he could count on more friends within the United States Congress than could the President himself. This bloodthirsty satrap of a banana republic was thus able to defy the President of the most powerful country in the world, and even more surprisingly the State Department took this slap in the face without reacting — an event without precedent, I think, in diplomatic history! At the same time the Nicaraguan National Guard, composed of 7 000 criminals chosen from all the prisons of Central America and paid directly by the Somoza family — which has dominated the country since 1934, the current president being the grandson of the first dictator — was carrying out the massacres to which other Members have referred. The Red Cross has told of 5 000 killed in this campaign of repression and of a city completely destroyed by aerial bombardment.

As things stand, the Communist Group takes the view that although this motion for a resolution is otherwise acceptable, point 4 should be modified for precisely the reasons I have mentioned. It does not seem to me appropriate to appeal to the Government and Congress of the United States to exert their influence. It is not merely a question of influence! If we really want to make an appeal, given that the United States are the masters, we must simply ask the United States Administration to cut off every kind of aid — economic, military and political — hitherto given to the Nicaraguan Government. I should like to remind you that this year, 1978, which was to have marked the beginning of the restoration or establishment of human rights in Latin America will instead go down in history as the year of the 5 000 dead in Nicaragua.

As for the European Community, I believe that if we do not want to waste our energy on sincere but ineffective wishes, At that must ask the Commission and Council of Ministers to take humanitarian action. The European Community has already had occasion, some years ago, to provide substantial aid to the Nicaraguan people following the earthquake which devastated the country. At that time, as you will remember, Somoza added the Community aid and that of the whole international community to his personal fortune, and was denounced by the United Nations for doing so. This

Sandri

time, therefore, we should send the aid to the Government of Costa Rica, which was freely elected, so that it may help the refugees. For the rest, let the European Parliament, at the forthcoming fourth conference between it and the Latin American parliament, undertake to put its cards on the table by stressing the need for Europe to start an effective and beneficial dialogue with Latin America, and for the latter to put an end to the long sequence of persecutions, repression and oppression which has hitherto afflicted that unfortunate but noble continent.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, here again, I should like to concentrate on the practical aspects. We have a request from the Red Cross for immediate aid of 1.1 million EUA, and they have also asked us to provide food aid. We have done our utmost via the Community's office in Caracas to get as clear a picture as possible of the situation to see what can be done. Here also we want to help quickly. But I must point out to Parliament that Article 950, i.e. the fund set up under the budget for this purpose, imposes certain restrictions on us. So far this year we have given considerable aid to India and Vietnam, and we have now reached a point where this fund will soon have to be replenished. If fresh resources are not made available, we shall soon be unable to do anything in this most important matter with its very real human consequences.

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Council. — (D) Mr President, this is one of those moments when it would be easier to be a Member of this House than to have to stand before it and give a reply.

I should like to state that, officially, the Council has not yet dealt with the political implications. However, I take note of the resolution, especially paragraphs 5 and 6, and I intend to try, on the sidelines of the Council meeting on 17 October, to find a chance to talk to my colleagues from the other eight Member States about the debate in this House and about the resolution, especially paragraphs 5 and 6, so that the Council will very soon be able to take account of this debate in its deliberations.

I should like, if I may, to make a personal remark. The fact is that in cases such as this our scope for effective political action is necessarily limited. This limitation, however, does not apply to what we know but only to what we can do. There is no doubt that knowledge of the events which have taken place in Nicaragua not only serves to satisfy curiosity, but that if we know about them but do nothing, we are automatically partly to blame. The fact is that there is only a limited amount which we can achieve in the country itself — as indicated in the resolution. But I

think that as far as political refugees are concerned — and I address these words to the Commission as well — we really should be able to help. Since modern communications enable us to know about everything that happens in the world, we naturally become involved in all natural disasters, and it would probably be too much for the Community if it had to provide total relief in all cases. We make our contribution, but we cannot provide total relief. When it comes to political disasters in which political refugees are involved, however, the numbers can never be so great, Mr Brunner, as to make it impossible to help. After all, Europe has its own history of political persecution — and if I may make yet another personal remark, in the 1930s my own country was the cause of a great stream of political refugees throughout the world. At that time many countries outside Europe helped, and my appeal — which once again is addressed only to the Commission — is that we should learn from our own European history and, as Europeans, do more for political refugees throughout the world who do not present us with an overwhelming financial burden. In any case I — and as I said, this was a personal remark not made in my capacity as President of the Council — shall try to see to it that, as regards the fund — which, if my information is correct, Mr Brunner, makes no distinction between natural and political disasters — through can consider how the European Community can in future live up to its real tradition, as the standard bearer of political freedom and give all political refugees, better, more rapid, more extensive and more effective aid. I would add that this is a personal remark; I cannot include anyone else in this statement, but you can rest assured that I shall endeavour to make my contribution so that Europe can improve matters in this respect.

President. — Thank you, Mr President-in-Office, especially for the personal commitment you expressed at the end of your speech, namely the intention, through this extension in the scope of the Community's fund, to provide more rapid, more immediate and more effective aid in future. I think that you raised a point here which, as I noticed, met with the agreement of Parliament, and we wish you every success.

Since Mr Holst and Mr Sandri raised the question, I would point out to Parliament that the preparations for the fourth conference with the Latin-American Parliament are more or less complete. We had another meeting on the subject yesterday; these questions will be dealt with thoroughly at the fourth conference not only very generally, as hitherto, but quite specifically, as we decided the last time in Mexico. As a result of our contacts over the last few days with President Manzanillas, we are expecting tomorrow afternoon a delegate from the Latin-American Parliament for talks on, among other things, the question dealt with in the resolution and discussed here in Parliament.

President

I note that there are no more requests to speak. The vote on the motion for a resolution and the amendment which has been tabled will take place during voting time tomorrow.

The debate is closed.

14. *Community energy policy*

President. — The next item is the joint debate on two motions for resolutions :

- motion for a resolution (Doc. 315/78 by Mrs Walz on behalf of the Committee on Energy and Research on adapting the objectives of the Community's energy policy to the latest developments ;
- motion for a resolution (Doc. 316/78) by Mr Flämig on behalf of the Committee on Energy and Research on the need for the Council to take urgent action on the Commission's outstanding proposals in the energy sector.

I call Mrs Walz.

Mrs Walz. — (D) Mr President, ladies and gentlemen, the Committee on Energy and Research has tabled two motions for a resolution, each of which complements the other and which will therefore be dealt with together.

I should like to begin by commenting on the adaptation of the Community's energy policy objectives to take account of recent developments. As you know, the European Council meeting in Bremen on 6 and 7 July and the World Economic Summit in Bonn instructed the Energy Ministers to take — at long last — the necessary decisions of principle so that progress could finally be made. The Council of Energy Ministers will be meeting on 30 October, and we have to ask ourselves what political situation it will be confronted with. The current President of OPEC, Mr Sabah, said in the latest issue of 'Der Spiegel' that the loss of purchasing power suffered by the OPEC countries as a result of the devaluation of the US dollar and of inflation in the West had been substantial. He thought that OPEC would be doing the world a favour by increasing its prices by something like 10 %, which would, in his opinion, be the only long-term way of avoiding an increase in the consumption of oil.

Ladies and gentlemen, the European Community is already spending 50 000 million dollars — or 20 % of the Community's foreign exchange earnings — on imported energy supplies. How will we cope with the economic and social consequences of spending another 5 000 million dollars on energy instead of investing it? And what about the developing countries, who would be most seriously affected by such a move? The second item of news which went round the world in the last few days has been the study produced by the American Secret Service, which claims that the world's known oil reserves will last

something like two to three times as long as had hitherto been thought, in other words, something like 60 — 90 years if all the known reserves in Alaska, off America's Pacific coast and in Siberia were to be fully exploited. The big oil companies, however, are sceptical about this report, claiming that while reserves in places like the Arctic are indeed very extensive, there is no sign of the Soviet Union overcoming the technological problems standing between them and their oil reserves. And anyway, no-one has the faintest idea where the enormous amounts of investment capital are supposed to come from. So when our motion for a resolution refers to the Community's increasingly precarious energy supply situation, we are referring to our traditional suppliers in the Near East, despite the present glut of energy supplies which is making all our political decisions so difficult at the moment. Admittedly, the Camp David discussions have given rise to a certain amount of hope in this respect, but the reaction of other Arab states and the recent events in Iran and the Lebanon have shown just how precarious the Community's energy supply situation is. We know that we are vulnerable to blackmail, and we do not know how long the current regime can hold out in Iran and what repercussions the situation in Iran may have on, for instance, Saudi Arabia.

Our supply situation is further worsened by the enormous American consumption of oil, which has not only landed us with the dollar crisis, but will also result in oil becoming scarce earlier than expected, with an attendant explosion in the price of the available oil. 6 % of the world's population lives in the USA and accounts for 31 % of the world's energy requirement. It is true that President Carter agreed at the World Economic Summit in Bonn to cut the US's present level of imports to something like a half, or 222 million tonnes, by 1985, but leading experts in the USA, on the other hand, are talking in terms of imports amounting to 590 million tonnes by 1985 — in other words 150 % more than the current level — and this despite the energy saving programme.

And what, in the meantime, are we doing, ladies and gentlemen? Although all the assembled experts at the World Energy Conference in Istanbul — from East and West — agreed that coal and nuclear energy were the energy sources of the future, the production of coal is falling. We cannot reach our target of 250 million tonnes; 60 million tonnes are lying on the stockpile. It remains to be seen what long-term effect this will have on pit closures. The Community's target of 90 gigawatt for 1985 has again had to be cut to 80 gigawatt, although the original target was, if I remember rightly, something like 140 gigawatt. Fast breeder technology is threatened, and perhaps you, Mr Brunner, could do something in a personal capacity in this respect, as I imagine these people in North Rhine Westphalia are good friends of yours. But fast breeder

Walz

technology is under threat and no progress is being made on the question of the disposal of radioactive waste. This again is a question which we have to tackle. Certain people are encouraging us to aim for zero growth, and these same people sing the praises of soft technologies, which would enable us to decentralize the production of energy but would utterly change our whole way of life.

The developing countries are left with solar energy and hydroelectric power — in so far as they have the necessary resources — and bioenergy, although here again nobody knows where the money needed for capital investment is supposed to come from.

So, without pulling our punches, and in particular in order to bring home to our own peoples the risks inherent in our present pattern of energy supplies and the consequences in terms of job security, we call on the Commission to submit a medium-term and differentiated energy model which is as complete as possible. The various scenarios should take particular account of the social and economic consequences of continuing inactivity in the coal sector and of continuing setbacks to the development of nuclear energy. The Commission's model should also take account of the rise in the price of oil and its effects on the price of other energy sources, which would of course also rise and thus adversely affect our competitiveness and jeopardize jobs in our countries. The Council should do everything to support this energy policy study, because we can only take realistic decisions in our national parliaments if our peoples are really aware of what the future holds in store for them. Of course, we realize how difficult forecasts of this kind can be, especially as uncertainty attaches to virtually all the essential factors. This is of course the main difficulty, and this is why we need alternative models. But since energy policy must be planned for years ahead — which is, as I said before, extremely difficult at the moment because of the glut of energy supplies, and because our peoples simply do not believe that we do not have enough energy — those faced with making the vital decisions must be presented with clear alternatives so that they cannot shirk their responsibilities. It is therefore high time that we formulated a common and concerted energy policy, although I am well aware that the Treaties do not state this in so many words: this problem has only been recognized fairly recently, which makes it all the more urgent now.

The Commission and the European Parliament have submitted the appropriate proposals to the Council, and these proposals should not be allowed to fail on the grounds of lack of unanimity, which is not a principle required by the Treaties. I could perhaps refer here to the fisheries policy, where a precedent was set.

The Council of Energy Ministers is faced with a great responsibility. The joint evaluation and coordination of the national energy programmes must lead to a

joint and coordinated energy policy, not only in Europe, but — as was stated at the Bonn Summit — in the West as a whole.

President. — I call Mr Flämig.

Mr Flämig. — (*D*) Mr President, ladies and gentlemen, the motion for a resolution tabled by the Chairman of the Committee on Energy and Research, Mrs Walz, on adapting the objectives of the Community's energy policy to recent developments, is undoubtedly necessary and appropriate, and I should not like to repeat anything Mrs Walz said in her speech. She has our full support, and we also feel that a medium-term differentiated energy model as called for in the motion for a resolution could be a useful instrument. We attach particular importance, Mrs Walz, to point 3, which again calls on the Council to take account at long last of the proposals made ages ago by the Commission.

My colleagues and I thought it right to go even further than calling on the Council to follow up as soon as possible the European Council's directives on energy policy of 6 July 1978. We have therefore tabled an additional motion for a resolution, which has been adopted by the Committee on Energy and Research. Our motion for a resolution is quite deliberately aimed at the next meeting of the Council of Energy Ministers. I very much regret the fact that the representative of the Council left the Chamber just a few minutes before this debate commenced, because it was our intention here to point out a few things most forcefully to the Council. We are afraid that the Council — which we know only too well — may use points which are expressed in rather general terms, such as our calling on the Council to devote special attention to the preparation of an energy policy study, as a welcome excuse for once again delaying the formulation of a Community energy policy. It was for this reason that we wanted to tell the Council — and I hope that the Council will take note of this — that the time for doing things 'as soon as possible' and 'soonest' is now past. The forthcoming meeting of the European Council must mark the end of vague declarations of intent and the start of a new phase of real work on the establishment of a Community energy policy.

Mr President, in May of this year, the Danish minister Mr Nørgaard addressed our Committee on Energy and Research on behalf of the Council. On that occasion — which was just before the meeting of the Council of Energy Ministers — he promised that the Council was about to approve what he called a 'package deal', which came as a relief to all of us. At last, we thought, some coordinated action was about to take place. At last, we thought, we were getting away from the make-do-and-mend attitude of plugging a gap here and appeasing a few environmentalists there, away from an interminable stop-go policy to a genuine policy package deal. And what was the upshot of all this,

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ladies and gentlemen? As if we didn't know — nothing but one huge disappointment from beginning to end. The meeting on 30 May once again produced nothing whatsoever.

Mrs Walz has just reminded us that the big chiefs, if I may call them that, namely the European Council (many of our citizens have given up trying to distinguish between all the councils which are kicking around now, not to mention the summer summit conferences in Bremen and Bonn) have promised to make intensive efforts to reach a common Community position on energy policy. We see this as a call by the heads of government to their energy ministers to get down to doing something at long last. Well, now the ball is in the Council's court and now we really want to see some action because our patience is exhausted.

Mr President, we take no pleasure in joining in the interminable old lament about the shortcomings and inconsistencies in the energy policy sector. We have gone over this ground often enough in the past, and as I have said on previous occasions, I feel rather like a Buddhist monk intoning his *Om mani padme hum*. Over and over again, this House has called for action and emphasized the urgency of the problem. We have nothing to reproach ourselves for in this sector. I would remind you of the great speeches of Messrs Burgbacher, Springorum and many others who are still in our midst today. Years ago we warned of the danger of allowing the European Community to become increasingly dependent on oil. We warned of the danger of just standing by and watching one coalmine after another being shut down, while at the same time coal-fired power stations were replaced by oil-powered power stations, and — if I may say so — the height of wastefulness was the construction of gas-fired power stations when everybody knows that gas is a uniquely irreplaceable and valuable primary energy source which should have been reserved for household use.

We sometimes get the impression, Mr President, that the Council had already forgotten the lesson of 1973 and that national selfishness was burgeoning once again. Apart from a few praiseworthy exceptions in one or two Member States energy saving is conspicuous by its absence. One often gets the impression that the left hand does not know what the right hand is doing. As far as almsgiving is concerned, this may be a perfectly reasonable attitude, but in terms of energy policy, it is nonsense.

What we need here is a package deal. It is of course absurd that, as Mrs Walz just said, we are stockpiling coal and at the same time importing coal from overseas. On the one hand, we hear of a glut of oil and on the other hand, we have the CIA Report referred to by Mrs Walz which conjures up the spectre of the imminent lack of our oil supplies.

On the one hand, we have overcapacity in terms of oil-refining installations and the closing of certain refineries, and on the other hand, we are called upon to save energy. Small wonder, therefore, that many people are wondering what all the fuss is about and that the appeals made so far have largely gone unheeded.

Mr President, we now therefore expect the Council to adopt — at long last — the Commission's outstanding proposals on support for the Community's coal industry and for joint hydrocarbons exploration projects, as well as to agree — and I would draw your attention once again to the 'package deal' — on a Community approach to the refining sector. In view of the undoubtedly limited resources available and of what Mrs Walz referred to as the impending increase in the price of primary energy sources, we think it essential for a European energy reserve to be built up.

We demand that the Council should at last have the Community's interests at heart in dealing with these questions and that it should reject all notion of national self-seeking so that we can tackle, and solve, the real problem of the different energy supply structures in the various Member States.

Finally, I must repeat that, in our opinion, we must find a joint solution to the problems of nuclear technology, particularly in terms of reprocessing, the treatment of radioactive waste and the development of fast breeder reactors. Here again, we have the paradoxical situation that the world is worried about whether sufficient uranium is available and at the same time that there are forces with the European Community seeking to obstruct and thwart the development of fast breeder reactors with the flimsiest of arguments, although the experts confirm again and again that a fast breeder reactor makes between 50 and 60 times better use of the available uranium. Mr President, we see no alternative to using this uranium in fast breeder reactors to bridge the gap until nuclear fusion or hydrogen technology or perhaps new energy sources can take over and free mankind once and for all from its energy worries.

In this respect, we can make out no clear approach in the policies pursued by our Member States' governments. Just to take one example, what is the Council's attitude to the recent negotiations conducted by the United Kingdom and Australia on supplies of uranium? How do these negotiations accord with the principle of Euratom which, according to the Euratom Treaty, is solely responsible for the purchase and use of fissile material? I should be very interested to hear the Council's opinion on this matter.

In conclusion, Mr President, we believe it to be a matter of urgency that the Council be reminded of its responsibility today, just a few days before the Council meeting. Indeed, we believe it to be a matter of great urgency that a solution be found to one of the most important questions of our time, one which has an

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enormous effect on the economic situation, on employment and on the future of mankind and of the Third World. We therefore ask your support for our motion for a resolution.

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

Mr Ellis. — Mr President. I propose to confine myself to a comparatively narrow sector of the energy field in what I have to say. I want to speak about coal. And although it is a narrow sector, it is of course a very important sector. In the plan for 1985, it represents one-fifth of our energy supplies.

I want to speak especially about coal for one reason, and that is that coal is in a very serious crisis. We are all of us aware of the crises that are around us, in steel, for example, but the coal industry has been in a crisis for a long time. It appeared to be getting over it some 3 or 4 years ago, but I believe that recently it has developed an even greater crisis than we perhaps realized. And that is why I want to talk about it.

Now I think I can illustrate the position of the coal industry in the Community best by just quoting three figures. I do not want to quote a lot of facts and figures: one of the difficulties in debates on energy is that people tend to flood the place with statistics which are rather boring and which, I find, tend to confuse very often more than they enlighten. But I would give these three particular figures.

First of all, the output of indigenous, home-produced coal is falling and has now dropped to about 213 million tonnes annually, whereas the rate of output planned for 1985 is some 250 million.

Secondly, there are stocks in the Community of 63 million tonnes or thereabouts — that is to say, getting on for one-third of the output. If I have the time I would like to give a little speech especially to some of my British Socialist colleagues about surpluses, because the biggest surplus in the Community at the moment is the surplus of coal. I cannot help but remind my colleagues that there never was a surplus in the twenties and thirties, at least not in my country, because at that time we had a race of men in Britain who really were straight out of the nineteenth century. We called them the 'coal-owners'. They were a most remarkable bunch of men and they had a simple policy for dealing with surpluses. Since they could not afford surpluses, they just put the pits on a one-day or two-day week, and I used to think that that was hardly a Socialist policy. However, I must not get diverted from this question of surpluses; I merely make the point that we now have getting on for a four month stock of coal lying on the ground. That is the second fact.

The third fact I would like to mention is that imports of coal are rising. They have risen recently from an annual rate of about 30 million tonnes to something like 46 million tonnes. So there we have the indige-

nous output falling, the inputs rising and the stocks piling up. And I think those three facts alone illustrate well the manifest crisis that exists in the coal industry.

The Commission is reported — I am quoting them and I think it probably is an accurate report; I trust that Mr Brunner, the Commissioner, will correct me if this report is wrong — to be 'seriously questioning the ability of coal to play its part in the long-term energy supply of the Community.'

I am not sure precisely what that means. It could mean, of course, that coal will simply fail to reach its target-figure of 250 million tonnes in 1985 or whatever it is in 1980. If it means just that, well, of course it is serious, but it is not quite as serious as I thought it might have been; but it also seems to me that that sentence might mean a great deal more. It might even be some political message transmitted to whoever has ears to hear it, a warning that the Community commitment to support coal is being abandoned; and if it does mean that, it is very much more important an issue than simply the question of coal failing to reach a particular target-figure in some year in the future. I do hope therefore that the Commissioner will be in a position to explain precisely what that report means, and I am also hoping very much that the Commission has not been mis-reported in what I have just quoted. Because there are all kinds of things that worry people like me. I am not privy to what goes on in the Council of Ministers. I just read the reports in the newspapers. Occasionally I have talks with people who have attended Energy Council meetings, and very often, I must say, the reports from these participants give conflicting views of precisely what went on. But having read these accounts in the newspapers and so on, not just in the energy sector but perhaps especially in energy and in one or two other subjects, I fear the worst, and I speak very much as a committed European, a man who believes that it is profoundly important that we replace the completely outmoded political structure, as I see it, of the nineteenth-century nation-state by some better political structure.

As such, I fear that the Council of Ministers has recently deteriorated very substantially, in the sense that it has abandoned the old trade-union precept: 'United we stand, divided we fall'. And in point of fact they seem to insist on being divided. Now the position has been reached in my country where one might even say that there is a position of open hostility between the Minister concerned and the Commissioner. There have been fragments in the British press of statements that the Minister has allegedly made — and I absolve Mr Brunner entirely, because I have not read any undiplomatic statement that he has made at all — and it does seem, and I am putting it as mildly as I can, that a position of open hostility has been reached between the Minister and the Commission.

Ellis

Now, I hope that when Mr Brunner responds to this debate he may reassure us that all is harmony and sweetness in meetings of the Council of Ministers when the Commissioner himself is present, because, if in fact the Council is adopting some kind of perverse, cantankerous, bloody-minded attitude in respect of various individual issues that crop up, then I must say that the politicians concerned are behaving very irresponsibly indeed. I go so far as to say this — and I emphasize that I do not know what goes on in the Council, this is why I am making this speech and hoping we shall get some kind of light — if the game is: Because you would not agree to this we will not agree to that, the sort of politics of the little boy: I am not playing with you because you are not playing with me, and so on — if that is happening, then those politicians are selling the people of Europe down the river. It is as simple as that in my mind.

Therefore, why I have mentioned this issue of coal particularly is because it highlights what I sometimes fear might possibly be happening, some attitudes that are hardening in the Council of Ministers. I am not apportioning blame at all, even if there is blame to be apportioned; I am trying to be constructive, trying to say that, representing, as I do, a community of people in Wales, a part of Europe, I think that they would really be done a serious disservice. We see in coal the illustration of certain proposals put forward by the Commission to allocate monies to increase, for example, the consumption of coal in power-stations, to improve intra-Community trade in coal and so forth, which are all knocked down to token entries. Some very eminently sensible proposals are getting nowhere at all.

Now I know that in the Community of the Nine essentially there are now only two coal-producing countries; France and Belgium still have collieries, but essentially we just have Germany and the United Kingdom; and I hope and pray that issues about coal which so, or at least which ought to, influence the whole future energy policy of the Community are not being decided upon in the Council of Ministers for reasons which I can only describe as perverse. Having concentrated solely on coal in order to try to express fears that some people are beginning to feel, I trust and pray that the Commissioner, when he answers, will be able to reassure me that my fears are completely groundless.

President. — I call Mr Noé to speak on behalf of the Christian-Democratic Group (EPP) and the European Conservative Group.

Mr Noé. — (*I*) Mr President, Mr Brunner, ladies and gentlemen, I am speaking also on behalf of Lord Bessborough, who has had to leave unexpectedly for London.

With regard to the two motions for a resolution before us, I think that a few general remarks must first be

made, although I cannot but deplore the fact that the representatives of the Council are not here to hear them. These remarks concern the Council above all, given that we are in agreement with the Commission, albeit in general terms.

First and foremost I must say that the Council is not fully aware of the fact that energy problems come in short, medium and long-term varieties, that there is a close connection between them and that, moreover, there will be transition stages which must be planned for if we are to prevent turbulence and tensions from spreading throughout our societies.

Mr Flämig, at the end of his speech, hinted at the negative consequences which society would have to endure if there were an energy shortage. I think Parliament should make a detailed analysis of this problem with, we hope, the assistance of the Commission. Indeed, as you know an *ad hoc* working party is being set up in one of the Directorates of the Commission, and in five or six months' time it should begin to provide us with data on the consequences of the energy shortage. Moreover, still on the subject of energy, I should like to make a distinction between electrical and non-electrical energy, for the very specific reason that in the electricity sector we are well armed to face the future, since there are fairly satisfactory possible solutions. One only has to look at the field of nuclear power. In the non-electrical sector, on the other hand, when the oil begins to run out we shall be in difficulties, since we are less active in this sector.

Mrs Walz reminded us of the study carried out by the Rank Corporation which predicted that energy reserves would be exhausted in the next 60 to 90 years. That is correct. But let us bear in mind that this prediction presupposes that consumption will remain at the present level, whereas in fact, as we know, consumption will increase and that period of 60 to 90 years will inevitably be shortened to 35 to 40 years.

The problem is therefore much more acute than is generally thought: the Commission should take note of this and commit itself more decisively to new research projects.

To give you an example, a plan for four research projects drawn up by our committee, in which the Commission also cooperated, has not yet borne fruit after a year. We must therefore work with greater intensity and greater speed so that the knowledge gained may show us where to direct our further research. I would say that, in general, oil prospecting should be encouraged and liberalized, since only competition between many operators and repeated drilling at the same point can procedure results. We only have to think of the history of oil prospecting to realize the need for the multiple approval.

Noé

I consider paragraph four of Mr Flämig's motion fundamental, since it shows that the Council is not fully aware of the time constraints. In fact, the decisions on proposals which the Commission made in good time and this Parliament approved, relating to fast breeder reactors, treatment of irradiated fuel and disposal of radioactive waste, will clear the way to putting at least one of the three inexhaustible energy sources which the human race will be able to draw in the future on a commercial footing before the end of the century. To hold up such decisions for months shows clearly that there is no awareness of the fact that the transition period which I mentioned earlier, and which can be made less burdensome by these very measures, may be made immensely difficult precisely by this failure to reach a decision. As for solar energy, I would suggest to the Commission that the vital problem in the development of this type of energy, at least in respect of the more ambitious aims such as production of electrical energy, domestic heating, etc., is that of storage, since if this is not solved solar energy will remain at the mercy of the weather. We have recently seen at Ispra that there are programmes for storage of chlorine which seem quite good; however, we must also make progress in the field of electrical energy storage.

I shall not dwell for long on nuclear fusion; I have already put down a question on the subject, to which I hope to obtain a reply on Thursday. However, the positive results obtained in August this year at Princeton University, which lead one to think that the physical aspect of fusion will be mastered between 1980 and 1990, encourage us at least to begin technological research on materials, for we shall otherwise run the risk of having physical control of nuclear fusion without having the necessary extremely complex knowhow,

Before concluding, I should like to say a few more words about the question of non-electrical energy applications. I have a suggestion which I would like to put to Mr Brunner: the Community had the 'Dragon' reactor operating in the United Kingdom, but it was closed down, in my view misguidedly, by the Council a couple of years ago. Well, the 'Dragon' high-temperature reactor aimed precisely to contribute to research on substitutes — whether derived from coal or water — to fill the gap which will arise from the lack of oil in the field of non-electrical applications. Work is still continuing in Germany on high-temperature reactor and I wonder if it would not be desirable to bring this sector under the aegis of the Community — and I know Mr Brunner agrees — as is happening with reactor safety tests under the SARA programme with a view to improving the technology of present reactors and our knowledge of them.

We therefore await positive decisions by the Council which will change the general energy picture and

allow us to escape the censure of future generations, since there is no doubt that the effects of present action will be seen in 30 to 40 years' time.

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

Mr Zywiets. — (D) Mr President, ladies and gentlemen, I should like to point out on behalf of the Liberal and Democratic Group that we are debating energy policy prior to a meeting of the Council on the basis of two motions for a resolution with request for debate by urgent procedure because we too are of the opinion that energy policy is a subject of prime importance to the European man-in-the-street, and we agree that this subject has to be tackled with a great deal of doggedness and determination.

We are aware — as previous speakers have made clear — how the citizens of Europe generally see the situation with regard to energy policy. They see that our energy imports amount to 60 % of our total requirements, the lion's share being taken by imports of oil, practically all of which has to come from overseas. In fact, the only current, important, indigenous source of energy is coal. Of course our citizens realize that we need energy to maintain our standard of living and our way of life. The slogan 'Energy is life' which we read so often in our newspapers and magazines sounds rather obvious, but it is nevertheless fundamentally true. So what we have here is an area which has to be taken more firmly into European hands, and if the Council is not prepared to do what is necessary, we must, if need be, prod it and goad it into action with our resolutions and with our ideas of what we want to see done.

I feel, though, that we could do a lot more in our own national parliaments to publicize our thoughts on energy policy because a lot of what is said here, but which fails subsequently to make any practical progress, is repeated by the ministers concerned when they get back home to their own national parliaments, and we should take the opportunity to collar them there and make sure that they are as good as their word. And all this must be viewed against the background of a situation in which — as Mr Flämig pointed out — the man-in-the-street is hard put to it to understand what is going on. We tell him that this is a vital policy, that the situation is dangerous. But on the other hand, our citizens can see the stockpiles of coal and the attendant financing problem, and they also know that there is more than enough oil to satisfy demand.

Nonetheless — and I think this is the key to the whole situation — our fellow-citizens also know that energy is indispensable. I think that both we and our fellow-citizens are prepared to tackle the problems of agriculture and of food supplies with a great deal of commitment, with massive financial resources and

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with a lot of community spirit. At the same time, however, in a sector which our citizens hold to be almost as important in terms of their livelihoods, we offer little in the way of resources, community spirit or tenacity. I think that it is essential that the Community should shift its strategy towards a stronger energy policy.

The first thing we need is a properly thought out plan, and if we are honest with ourselves we must admit that we shall need rather more effort than we have seen so far in this sector. We have developed policies with regard to coal, nuclear energy and oil but we must bring all these together into a single strategy which single out priorities. And I would go further and say that we must discern more clearly the prospects for the next 10 or 15 years. We all realize that forecasts have to be based on fluctuating factors, but we must get some idea of what our future energy requirements will be if the gross national product grows at a rate of 2, 3 or 4% and what our requirements will be if not every growth percentage point has to be paid for by a full percentage point of additional energy, but instead by, say, an energy cost of 0.9, 0.8 or 0.7%. What we must do here, I think, is to sketch roughly the likely framework of these developments, and the possible alternatives, rather than to go in for dubious quantitative accuracy.

To enable us to perform our political tasks, we need a great deal of information which is reasonably accurate, but we need that information at the right time, so that we can take steps to see that the necessary energy is made available promptly. I am sure we do not want our standard of living, our economic growth and our democratic institutions to be jeopardized by a shortfall or lack of energy supplies, even if some people are sceptical about the use of nuclear energy. But since, as far as I am concerned, economics and particularly energy economics means nothing more than satisfying the needs of our citizens, I wonder — and I think we should all ask ourselves this question — what our energy requirements, in practical terms, are likely to be in the future.

And this, if I have understood you correctly, Mr Flämig, is where our view differs somewhat, because I think that we in this House would be well advised to attach great importance to the rational use of energy and to the careful maintenance of energy resources, even though we realize that this will not solve our problems overnight. But I personally would attach paramount importance to a critical appraisal of how much energy we really need to generate heat and light and to keep our machines running, quite irrespective of whether the CIA report has made us rather more optimistic as to the durability of our oil and other resources or not. I at least find it alarming that essential natural resources may be irretrievably exhausted

after one, two or three more generations if we continue as we have been going so far. Energy policy must be viewed against the background — as we hear again and again from reputable scientists — of the enormous environmental problems which will result if we continue consuming energy at the rate we have been doing. These two arguments taken either in isolation or together cause are — and this is also the predominant opinion in the Liberal and Democratic Group — to attach great, if not preeminent, importance to the careful conservation of energy resources.

To take a practical example we could devote a certain amount of energy to the question of whether the manufacturers of energy-consuming machinery should not be cajoled and urged to develop machinery for use in the transport and heating sectors which would give the same performance for a lower energy input. And perhaps we should give their machines a special European seal of approval as a means of motivating them to take a sensible attitude for such a good cause.

No matter how we estimate our future requirements, however, we shall have to see what resources we have of our own so as to become a little less completely dependent than we are on external sources. I agree with the previous speakers that we must show more Community solidarity in supporting the only important natural resource we have, namely coal. I do not want to adopt a dogmatic attitude against the idea of quota restrictions or cutting the flow of imports from third countries, but I feel that — as the previous speakers said so capably — a little more understanding and self-restraint would turn the current trend of imports of coal from third countries to the benefit of our own coal resources.

We realize, of course, that nuclear energy is a reality, but I think that the European Parliament in particular would be well advised not only to think in terms of quantitative growth, but also to educate our citizens as to what is being done in this sector to give them the safety and security they demand, particularly in terms of the disposal of radioactive waste. It is highly probable that a large number of our citizens will be prepared to go along with the peaceful use of nuclear technology provided certain conditions are fulfilled. From the point of view of a citizen of the Federal Republic of Germany, I would say that it is rather odd for the firms in the Federal Republic to refuse the government and Parliament the right to inspect the terms of agreements, to enable them to assess whether, for instance, the disposal of nuclear waste by Cogema is subject to proper safeguards, and thus not to give the politicians the chance to inspect the conditions which politicians themselves have specified as the conditions governing further development. I regard this as something this House should devote more attention to.

Zwietz

Before concluding, I should just like to say a few words on developments in the energy sector, with special reference to modern technologies and their place in a citizens' democracy. I think the European institutions have an important role to play in explaining the problems of energy policy, especially nuclear energy, to our citizens so as to gain their full confidence in this aspect of technological advance. What is important is not simply what is technically possible, but also what is really necessary and the state of mind and readiness of the citizens in a democracy to proceed along this path. We cannot restrict this question to a simply technocratic level. We must always keep in mind two or three factors of equal weight if we want progress in the nuclear field to be continuous, orientated to our requirements and attuned to the feelings of our citizens rather than an unpredictable and erratic development. In my opinion, it is only in this way, by integrating the various aspects of energy policy into an even more coherent strategy, by making our parliamentary contribution and by showing determination in our dealings with the Commission, that we shall fulfil our political task in the interests of the citizens of Europe.

IN THE CHAIR : MR HOLST*Vice-President*

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

Mr Leonardi. — (I) Mr President, this Parliament has several times debated the need for an energy programme and a common energy policy, and the motions for a resolution tabled by Members have generally received unanimous support.

However these repeated attempts, which have shown the goodwill of this Parliament and of the parties represented here, have been unsuccessful in the face of the inability of the various countries and of the Council of Ministers to achieve a common political will in this sector. Perhaps we ourselves have not done what we could in political terms to arouse enough public interest and to force the governments to take the necessary action.

Mrs Walz's motion for a resolution calls for the drawing up of a complete medium-term differentiated energy model that also takes social and economic conditions into account, and complains of the insufficient forecasts provided by the Commission in its document 'Objectives for 1985'. In fact the objectives for 1985 show inconsistency rather than insufficiency, since the model is mainly based on a change in the ratio of energy consumption to GNP, and envisages a considerable drop in this ratio without however suggesting any action to achieve this ambitious aim, which cannot be achieved either by a miracle or simply by

market forces which would impose unacceptably harsh and inequitable restrictions on the lowest income groups.

The energy model now being called for will certainly be useful for a better understanding of the facts and especially of the quantitative relationships between the various aspects of those facts, but we cannot pretend that the basic features of the situation were not made known long ago — and quite effectively — by various Commission and Parliament documents. What is lacking — and has always been lacking — is the political will to draw the appropriate consequences from our knowledge. The real truth is that the development of the Community has coincided with a change in its energy pattern, which has moved from a high degree of autonomy to a radically opposite situation — i.e. from one in which raw materials were widely available internally to a situation of dependence on external sources. This transformation has taken place without any reaction from our peoples, either at a national or on a Community level, in spite of the many efforts and various statements by this Parliament, which has generally shown a greater Community spirit than the Council of Ministers.

In paragraph 3 of Mr Flämig's motion for a resolution, reference is rightly made to this Community spirit, which we think is indispensable if we are to achieve equitable solutions and avoid imbalances — such as that of the current Common Agricultural Policy — which favour the stronger rather than the weaker, to the serious detriment of all. For example, it would be extremely damaging to concentrate our scarce resources on supporting coalmining while ignoring other aspects such as the refining industry in some Community countries.

But it is no use always repeating the same slogans. It must be acknowledged that today the situation is very different from what it was a few years ago. Excessive dependence on external sources is now recognized as a dangerous phenomenon which must be regulated and controlled. We must bear in mind that, while we call for a medium-term energy model and Community solutions taking account of the varying needs of the Member States, a similar effort is being made in another field, also decisive for our future, namely the monetary sector, to achieve a single currency which may to some extent ensure for our Community greater independence from external factors and make it less vulnerable to the influence of outside interests. The two problems are closely connected: a common policy in the monetary sector will not be possible without common policies in other vital fields such as energy.

Energy policy must be seen against this background if we are to achieve in the future what we have not succeeded in achieving in the past in spite of all the warnings emanating from this Parliament.

Leonardi

Let us remember that the sacrifices which we will ask our peoples to make in order to arrive at an energy policy based on a greater diversification of sources, reduced overall dependence on external sources and lower specific consumption per unit of production are infinitely less than the losses and dangers to which our peoples would be inevitably exposed if we were to continue to accept the present situation in which our development and our very survival depend on the will of others.

While awaiting fuller information and the requested medium-term model, I feel I must once more draw attention to the present situation of very serious discrepancy between the locations of most of the oil deposits and those of the major consumer countries including the European Community. This constitutes one of the most serious factors of imbalance and tension at world level.

The group of consumer countries, including the European Community, whose chances of survival depend on the behaviour of the producer countries, cannot remain in its present state of dependence, anxiously awaiting price decisions, and with its supplies depending entirely on outside interests.

This uncertainty is a serious disruptive factor in international relations and slows down economic development, for which the first requirement is an adequate degree of certainty. Yet such certainty cannot be attained unless we can submerge the specific interests of individual countries in a common vision taking due account of the interests of all, of the stronger and of the weaker — something which does not yet seem to have been achieved by the governments and the Council, but which I think is found in the two motions for a resolution, which we shall therefore support.

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

Mr Krieg. — (F) Mr President, ladies and gentlemen, the European Progressive Democrats would like to congratulate Mrs Walz and Mr Flämig on the reports which they have presented today, on the basis of which we appeal once again to the members of the Council of Ministers to accept their responsibilities and come to some decisions at long last.

Unfortunately, speaking at such a late hour, I observe that the Council of Ministers does not seem to be particularly concerned about what is after all an important question. We must not forget that the existence or non-existence of the European political entity which some of you here in this House would like to see come about, will depend ultimately on our independence in terms of energy. I must place on record my regret at the fact that the Council representative is absent, and I should like in future to see the people who have responsibility for questions of this kind present in the Chamber when we debate them.

I feel that over the past years the Commission has done its duty with regard to the problem we are talking about here today. On a number of occasions, it has put forward proposals for action, but unfortunately all these proposals have so far fallen on stony ground, and we have to admit that a genuine Community energy policy is still today, at the end of 1978, a mere idea, a hope for the future — indeed, in some respects, a Utopian ideal.

As I said just now, the Europe we know today, a Europe whose peoples have got used to a high standard of living, is now seeing its prosperity threatened by the many problems facing us. Despite a rapidly growing industrial capacity, we are gradually realizing that all this is a very fragile structure which could be shattered from one day to the next.

This is why, whenever the Commission launches projects aimed, for example, at reducing our dependence on external energy sources, encouraging Community production of conventional forms of energy and research into new ones, this gives rise in our Committee on Energy and Research to interesting, passionate and extremely technical debate, and also to debates in the House, even though these may perhaps be conducted on a rather less technical level — after all, we are a larger and more general assembly. Unfortunately, however, all this has so far totally failed to produce any concrete action.

So we are faced with a terribly worrying situation of complete immobility which may — and I do not apologize for making this point once again — have extremely grave consequences in what may be the very near future. At least we might have expected a certain number of special measures to have been taken to deal with some of the shortcomings, at least on points of detail.

But here again — and I am sorry I am only speaking to empty chairs — we can only say that these detailed measures remain unapproved on the Council shelves. One could cite the examples of aid to the coalmining industry, the problems of hydrocarbons exploration and the refining sector, which could do with all the help we can give it, and this list could go on almost *ad nauseam*, we would still not find anything to put on the 'plus' side of our account.

This situation cannot be allowed to go on for much longer without seriously damaging the credibility of Europe and its institutions. This is why my group decided to take the opportunity of this debate — and without going into any more detail on the proposals which have been made — to point out how keen we are that a genuine energy policy should finally be formulated and to remind you that, not long ago, we circulated a working document in this House which set out what we took to be the main objectives we should be aiming at.

Krieg

In conclusion, I would simply point out that our own objectives are practically identical to those which the Commission itself has put forward. We are pleased that we and the Commission see eye to eye on this matter and we hope that this will lead to useful developments in the future. This is the hope I should like to express this evening at the end of this debate, in anticipation of this House receiving the support of the Commission in making the Council see reason at long last.

President. — I call Mr Brown.

Mr Brown. — Mr President, there are two things I must say first. Mr Krieg has already commented on the deplorable number of empty chairs in front of us. I must say this is rather like a performance of Hamlet without the prince. It is a most extraordinary state of affairs. Late last evening, at about 11 o'clock, I rose from this very seat on a point of order to ask the Chair if I could be assured that the President-in-Office would be here tonight for the debate on these two items on energy policy. I was assured that a statement had been made when I was not in the Chamber that he would be, and that these items would be taken at 6 o'clock. I apologized for intervening and I was satisfied that Hamlet would in fact be performed with the prince in his place. The extraordinary thing is that I now come here and find he is not.

When I talk about coming here, I ought too to apologize to the House, and to my colleague, Mr Ellis. The House will be surprised to know that this building does not contain a television studio. Apparently we have not got to the stage of television yet in this place. — A London television programme wished to interview me this evening. After a lot of to-ing and fro-ing from two o'clock this afternoon, arrangements were made for me to be in my place in the television room at four o'clock. And so, dutiful lad that I was, and knowing as I did that there would be no interference with our agenda this evening, I agreed to four o'clock. I was then told: we have problems, we cannot get a line out of France; it is very difficult, we have to go through Paris, and they are very hard to work through. I was still sitting there at five o'clock waiting for the line. Then I was asked to go to a studio down the road, where I was told that I could do the programmes between six and six-thirty.

A question was put at our group meeting that morning by my colleague, Mr Flämig, to the leader of our group — and you always believe the leader of your group, everybody knows that. He had just come from a Bureau meeting, so we thought he must understand what they were doing. My colleague asked the leader of the group: Does this now mean a change of programme? Will the energy items still be taken at six o'clock? And the leader of our group, being the great man he is said: Do not be foolish; if you move

everything forward an hour—because we are not starting the Assembly until an hour later — then clearly you cannot possibly expect to gain time. Therefore the energy documents will be taken at seven o'clock. So, when I was asked to do the television programme at six o'clock, I assumed I could be back in my place here at twenty to seven in time to make my contribution to the debate. You will not be surprised to know, Mr President, that I did not do the television programme. Because apparently nobody told Paris that they had to stay a little later in order to maintain a circuit. The television programme went out in the United Kingdom without my contribution. I arrived late in the Chamber, and my colleague was unfortunately caught in the rather difficult predicament of having to take my place without reasonable notice. I do therefore, humbly apologize for these rather extraordinary technological circumstances which leave us without the prince. I do apologize to those honourable Members whose speeches I did not hear. I believe we must underline what is happening.

The House will recall that at the debate on the Bremen proposals in Luxembourg, I outlined the policy that the Socialist Group published on 9 June 1978. I went through those items we had argued for, claiming that it was only that type of policy that would make the energy sources for Europe secure. I commented on the fact, extraordinary but rather pleasing, that the Socialist document printed in June was taken up by the Council at Bremen, and their proposals were identical to the Socialist Group proposals.

I found that rather satisfying, but I did draw attention to the fact that, while there were pious hopes at Bremen, when you look at it in practice, you find that all the money we wanted to see allocated for the things they said ought to be done had been cut out. That seemed to me a bit of a paradox.

I then went on to say how disappointed we were that the energy ministers seemed to be unable to come to a conclusion almost about anything, though I did praise the Commissioner.

That is why it is rather ludicrous here tonight, because we have this rather fascinating situation where Parliament is agreed on what it wants to do in energy policy, the Commission is agreed on what it wants to do on energy policy, the Socialist Group is leading the field in saying what ought to be done in energy policy for Europe, and the very people who ought to be here listening, because they are the ones who are not in conformity, are the ones like the prince who is not in his chair tonight. This is the absurd part; I don't know why we are having the debate. It does seem to me that it is a discourtesy. I think, Mr President, I ought to give you notice that I intend to move at the end of this debate that we adjourn the debate until tomorrow, so that when the prince is apparently able

Brown

to arrive back again, he can do us the courtesy of reading the proceedings of this debate tonight and continue it tomorrow and give us the benefits of his view. Because there is a meeting on 30 October of the Council of Energy Ministers. He has time to come tomorrow, and if he fails to show tomorrow, I hope that this House will insist at the part-session in Luxembourg the week after next on placing an item on the agenda to enable him to state how he sees the position arising from our statement.

I think too that one of the arguments in favour of the energy policy we are seeking is that we suffered so terribly badly in 1973. I can't conceive of any Minister wanting to see us go through the traumatic experience of the 1973 crisis with the concomitant problems it produced in all our economic strategies and its aftermath of so much disaster, including the high unemployment rate that we are having to suffer today. Therefore, I was pleased when the Commissioner argued his objectives, because I think they were absolutely right. He made it very clear that he wanted an oil import ceiling for the Community in 1985 of 500 million tonnes of oil equivalent, and that is something which I think we can agree on; he wanted rapid action, he said, on the Commission's refinery proposals; he wanted action to prevent a further decline in coal production; he wanted action to recover the backlog that had accumulated in the nuclear programme; he wanted provisions for financial and other incentives to encourage energy savings and the development of new energy sources; he wanted greater coordination of Member States' energy policies and the development of a favourable climate for energy investment. Now it seems to me once again that those are the most urgent and top-priority needs of any policy. Then we read the Bremen statement, which seemed to me again very acceptable. I highlighted this in the House on the last occasion and so I will not read it all again. So far so good, but the Energy Ministers have got to be made to consider these proposals, and at their next meeting they have got to come to a decision.

Mr Nørgaard, when he was the President-in-Office, came to talk to us, and when explaining why he hadn't held a previous meeting, since he only had one during his period of office, he told us that he didn't want to hold a meeting which was premature; he wanted six months' opportunity to develop the argument and to bring those Ministers together. Well, presumably he did so; but at the end of the day they didn't in fact come together; they made no decision at all.

I think it is a very distressing state of affairs when the Council of Ministers are apparently quite unaware of the urgency of the situation and virtually say to us: Well, we are very sorry but we will go on making these pious statements, but have little or no intention

of going any further. It seems to me that we in this Parliament have got to flex our muscles a little and make sure that the Ministers understand that this Parliament is not prepared to go on tolerating their vacillations. Because our Europe is at stake, the fate of our people in Europe is at stake and it is just not on for these people to go on playing about as if there was nothing of importance to do. The whole problem is that the Ministers seem to be singularly inept at defining the energy policy, although the Commission have done it, my Socialist Group have done it, the Parliament has done it; but they don't seem to be capable of accepting our definition and, more important, they fail to define the problem themselves. Moreover, they seem to be completely incapable of examining the facts: the facts are there to be examined, we don't need a crystal ball, the facts are there staring them in the face and yet they seem to be completely incapable of examining them. It seems to me that these Ministers of the Nine are totally unable to come to a positive decision, and that is the sad part about it all. If they have contempt for the facts, then let them say so; let us understand that they do not believe there is a crisis, that they do not believe the future is going to be difficult; if that is what they believe, then let them say so...

President. — Mr Brown, I am sorry, your time has run out.

I call Mr Hans-Werner Müller.

Mr Hans-Werner Müller. — (D) Mr President, ladies and gentlemen, as far as the Council representatives' empty chairs are concerned, I can only underline what has been said by many of the previous speakers and point out that Mrs Walz referred yesterday to the unfortunate timing of this debate, and this should give the Bureau cause to pay special attention to the timing of future debates of equal importance.

I should just like to make a couple of points and run the risk of repeating what has been said by previous speakers, most of whose arguments I fully support, particularly those of Mrs Walz, Mr Flämig, Mr Noè, Mr Ellis and Mr Zywiets.

The meeting of the European Council in Bonn cast a glimmer of hope on a Community energy policy which has lain dormant for years, and raised new hopes of action from the Council of Energy Ministers. The President-in-Office of the Council, Mr Genscher, said in September before this House that the Bonn Summit had agreed to reduce the level of energy imports into the Community to 50% by 1985, to restrict net imports of oil and to see that the consumption of energy rose more slowly than the gross national product.

When the Council of Energy Ministers comes to meet in a couple of weeks' time, on 30 October, will it take

Hans-Werner Müller

heed of the commitments made by the Heads of State and Government and take the necessary steps to get a Community energy policy moving? This is the question we must ask ourselves, because the Bonn Summit agreements offer the prospect — as Mrs Walz rightly pointed out — of secure and adequate alternative sources of energy; in other words, the Council will — and indeed, must — encourage these alternative sources of energy. However, from the European Community's point of view, the only alternative energy sources we have enough of are coal and nuclear energy.

It seems fairly certain that nuclear energy will not — for political and technical reasons — give us the expected capacity in the coming decades. This point has been made often enough here in the past.

Coal is therefore the *only secure indigenous* source of energy, especially as we must expect the world's oil reserves — and this point has also been made in the past — to run out in the next few decades, with the attendant probability of spectacular price rises resulting from the policies pursued by the OPEC States.

The influence of oil prices at the present time, however, means that the Community cannot produce coal sufficiently profitably, for the simple reason that our indigenous coal costs more to mine which will make it difficult to exploit the industry's full potential before the end of the next decade.

Article 59 of the ECSC Treaty provides for Community solidarity in the coal sector in a time of crisis, and this same subject is covered by a Council Regulation. However, when the boot is on the other foot, and oil is relatively cheap, there is no protection and no assistance given to the coal industry, apart from the aid for coking coal.

The Commission's aim to restrict the production of coal to 250 million tonnes has so far proved to be nothing more than pie in the sky, and the Commission is now talking about a package deal covering every aspect of Community energy policy, ranging from the trade in coal and the use of boiler coal in the Community to a cut-back in refinery capacity. The Commission still has to put this proposal in writing, and what is needed in particular is a decision on the part of the Council, in other words, a gesture of Community solidarity for the coal industry, a concept which Mr Zywiets referred to earlier in this debate. So what is required is Community solidarity, and this can only be in the Community's own interest. It is remarkable how all those who have spoken in this debate have emphasized this point, whereas outside this House the idea does not yet seem to have filtered through to every politician.

Under the present conditions, it is completely unreasonable to continue stockpiling coal. We already have 63 million tonnes of the stuff, as someone said earlier. From the point of view simply of the Federal Repu-

blic of Germany, this represents an annual cost of between DM 5 000 and 6 000 million. If the European Community does not take steps soon, the coming year is bound to see pit closures and redundancies among miners.

I should like to make one point in particular here, because I come from a country in which the coal and steel industries are extremely important. If 10 000 miners were to be made redundant, it would mean that a further 20 000 jobs in the mining supplies industry and in the service industries would also go by the board. We have scientifically based studies to prove this ratio, and these same figures show that the loss of 20 000 jobs in the mining industry would, after a certain time lag, cost 60 000 people their livelihoods. I am sure we all realize what this would mean in the present employment situation in the Community.

Mr Zywiets has already gone into the relations between economic growth and energy growth up to the turn of the century and their repercussions on energy shortfall situations. There is nothing I need to add on this point.

Ladies and gentlemen, time is pressing and it is now high time we made genuine progress towards a common energy policy. The European Council meeting on 6 July of this year was aware of this fact, and that is why this House has shown an unusual measure of unanimity today in calling for a greater sense of urgency in the sphere of Community energy policy.

President. — The President-in-Office of the Council is engaged in discussions with the President of Parliament and as soon as these discussions are over, he will be here in the Chamber.

I call Mr Granet to speak on behalf of the Liberal and Democratic Group.

Mr Granet. — (*F*) Mr President, as all the previous speakers have pointed out, the question of energy policy is fundamental to the political future of Europe. It is fundamental firstly because we all feel that a genuine European Community can only be created on the basis of economic growth and because we realize that every additional percentage point of growth will involve at least one additional percentage point of energy consumption, which will in turn result in an overall disequilibrium in our balance of trade. It is also of fundamental importance because all the energy programmes are backed up by research programmes, and finally, because we realize that a European energy policy can only be based on a coordinated foreign policy, and this is an enormous stumbling block. But when all is said and done, if we want Europe to exist as an entity tomorrow and to mean something in the world, there is no substitute for a common European policy *vis-à-vis* the oil and uranium-producing countries.

Granet

We therefore have every reason to be discussing this energy problem because, whichever way we look at it, it is of preeminent importance, and it can only grow in importance because we hear from all sides that the 1990s will bring us a renewed and even more serious energy crisis and if, by that time, Europe has not succeeded in formulating a common energy policy at all levels, we shall clearly be faced with an enormous risk of the break-up of the Community. To say that we want a common energy policy is to accept that we have adopted a certain kind of society, one based on the principle of growth, and we reject the criticism of our chosen type of society which is so often hidden behind criticism of our consumption of energy.

So what problems are we faced with today in terms of energy policy? First of all, of course, there are the social problems. Clearly, if we are forced to reduce our refining capacity — and a number of speakers have stressed this point — certain countries — particularly Italy and perhaps also France — will be faced with the problem of retraining manpower, and of course the Community will have to make its contribution to this process. Finally, there are the economic problems — first and foremost, those of the coal industry. It seems quite illogical for certain European countries to be importing coal while others have surplus stocks. The Council should therefore follow up the Commission's recommendations and support intra-Community trade in coal.

But, whatever importance we may attach to the social problems, whatever importance we attach now and in the future to the coal industry, and whatever our hopes may be — and heaven knows how fervently we pray for them to be fulfilled — it is quite obvious that Europe's energy policies in the future will depend on its nuclear energy, because we are well aware that only if we solve the great problem of nuclear energy can our economies continue to grow, Europe retain its independence and our needs will be met in the critical 1980s and 1990s. We in the Liberal and Democratic Group believe that, as far as Europe is concerned, nuclear energy is a central issue.

The Commission has put forward a number of recommendations aimed at formulating a common policy on nuclear energy, with special reference to the questions of reprocessing and fast breeder reactors. We can only hope that the Council will follow the Commission's recommendations in these spheres. But we must also hope that the Council goes beyond the question of reprocessing and fast breeder reactors. If what we want is a genuine European policy on energy, including nuclear energy, we must get to grips with the problems of uranium supply and uranium enrichment. The question of supplies of uranium depends first and foremost on a common foreign policy vis-à-vis certain African and Asian states and Australia, Canada and the United States; in other words, those countries which may have a tendency — forgive me

for using this expression, but I think it is the right one — to hold Europe to ransom on the grounds that they possess deposits of natural uranium. Europe, which today is confronted with an organization of oil producers in the shape of OPEC, will have to adopt a common attitude to a similar organization of uranium producers, and we know that such an organization is in the pipeline. I believe that what is at stake is the independence of Europe and that what we need is a European energy policy.

And then we have the problem of uranium enrichment, which has not been tackled by the Commission although it is one of the main bones of contention among the countries of Europe. If Europe is divided into two camps, favouring two different enrichment processes — ultracentrifuging on the one hand, and gaseous diffusion on the other hand — we shall find it difficult to talk about a common European nuclear policy with two European nations or two groups of nations opposing each other on the question of uranium enrichment on a global scale.

So what we want is not just an energy policy but a nuclear policy, to wit that recommended by the Commission. And to ensure that Europe becomes a political entity in the future, we should like to see more in the way of the coordination of nuclear policies, that is, over and above the Commission's recommendations.

As you know, a world conference is being held at the moment on the evaluation of the fuel cycle and its attendant hazards. It is symptomatic that the delegates at this conference include not only those of the Community of the Nine but also those of the individual Member States, each of them defending their national interests. This is a quite remarkable situation and might lead us to conclude that Europe is incapable of organizing anything at all, that is simply a superstructure, another level of administration in addition to the national levels. Clearly, this is not what we want and, as far as we are concerned, Europe is not simply an administrative entity to be tacked on to the existing administrations. So there is much to be done in this field, and we in the Liberal and Democratic Group will be voting in favour of the motions which have been tabled, because we are convinced that this is one of the key problems and because we want our voice to be heard by the Commission and the Council.

In conclusion, I would just say that Europe only has a future as a political entity if it remains independent and this independence means that at some time or another we shall have to tackle the problems of defence and agree on a genuine energy policy. And fundamental to the problems of defence and energy policy, and thus central to the question of the independence of Europe is the nuclear problem. We hope that this problem will be dealt with and resolved by

Granet

this House, by the Commission and by the Council rather more effectively in the future than it has been in the past.

President. — I call Mr McDonald.

Mr McDonald. — Mr President, I want to compliment Mrs Walz and Mr Flämig for tabling these motions for resolutions. I believe that governments in the Community have only tackled the energy policy in the most half-hearted way. If the estimates and projections that have been made on energy requirements at the end of this century are correct, and if the estimates of the resources available in 20 years' time are correct — and there is absolutely no reason why we should doubt these studies — then obviously the steps taken by the Community, the actions taken by our governments, are clearly inadequate, and lack the sense of urgency that I believe the whole energy problem should receive.

In looking to the requirements of the future, the strongest and most articulate lobby are those professional people who are in favour of energy supplies from nuclear resources. Of course, all this lobby have themselves a vested interest and have succeeded in having huge sums of money allocated to research — and, I hasten to add, necessary research in this field. However, I am convinced that in costing the unit of electricity, account must be taken of the huge task of decommissioning obsolete nuclear energy plants. Now when this is done, and the bill added in, the entire cost programme will show other sources, on which too little research has been carried out to date, are not all that uneconomic. The huge debate on nuclear energy, in my view, is a lop-sided one, and not sufficient honest information is made available to the public to enable it to make up its mind on this matter of major concern in many areas of the Community. If our people are going to be called on to bear the huge cost of nuclear energy, then at least they, as tax-payers, are entitled to more readable information to allay their fears, and present policy — I think it is carried on everywhere — of dismissing as cranks those people in organizations such as 'Friends of the Earth' should cease.

Mr President, I am of the opinion that sufficient resources have not been allocated to enable meaningful research to be carried out on the alternative sources of energy, such as solar power, hydro-power, wind power, the waves and harnessing of the sea, and indeed biomass-conversion. I believe that non-nuclear research should receive as much money, or almost as much money, as nuclear research has over the years. In the US, progress under President Carter's programme has been achieved — I think in Georgia, in particular, on biomass — and this work is continuing. Biomass conversion should be seriously considered, at least for a percentage of the power required in the Community. It would not only contribute to the national grid, but would prove to be a reasonably

labour-intensive industry. And in addition, of course, it is a recurring source.

Mr President, in conclusion, we need agreement on stocking of hydrocarbons, and I would hope that if the Commission and Council come to consider common storage of hydrocarbons, they will remember their obligations to our consumers. I subscribe, of course, to the principle of common storage, but I do not accept that the cost of this policy should be borne by the consumers, who are the most highly taxed group of consumers in the world, I submit.

Speaking briefly in a national interest, in this context I should also like to make it clear that in our country we have only in recent years commenced the exploration of hydrocarbons, and when this proves, or if and when this proves successful, any suggestion of a standstill in the refining capacity could not be acceptable to our people, so we look forward to the solution of this overall problem and indeed our contribution to that solution as a source of extra employment opportunities.

Energy is the motor of our economic life and should therefore not be dependent on any one source. The Community should not seek to put all its eggs in one basket, and in my own country the proposal by our electric power service, which is directed and owned by the state, is that all the energy requirements should be provided from one nuclear plant. I think that kind of proposal, even if we are talking in terms of the next century, is unacceptable, and therefore I would hope that the Community, which has the resources, will be able to give the lead and the direction, and that by cooperation will be able to achieve the solution to this huge problem. I would like to take this opportunity of complimenting Mrs Walz, her committee and her colleagues, on the work that they have consistently done over the last months — and indeed over the last few years — in bringing this important subject matter to the attention of our people. I only regret that the House is so empty.

President. — I call Mr Fioret.

Mr Fioret. — (I) Mr President, I should like to speak briefly on the motions for a resolution tabled by Mrs Walz and Mr Flämig, and to join in stressing the vital importance which the energy problem is acquiring for the future of humanity.

I have the feeling that we take the same attitude towards energy problems as we take towards the air we breathe, which we realize is indispensable only when we are deprived of it. Our form of society is based on an ever increasing consumption of energy, without our whole way of life would deteriorate and our peoples would find themselves unexpectedly plunged back into the conditions of decades ago. Moreover, this would not be the first time in human history that a developed and highly civilized society has disappeared, deprived on the prerequisites for its progress through lack of foresight as to its own future.

Fioret

We must ourselves realise and make public opinion aware of the fact that the great progress made by the human race in the last few years in combating poverty and underdevelopment will be wiped out if substitutes are not found within a reasonable time for the traditional energy sources which are being exhausted. We must also state loud and clear that the substantial resources which we are investing in the social, industrial and agricultural sectors would also be useless if these sectors were deprived of the energy which is the lifeblood of their development.

The motions tabled by Mrs Walz and Mr Fläming are alarm signals, and if the Council does not promptly take note of them, those responsible will be severely judged by history for their fecklessness and culpable shortsightedness. But Community policy cannot be based — and we must say this with total frankness — on the unbalanced and incomplete package of measures put forward by the then Danish President of the Council, Mr Nørgaard. Community energy policy cannot be a mere inventory of survival measures, but must look forward to tomorrow's technology, and cannot therefore be based on the creation of incentive mechanisms for uneconomic energy sources within the Community.

During the Council of 30 May last in Brussels, there was another confrontation between producer and consumer countries. The former tried to put forward arguments in favour of partial self-sufficiency which would put a premium on their energy sources in the future; the latter, however, defended the principle of obtaining supplies on the international market at lower prices.

If we want to get out of this debilitating tug-of-war between producer and consumer countries, we must certainly draw up as soon as possible a complete medium-term differentiated energy model for the European Community that also takes social and economic conditions into account — as stated in paragraph 1 of Mrs Walz's motion for a resolution — but we must above all draw up a Community energy policy open to future technology, encouraging research beyond the present limits of knowledge, giving greater weight to common interests and less weight to those of individual producer countries, and taking account of the demands of conservation, optimum plant use and more rational utilization of existing sources.

I therefore reiterate my very strong reservations about the Community energy objectives for 1985. As I have said, these are simply a series of consumption forecasts which contain no element binding on the Member States; they contain suggestions of increased Community coal consumption, but — as Mr Granet reminded us — without mentioning among the objectives of Community energy policy an improvement in the difficult situation in which the Community refining industry today finds itself — an improvement which could be achieved through the allocation of

quotas for crude oil processing based on present national refining capacities.

If the package of measures before us were to be accepted, I think we would be taking the same road in the energy field as we have done in the common agricultural policy — a policy which results in the Community having to bear heavy financial burdens to safeguard particular agricultural products, setting in motion within the Community itself a counter-productive mechanism which causes economic and political tensions among the Member States.

The guideline which the Community must follow is therefore the one set out in paragraph 2 of the motion for a resolution tabled by Mrs Walz, while taking in the medium term all those precautions which would not further disturb the already precarious balance within the Community to the detriment of those countries which, since they rely almost entirely on external sources for energy, would find their economies irretrievably damaged and have to face political and social consequences which would adversely affect the ordered development of the whole Community.

It is my hope ladies and gentlemen, that this evening's debate will serve to make the Council, the national governments and public opinion aware that the time available for adopting realistic energy measures is desperately short. If this fact is not taken into account, I shall have to draw the bitter conclusion that our society has a death wish — that it is blindly heading for destruction because it is not prepared to face up to unpleasant realities.

President. — I call Mr Fitch.

Mr Fitch. — Mr President, when a debate has reached the stage it has, so much has been said that it leaves the later speakers like myself with little new to add, so you will be pleased to know that I am going to be relatively brief.

Mr President, everyone is in favour of coal. All the speeches tonight have emphasized the importance of coal. The world economic summit, the EEC Commission, the EEC Economic and Social Committee — all of them have declared in favour of coal. According to the participants in the world economic summit recently held in Bonn — the Heads of State or Government of the USA, Britain, Germany, Japan, France, Italy and Canada — coal should play an increasingly important role in the long term.

The energy Commissioner, Mr Brunner, recently told the European Parliament that the Commission wants to prevent a further decline in EEC coal production and to ensure that coal imports from non-Community countries do not take more than a reasonable share of the market. This is to be achieved by means of the Community aid system for intra-Community trade in power-station coal, which has been under discussion for a long time now. Stable and regular disposals are

Fitch

an essential prerequisite for maintaining a Community coal production capacity of 250 million tonnes of coal equivalent.

The Economic and Social Committee, too, has come out in favour of the scheme designed to increase intra-Community trade in steam coal from its present level of 3-3.5 million tonnes a year, to 12 million a year. The committee regrets, however, that the proposed increases are piecemeal, and doubts whether they will be sufficient to increase trade to the proposed level. It also regrets that an overall Community energy policy still has to be worked out and implemented. Never has so much verbal support been given to an industry as that given to the coal industry. But this is not enough: that verbal support must be translated into practical support.

We are, I believe, passing from the oil era into another coal era. Experts agree that oil and natural gas will be available for another 30 to 50 years, whilst the world's coal reserves are large enough to last from 300 to 500 years. If there were unexpectedly large increases in the price of oil, the chemical industry would resort to using coal as a proven feedstock. The trend is evidently moving in the following direction. During the first phase, until about 1984-1985, efforts will be made to improve the use of oil. From then onwards, particularly from around 1988-89, the trend will be in favour of coal chemistry. And I think, Mr President, we have got to make preparations before that era. We cannot, you know, in view of the evidence, afford to ignore coal development and research into its uses. Sixty million tonnes of coal, as has already been mentioned, at the moment are lying in stock. It is essential that we go ahead speedily with underground coal gasification. I agree we must have a two-prong policy: a policy for coal and a policy for nuclear power. But the need for a common energy policy is long overdue.

I agree this is not going to be easy to achieve. I am not one of those who believe that it can be achieved over-night. Because there are obvious difficulties. Certain Community countries have no coal production, and one does not expect them to be quite as interested in a common energy policy as those who produce coal. In fact, it might be easier to get a common transport policy, because transport at least is something common to all nine Members of the Community. That does not mean, of course, that non coal-producing countries have no interest in an energy policy. Of course they have. But they are likely to place less emphasis on coal than countries which produce it. And so I would appeal to the Commissioner to do all he can to increase financial aid to the coal industry, particularly those parts that we have discussed on several occasions in the immediate past. Coal is our most stable form of energy — certainly far more stable than oil, much of which still comes from parts of the world which are, unfortunately politically unstable. We have it in large supply. If we ignore our

one source of stable supply, we do so, I believe, at our peril.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, in a debate like today's, the thing we must avoid is seeing everything in terms of black and white. It is not true that the Community has no policy whatsoever on energy; but neither can we claim to have a comprehensive, efficient, long-term energy strategy based on mutual solidarity and expressed in the form of joint projects. We are in a transitional phase at present, and I make this point because otherwise this House might be tempted to underestimate the significance of its own work. It is largely thanks to you that we have got as far as we have.

What in fact do we have in terms of a common energy policy? Well, first of all, we are agreed as to the objectives of such a policy — what we need is a permanent supply of energy. We want to place our economic growth on a secure footing by means of the necessary energy supplies and the necessary investment. And on this point, we have made some progress within the Community. We have actually succeeded in saving energy. Since 1973, the European Community has experienced economic growth of the order of 7% while at the same time consuming nothing like that amount of additional energy. This may be nothing more than a temporary lull, it may be largely a recessionary phenomenon, but it is undoubtedly due in part to the fact that you and we and the Council of Ministers realized in good time that we would have to save energy. The objectives formulated by the heads of government meeting at the European Council in Bremen, to the effect that energy saving should have reached 15% by 1985 and the ratio between economic growth and energy growth should be cut from the present 1 to 0.8, are political declarations of fundamental importance. But without you, and without our debates in the Committee on Energy and Research and in this House — no matter whether the debates are held early in the morning or late in the evening — none of this would have been possible.

What is the second objective we have set ourselves? We need secure supplies and we want to avert a recurrence of the 1973 situation. And what have we done to achieve this objective? We have worked out Community crisis plans to be put into effect should the need arise. The Council of Ministers has approved these plans, and so we have an additional safeguard. We now know how the available resources will be divided out in an emergency, and this is also partly thanks to your work. What is our third objective? We decided that in the future we should have to reduce our degree of dependence on oil as a source of energy, and to this end we want to diversify our own energy sources and make a determined effort to see what can be done with the coal and nuclear energy resources within the Community.

Brunner

And what has come of all that? We aimed to reduce our dependence on imports of oil to 50 % by 1985, and we are well on the way to attaining this goal. Instead of the 31 million barrels of oil per day we expected the industrialized countries to consume in 1978, the actual figure has only been 27 million. At the moment we appear to have a situation in which we have adequate supplies of oil. The price of refined products has only increased marginally, and we have a glut of oil and refinery products. But this will only be a very short-term situation. Anyone who thinks that the oil problem has now been solved once and for all, and whoever is counting on North Sea oil supplies to grow in the future and account for something like 20 % of all our supplies by 1985, and whoever thinks that he can now sleep soundly is living in a fool's paradise. But, when all is said and done, we have defined our goal — we need to reduce our imports of oil — and we are doing just that, and at the same time we are taking steps to do something for coal and nuclear energy.

So far we have only modest progress. We introduced and extended the aid for coking coal, and this aid programme will now run until 1982. We approved a Euratom loan for the construction of nuclear power stations. This may not be very much, but it is at least something, and it is all part and parcel of our strategy.

What else have we done in this field? We set ourselves a fourth objective of developing new sources of energy, such as geothermal energy and solar energy, with a view to reducing our dependence on oil.

What has resulted from our efforts? We are currently engaged in drawing up the first outline regulations on geothermal energy and alternative energy sources, and here again, this is thanks to your help and to the cooperation of the Council. It is at least something.

And what about our fifth objective? Our fifth objective was to adopt a joint approach in the future in the energy sector to third countries, whether they be producers of coal, uranium or oil. And has some progress been made in this respect? Indeed it has; how otherwise have we got supplies of uranium flowing again from Canada? Who can take the credit for that — Father Christmas or the European Community? Who was responsible for reaching agreement with the United States on the Commencement of talks on the Euratom-USA treaty? Again, the European Community. We are currently seeking a mandate to conduct negotiations with the Australians. All this has come about in the last few months and years, and it has brought us some success.

And what about external relations? We have concluded a Verification Agreement with the Atomic Energy Agency in Vienna, and we are now engaged in concluding the individual agreements on the inspection of nuclear installations in the Community. This is an extremely important field, and one in which the

Community is adopting a common positions *vis-à-vis* the rest of the world. So here again, in the field of external relations, we have made a good deal of progress with the cooperation of the Council.

So, taking everything together, what have we in fact achieved? Well, we now know at least where we are going. We have a route mapped out and we must now proceed along that route. But we cannot do this simply from one day to the next. We have a definite timetable, and what you have been debating here today, namely our proposals for coal and for future energy scenarios for 1990 and 2000, our ideas on projects for demonstrating ways of saving energy, all these proposals which are now before the Council and which must be debated in October and December, are practical steps forward. At the same time, however, they are common steps forward, and they presuppose a minimum of solidarity between the Member States of the Community. This means of course that Italy and France must make their contribution to supporting the coal industry, and it also means that the Federal Republic of Germany and the United Kingdom must show understanding for the special difficulties faced by the Italian refining sector. It also means that we must all cooperate and do more to put into practice our projects for demonstrating ways of saving energy. This is an important sector, and the point is not whether or not a particular country has access to a particular source of energy. I think the Council would be well advised to pull together and put these measures into practice.

And why would the Council be well advised to do so? Certainly not because we have set our mind on a centralized energy policy controlled from Brussels. In the first place, it would be absurd to try to do anything of the sort. And secondly, it would be doomed to failure from the word go. It would be absurd because it will never be possible in a relatively free market to control every aspect of price policy — which, after all, is determined to a large extent by supply and demand — from a central point. It would never be possible and, in any case, I as a Liberal would never espouse such a policy. So you can imagine my surprise and understand my incipient scepticism when I hear people claim that Brussels is trying to dictate energy policy.

Let us be honest — has any member of the Committee on Energy and Research or in this House ever got the impression that we want to do more than agree on an outline, achieve a consensus or a minimum of solidarity? Has anyone here ever taken us to be so presumptuous as to want to control every single detail of every single aspect of taxation policy and price policy in the energy sector? I certainly hope not! And yet, I still hear such voices raised and there are still people in Europe who are determined to give their voters the impression that Brussels is

Brunner

mounting a campaign to restrict their own control over energy policy. I sometimes feel as though we are back in the time of the Napoleonic Wars. I am no Napoleon, but others are not the Duke of Wellington either. It is a fact that a centralized energy policy would not be good thing for the Community. On the other hand, however, if we want to coordinate energy policy on a Community basis, it is not sufficient simply to meet from time to time, to exchange a few thoughts on the difficult situation in the world and in particular in the energy sector, and then shake hands and say goodbye after perhaps passing a few fancy resolutions, and then doing nothing whatsoever. That is no way to coordinate the Community's energy policy!

Before we can have a coordinated approach, we first need a minimum of agreement as to the goals we are working towards. I think a minimum consensus has now been reached.

What we also need, however, is a minimum of common action based on a spirit of solidarity. As far as this is concerned, we may be on the right path, but we still have a long way to go.

This is where you are quite justified in saying that, in terms of energy saving, more must be done for the coal industry and more must be done to help the refining sector. You are quite right!

But it is also true that more must be done to make this Common Market a genuine Common Market in terms of energy. Whether we like it or not, we must conduct unemotional, sensible but determined discussions aimed at removing the present barriers to trade in the energy sector, which are contrary to the Treaties. But anyone who stands up and boasts that he will never do such a thing and that the Commission is wrong and is victimising his country by pointing out that an existing situation is contrary to the Treaties is taking his people for fools, and they would be well advised to ignore his rantings, because if they believe him they will soon discover that they have been led up the garden path. We have a Court of Justice in Luxembourg to deal with cases like these.

It is late in the evening, and we have discussed a wide range of subjects. I think we should say in conclusion that, as far as energy policy is concerned, there is no dichotomy, no conflict of views between the Community institutions. This House, the Council and the Commission are all doing their best to make progress in this sector, but we must be patient. There will always be times when valuable proposals are left lying on the table without any progress being made. But I can promise you one thing, and that is that whenever you put forward a good proposal, it will stay on the table until it can be ignored no longer.

President. — I call Mr Brown.

Mr Brown. — Am I to understand, Mr President, that the prince has now returned for his curtain call

and that he is going to pronounce the now famous epilogue for ministers: I have made my mind up, please do not confuse me with the facts.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, as rapporteur of the Committee on Energy and Research on energy matters, it seemed to me right and proper that I should make a short speech after the Commissioner had sat down and not before, and especially as the President-in-Office of the Council is among us. I hope that that is in order and I will be brief.

Let me say first of all, that we on the Committee on Energy and Research do not regard Mr Brunner as Napoleon. He has been a model of courtesy towards the committee. I am sure that I speak for Mrs Walz and others when I say that his manners to the committee have been impeccable. And I say this as one — I do not propose to pursue this topic tonight — who disagrees with him fundamentally on just one matter, namely the carriage of coal to various parts of the Community. But at no stage can anybody fault the Commissioner's manners towards the Parliament. And I would like, furthermore, to acknowledge his efforts to ensure supplies of uranium from Canada and Australia.

On behalf of the Committee on Energy and Research, I would like to raise briefly several points. The first concerns uranium prospecting in the Community. Contrary to what Mr Lahnstein said in the plenary session on 12 September, the Council has in fact made cuts in the appropriations for this programme. I am comparing it both with the preliminary draft budget for 1979 and with the budget for 1978. I hasten to say to Mr von Dohnanyi that I am quite sure that Mr Lahnstein did not intend to mislead the Parliament. But during its meeting on 19 September 1978, the Committee on Energy and Research proposed an increase for this programme which could well be within the Community's abilities and which is already producing positive results, such as uranium discoveries in Greenland and possibly in parts of Scotland and Ireland. This amendment would increase payment appropriations from 3 to 9 million units of account, and commitment appropriations from 5 to 20 million units of account. This is a larger increase than initially requested by the Commission.

Now another point that concerns the Committee on Energy and Research is the measures for physical protection of the JRC establishments. I think those of us who recently went to Ispra realized that this is of considerable political importance and for this reason the sums entered in Chapter 100 by the Council are being reinstated by Chapter 33 as well as being increased.

Dalyell

May I say to Mr von Dohnanyi that I suspect that, as a member of the German Government, he is, probably more than most, naturally concerned with security in these matters, and we hope that we will have the Council's sympathy in the matter of security at Ispra.

This brings me to Item No 3359 and the decommissioning of nuclear power stations. This is the subject of a report being drawn up by Mr Flämig. Now both the French Commissariat for Atomic Energy and the UK AEA are in favour of this programme as is the German Technical Association of High Capacity Power Plant Operators. The French Commissariat stated that this was 'un domaine qui représente un bon sujet de coopération communautaire'. Amendment No 6 reinstates the appropriations requested in the preliminary draft budget. I am taking the opportunity to put this again to the Council.

Finally, Mr President, I think that all of us who went to Ispra were impressed by the quality of the work. Few of us are nuclear physicists, but it does strike me that when the American and Canadian utilities — than whom there is no-one more hard-boiled when it comes to commercial contracts — are prepared to put some of their own money into the Community's work, that for me is sufficient proof of the quality of that work I hope that every help will be given to the safety aspects.

I return finally, to solar energy. We put the direct question to the project leader: 'If you were given more money, could you use it properly? There is no point in giving more money to a project just for the sake of pouring out more cash. Now the clear unequivocal answer was that they could digest double the amount. I think some of us feel that, rather than spend money on certain other projects, the Community should invest in ensuring the success of what it does well. We need to succeed and we can succeed. There are some things that are better done on a Community rather than on an individual basis. Solar energy is one of them. I therefore say to Mr Brunner, give a financial boost to those who are doing good work in the solar energy field in Ispra.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, we are planning to revise the current programme for the Joint Research Centre next year, and we shall take that opportunity to decide what projects should be added to the current programme. We have come to the same conclusion as the honourable Member. We share his view that the solar energy research programme has gone well in Ispra. We shall consult the Member States in the Council on ways of strengthening this research effort. I cannot say for sure in advance of the discussions in the Council whether this will lead to more funds being made available. We shall, however, take steps to proceed in the direction indicated by Mr Dalyell.

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Council. — (D) Mr President, I should like to begin by offering my apologies for assuming that the House did not attach any particular importance to my presence at this debate. I had arranged to have a discussion with the President of Parliament — and this discussion has gone on until just now — on problems concerning the European Parliament and cooperation with the Council of Ministers over the next few days. We have several discussions lined up under the conciliation procedure in the coming week, on Monday and Tuesday, and I had been told that this was the point at which Parliament might expect my presence. Unfortunately, I was mistaken and those who make mistakes must accept responsibility for them. I apologise therefore for not having been here and for giving you the impression that I was not devoting sufficient attention to the problem you are discussing. This is certainly not my way of going about things and it was not the impression I wanted to give.

Secondly, you will not expect me now to reel off a list of wise replies to a debate I have not even heard. My idea was to read through the record of today's debate and then to tackle the relevant problems I should, however, like to say to Mr Brown that I certainly did not come here thinking 'I have made up my mind and do not wish to be confused with the facts.' In fact, I would say that I have not made my mind up, but that I am disturbed by the facts and I should like to state my reasons for saying so. This is an extremely complex problem and I only heard part of what Mr Brunner said, but perhaps I may be permitted to make a few remarks on what I did hear towards the end of his speech.

Firstly, the Council feels that it would be wise to obtain an overall view of the programmes and projects in the field of energy research financed by the national governments, such that anything undertaken at Community level would usefully complement the national efforts, or even perhaps replace them. The Council is convinced that without an overall view of the current programmes, any initiatives and projects undertaken at Community level may result in a substantial wastage of funds, which will serve no-one's interests, and the criticism voiced in the Council related to the fact that there is far no such overall survey, which makes it difficult to get a genuine coordination process under way. There are differences of opinion on this point. You have just stated your opinion very frankly and openly, Mr Brunner, and I shall be just as frank with you. We need to get a clear overall view of what is really going on in the Community today, so that we can formulate a sensible policy to complement what is already being done. We would be ill-advised to go overboard for brand-new projects

Von Dohnanyi

simply because they may sound attractive right now, only to discover later that they are already being tackled nationally or bilaterally, and that they do not represent well thought-out complementary projects.

This is why the Council of Ministers has so far failed to come to a decision. But, ladies and gentlemen, I will not pretend that, even if we do achieve an overall view of this kind, the problems facing us are anything but fundamental because — and I think I must state this quite clearly and categorically — there are substantial conflicts of interest in these cases. They are substantial because oil, gas, coal and other natural resources are national resources and can be produced and processed at different costs depending on the technology available. This is particularly true of nuclear energy, and these varying interests make it extremely difficult to arrive at a common denominator. We only need to take as an example the policy relating to natural gas or oil reserves to realize that the sensitivity in these matters is extreme. If even fish appear to present a practically insoluble problem, how much more difficult is the situation with oil exploration platforms and natural gas deposits? We shall get nowhere by simply talking around these problems and pretending they don't exist. We may discover a whole range of opinions on the subject, but they will not help us to solve the problems.

Secondly, I should like to say that it is so difficult to make progress in terms of research policy — even given an effective, coordinating overall view of the situation — because, in my personal experience — and I think I have a good deal of experience in this field — an effective research effort must go hand-in-hand with industrial policy. After all, research carried on in isolation from industrial policy produces very attractive programmes, but can make no direct, practical contribution to industry.

The basic problem we had and have in Ispra is this remoteness from industrial policy, the lack of an effective connection between research and industry, the lack of a common policy

This is our main problem. I think I can say I tried in 1970, 1971 and 1972 and even earlier to create a future, for Ispra an opportunity to operate in the right direction. If you ask those who were there then — and especially those who are still there now — I am sure they will tell you that the Council certainly has given, and still does give, a great deal of attention to Ispra, but, as I said before, it is difficult to solve this problem if we cannot forge a link between research and industrial policy.

Ladies and gentlemen, these conflicts of interest also affect the problem of capacity.

It is a difficult situation when a country finds that it has created capacity in a particular stage of the processing of a particular primary energy source which is perhaps no longer in line with the Community's requirements, and thus insists that no similar capacity should be created elsewhere. This leads to considerable conflicts of interests and, as I said, it is very difficult to solve these problems.

Permit me to make one general observation in conclusion. The European Community has always made most rapid progress in harmonizing quantitative differences, such as eliminating Community customs tariffs and harmonizing subsidies between 20 % and 10 % at a mean rate of 15 %. It will always be a relatively quick matter to reach quantitative decisions in the Community, because the golden mean is always to be found somewhere between the different positions.

Unfortunately, there is no such golden mean, no such quantitative Community solution for industrial policy, and energy policy is after all industrial policy. If we were to try to hit upon a kind of quantitative common denominator, all we would finish up with would be a hotchpotch of an industrial policy, leading inevitably to disaster. Industrial policy demands a decision — either yes or no. There is no way of choosing 15 as a reasonable compromise between 10 and 20 — either we build this kind of reactor at this place or that kind of reactor at some other place.

What I want to say here quite clearly and categorically is that the European Community has always had great difficulty in reaching a common position on questions of industrial policy. The questions I have had to answer here today have included some on shipbuilding, and I noticed immediately how particular interests from a particular region once again raised the question of whether it was really right to create a common denominator in terms of industrial policy, because it would have different effects in the different Member States.

If I may be allowed to say so, I think the European Parliament would be well advised to join us in giving some thought to the question of how we can reach a consensus in the decisions we have to take, given that in industrial policy there are only two possible answers — yes or no. Where should the shipbuilding capacity, the steel capacity and the capacity for particular research projects be sited? These are very much more important decisions. It was no coincidence, ladies and gentlemen, that the decision on the siting of the JET project took so long, because we were of course faced with the question of what part the project should play in our industrial policy and what importance it would have subsequently in structural terms.

Von Dohnanyi

In conclusion, let me assure you that I shall read over everything that has been said here. We shall give serious attention to the criticism you have expressed, and I think that I can say the same criticism is expressed in the Council itself. But criticizing is rather different from taking a decisive step forward, and the best progress we could make would be to get away from simply quantitative compromises to an effective industrial policy in countries which — if I may say so — will be electing a European Parliament by direct suffrage next year, but in which today nine directly-elected Parliaments exist, each of which subjects its own national government to severe criticism whenever a question of national structural strategy is not solved in a manner felt to be sufficiently concordant with the national interest.

I could of course spell out a perfectly reasonable European policy on fisheries, but I know that in some countries — and it is not only one country — a solution of this kind would evoke massive criticism on the grounds that it was not a quantitative compromise, but a clear choice in favour of one country or another, or for one site or another. And the same problem is implicit in these questions of energy policy, and that is why the problems are in reality more complex and more difficult than they may sometimes appear to be. But, as I said, your criticism is justified. We accept that criticism and I shall be reading the report of this debate, and passing on the points you have made to the Council. But the task we have set ourselves within the terms of a common industrial policy is an immensely difficult one — indeed, perhaps the most difficult of all those facing us in a time of unemployment and need for political change to preserve jobs in all our Member States.

President. — I call Mr Flämig.

Mr Flämig. — *(D)* Mr President, I do not want to reopen this debate, but simply to make use of my right as the author of one of the motions for a resolution to wind up the debate, in accordance with the procedure we have always followed. I shall be brief, because what I have to say here has in fact already been said. At the end of this debate, we can only thank Mr Brunner for his moderate optimism, if I may call it that, and Mr von Dohnanyi for his promise to take note of what has been said here and to pass the message on, in particular to the Council of Energy Ministers.

But, Mr President, one of the speakers referred to me in particular, and I should like to make a personal reply to Mr Zywiets's criticism that I failed to devote sufficient attention to the question on energy saving. May I just say that this is not true.

I said in my speech that we had the impression that many people had forgotten the lessons of 1973 and that — with certain exceptions — energy saving was

conspicuous by its absence. I just wanted to clarify this point and to emphasize that energy saving is one of the most important aspects of my Group's programme.

I just remains for me to thank all those who have given their support to Mrs Walz and me, and to hope that our motions for a resolution will receive unanimous approval.

President. — I note that there are no more requests to speak. The motion for a resolution will be put to the vote during voting time tomorrow.

The debate is closed.

15. Situation in Iran

President. — The next item is the oral question with debate (Doc. 343/78) by Mr Forni, Mr Cot, Mr Joxe, Mr Lagorce, Mr Laurain, Mr Pisani, Mr Spénale, Mr Glinne, Mr Dondelinger, Mr Faure, Mr Brégère, Mr Didier, Mr Zagari and Mr Lezzi to the Commission :

Subject: Situation in Iran

The terrible earthquake that has just hit Iran has pushed into the background the grave political events that have occurred there.

However, the fierce crackdown in Iran and the Shah's determination to remain in power by whatever means, including force, more than ever call for the vigilance of all in condemning his violations of fundamental freedoms and human rights and in working for the restoration of democracy and security in Iran.

The disarray caused by the earthquake among an already helpless population must not be exploited by the Shah to intensify the crackdown on opposition leaders who are being arbitrarily arrested or simply 'disappearing'.

In the light of the foregoing, and given the special trade relations maintained by the European Community and Iran since 1963, the Commission is asked what attitude it intends to adopt towards this situation.

I call Mr Forni.

Mr Forni. — *(F)* Mr President, ladies and gentlemen, we have covered the whole of this planet today, stopping off wherever there was a flash of red. These flashes marked violations of human rights, but the also sometimes symbolized the blood which had been spilt. We have looked at Namibia, South Africa, Tunisia, and only a few minutes ago we studied the situation in the Lebanon and in Nicaragua. It is now time for us to turn to Iran.

For several months now, Iran has been rocked by unrest which appeared to presage the imminent end of the monarchical, authoritarian, dictatorial and anachronistic régime of the Shah. Several governments expressed their concern, while others even some in Europe — followed President Carter in giving their support to the tottering régime. This is a case of business interests being closely allied to political cynicism and the denial of human rights. This

Forni

country, shaken by political events, has now suffered the further blow of the thousands of dead in the recent earthquake, but the one should not distract our attention from the other. And while Europe's humanitarian role is important, there is still its political role to be considered. The European Parliament cannot remain silent. Europe cannot refuse to examine its conscience with the excuse that all this is a matter of internal Iranian politics or that the result of the activities of religious leaders such as Ayatolla Khomeini would only be to set up a backward-looking régime based on the most reactionary aspects of the principles of Shiism.

To those who argue thus, I would say that this is neither here nor there. What I am concerned about — and what we must be concerned about — is our attitude towards the drama of a people fighting for more liberty, for more democracy. What we should be angry about is the blood that has been spilt — the massacre of Black Friday and the innocent victims sacrificed for economic and strategic interests, sacrificed not only by the Shah, but also by a compliant international opinion.

What should attract our protests are the arbitrary arrests of leaders of all political groupings, the tortures, the assassinations the continuing violations of human rights. Starting in the mosques, the revolt has conquered the offices, the building sites and the factories, and now only the Iranian Army remains to maintain a threatened order. Not the order of an organized democratic society, but the order of a privileged minority. Only yesterday, demonstrations and strikes again brought all economic activity in Iran to a standstill.

Even at this late hour, of course, we could remain silent, but this would mean stifling the cry of these millions of men and women who are waiting and hoping. To remain silent would be to encourage repression. It would mean acceptance, and this would make us accomplices. To remain silent would also imply that others had a sole right to the defence of human rights. Our action today must not simply peter out — it must be followed up.

Since 1963 the Community has maintained certain relations with Iran, and since 1978 there have been agreements and closer contacts aimed at preparing the way for cooperation between Iran and the European Economic Community.

Against this background, I and several fellow Socialists felt that the Commission should be asked what attitude it intended to adopt. Apart from hoping for a clear, precise and unambiguous answer — and even though the hour is now late — we also aim this question to give a positive indication of the commitment of Parliament and all its Members to the offensive we must conduct everywhere there are flashes of red, everywhere human rights are being violated.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) We have at present no agreement with Iran. We have been conducting difficult negotiations with Iran for some time now, but these have made no progress to speak of in the past few months or even years. That is the legal position. It means that we cannot use an agreement as a basis for exerting political pressure. However, this does not mean that there is absolutely nothing we can do. Like you, we are following these developments with close attention and concern, and we hope that the policy of liberalization which has been initiated will continue apace. We hope that there will be no further violations of human rights in future, and we believe that this growing openness, this increasing freedom and security of the individual are essential if there is to be a suitable climate for formalizing relations between Iran and the European Community in contractual agreements. This is the dispassionate view, but it does not imply coolness. We are concerned. We hope that the views of Parliament and the Commission will be given careful consideration.

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

Mr Scelba. — (I) The position of the Christian-Democratic Group is clear and consistent — as witness our support for the resolution on Nicaragua. My Group, not least because of its Christian principles, condemns the violation of human rights, whatever the ideological pretext for that violation, whether in a monarchy or in a republic.

Our condemnation is moral more than political.

Politically, my Group holds that the legitimacy of power derives only from popular consent freely expressed. Consequently, any regime which is not based on popular consent is to be condemned. This applies all the more to regimes which use violence against those who call for a change of regime in the hope of obtaining one which they regard as better.

By acting in this way, such regimes end up by giving political justification to those who, unable to obtain peaceful change, themselves resort to violence.

The result is escalating violence which harms everyone in the end, for no good can come of violence.

We hold that the best safeguard against dissent is freedom of expression. We believe in freedom. We believe in the superiority of the democratic method, as a way of achieving social progress.

Our hope is therefore that the benefits of freedom may be extended to all countries which are at present deprived of them.

Scelba

Our condemnation of authoritarian regimes, which keep themselves in power by violating human rights, does not blind us to the distinction between popular reforming movements and small groups who resort to acts of terrorism to impose their own ideas at any price, as occurred recently in Iran, where a cinema was deliberately set on fire, causing the death of more than 300 people including many women and children.

Nor must popular reforming movements be confused with groups who use reform of an authoritarian regime as a cover for furthering the imperialist policy of foreign powers.

This distinction is further justified by what is happening across the border from Iran. One only has to look at Afghanistan, where one authoritarian regime was replaced by another in a violent change brought about by a group of soldiers with military and political assistance from the Soviet Union.

My Group is in sympathy with all those fighting anywhere else in the world to replace an authoritarian with a democratic regime, but those who resort to violence to replace an authoritarian regime with an equally authoritarian one cannot expect the sympathy of free men.

I myself have had occasion several times in this House to draw the attention of the Council and Commission to the need for the Member States, and for the Community as such, to have an economic and trade policy which does not conflict with the aims of liberty and democracy pursued by the Member States and the European Community itself.

Such a policy would leave no room for discrimination according to the ideology adopted by authoritarian regimes, or according to whether such regimes have lasted 60 years or are of recent date. The fact that an authoritarian regime has been in power for a long time gives it no special right or title.

We Christian-Democrats therefore ask the governments of the Member States and the Council and the Commission of the European Community to take prompt and concerted political action to safeguard human rights wherever they are violated.

We also ask them to take concerted action with regard to economic and trade policy, not only for the sake of consistency, but also to safeguard the interests of all and to prevent other countries which violate human rights from taking advantage of an inconsistent policy on the part of the Member States and the European Community. The policy must therefore not be *ad hoc*, but of general application. It would be inconsistent to trade with, or to supply loans and advanced technology to countries where human rights have been trampled underfoot for decades, while denying these advantages to other countries on the grounds that they had failed to respect human rights.

We call for all this because we believe that respect for fundamental rights on the part of all countries would be an essential element of the will to achieve international detente, and thus a reason to hope for a less precarious peace than that which we have today.

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

Mr Meintz. — (*F*) Mr President, the question raised in this debate and the speech from Mr Scelba have confirmed — if confirmation were needed — that political cooperation among the Nine must inevitably become of greater and greater significance. The European Community is the largest trading power in the world but it lacks a Community policy to give it credibility. The result is that we carry no weight with those who, to some extent at least are dependent on our technology. This explains how we are often too late in reacting to situations which closely concern us. We do not influence events but are forced to follow them. If one day, hopefully in the not too distant future, peace reigns in the Middle East, it will be thanks not to our influence or to the contribution we can make to finding a negotiated settlement, but quite simply to the efforts of others.

There should be no attempt to hide this shortcoming from the public. I therefore want to thank the Socialist Group for taking this initiative, even though I feel it is going a bit far to link a natural disaster, such as the earthquake which has ravaged Iran, with a further outbreak of genuine or purported repression. If we were to adopt the thinking of our Socialist colleagues, we should be tempted to relate the earthquake to explosions in Russia or elsewhere, as some scientists have done. I am not going to do that. What I am going to do is use this opportunity to highlight the underlying causes of the unrest which, we feel, is a feature of the situation in Iran. It is well known that there is a time limit on the revenue from oil because of the depletion of existing reserves and the future developments that can be expected in the energy sector. The Shah has therefore gambled heavily on the industrialization of Iran, which in a fairly short time was to join the ranks of the world's ten leading industrial powers. This gamble depends on the chances of keeping control of the associated problems, namely, the emergence of a working class which insists on sharing the benefits of this progress, and the often uncontrolled urban development with the resultant rural depopulation.

This phenomenon is evident in every country where a rural economy is giving way to industrialization, often at a tremendous rate. Naturally, it would be better if the European Community — which is making a hefty contribution to Iran's industrialization by supplying turnkey factories and large steelworks — could ensure that the income from oil were used primarily for the

Meintz

less privileged social classes and that trade and technology were helping to strengthen the democratic structure of the country and, obviously, the security of the people.

But just how much room for negotiation has the Community in actual fact? We must not forget that the general public is still recovering from the energy crisis and that our economies are still licking their wounds. Jobs for our workers depend to a great extent on oil supplies and on the prices fixed by two countries, Saudi Arabia and Iran. I am not suggesting with this that we should shut our eyes to violence or ignore repression — we agree with Mr Scelba on this point — but we must strive to appreciate the problem fully before we fall into the trap of over-reacting or taking a biased view.

Another factor which must not be underestimated is what kind of regime would take the place of the present one. Our Socialist friends must not overlook this factor when they are condemning the Shah's determination to remain in power by whatever means, including force. If the Shah's going means a leap in the dark, leaving Iran at the mercy of subversive forces which would eventually reduce it to a satellite state, it cannot get our support. Proof of this is that President Carter, who has set out to champion human rights and fundamental freedoms, has avoided making any proposal which, in the long run, could make things worse. With what is at stake here, we feel we ought to watch what we say. Nevertheless, we must take a stand, so that the peoples involved can arrive at a balanced economic and political situation, and so that the different communities can coexist peacefully. With this aim in mind, the European Community must avoid adopting too rigid an approach which could bring about results the very opposite of what we want. The Liberal and Democratic Group will encourage every move to right the mistakes of the past and to establish, with proper respect for all freedoms, a democratic system which will allow Iran, thanks to the thorough reforms which are needed, to move towards a liberal regime under which social policy will be the constant concern of those who are called on to control the course of that country.

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

Mr Soury. — (*F*) Mr President, this debate gives us the chance of reiterating our complete solidarity with the people of Iran and our unremitting condemnation of the Shah of Iran's savage regime and of all those in the world who keep him in power, for without them he would have been swept aside by the surge of popular feeling which has arisen in the country. It is no secret that repressive measures have killed thousands in just a few days. The civilian population has been barbarously slaughtered. Women and children,

demonstrating peacefully, have been cut down by a hail of bullets from an army trained by American advisers. How can you just dismiss it as mistakes? What were they guilty of? They were merely claiming their rights as citizens, and their determination has not diminished. Their longing for freedom is too great to be stifled by the repression we are speaking about against here this evening. Nevertheless — and this is the disturbing thing — the despot in Teheran is continuing with the arrests and persecutions of all kinds, especially in religious circles.

It was the extent of this drama and the seriousness of the whole affair which led us, a full month ago, to table a motion for a resolution with request for urgent debate. We say again that human rights are indivisible. No citizen must suffer in any way for his beliefs. The right to be a full citizen cannot be denied to anyone, anywhere, for any reason whatsoever. Any measure to defend human rights gets our support.

There is even greater reason to offer total commitment when it comes to raising high the banner of freedom to counter massacres like those in Iran. It was this concern which led us to feel, a month ago, that there was not a moment to lose, and which led us to ask Parliament to assert its authority in urging the European authorities to make energetic representations to the regime in Iran for the end of repression, the lifting of martial law and the freeing of political prisoners. Nothing has been done as yet. Liberty is still crushed under the blood-stained fist of the Shah. In the meantime, the proposal we made a month ago has become even more urgent since the governments of one Member State, the United Kingdom, and the USA have felt obliged to pledge their full support for the Shah. Consequently, while we welcome this debate here today, we feel that the Political Affairs Committee must really discuss without delay the motion for a resolution which we put down a month ago.

Finally, we cannot fail to be moved by the fact that the people of Iran — as if one disaster were not enough — have just suffered another agonizing experience. You would need to have a heart of stone to be unaffected by the human suffering which the dreadful earthquake in Iran has brought to the people there. We therefore believe that the Community, while keeping the two events apart, must adopt a dual approach. Firstly, it must give its unqualified support to the people of Iran in their struggle for freedom and human rights; and secondly, it must offer them emergency aid to cope with the terrible effects of the earthquake. Is it not possible to combine the political struggle for freedom and measures to alleviate suffering in a noble humanitarian operation? We feel that it would be to Parliament's credit if this were done.

President. — The debate is closed.

16. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Thursday, 12 October 1978, at 10.00 a.m. and 3.00 p.m., with the following agenda :

- decision on the request for a vote without reference to committee on a motion for a resolution on summer time ;
- decision on urgency of a motion for a resolution on the sentencing of Tunisian trade unionists ;
- Lezzi report on food aid management ;
- Ansquer report on aids to the iron and steel industry (debate to include an oral question on the same subject) ;

— oral question with debate to the Commission on ore supplies to the Community ;

— Damseaux report on competition policy ;

— motion for a resolution on air traffic control.

3.00 p.m. : Question Time (questions to the Commission).

3.45 p.m. : Voting time.

The sitting is closed.

(The sitting was closed at 9.15 p.m.)

ANNEX

Questions which could not be answered during Question Time, with written answers

1. Questions to the Council

Question No 31 by Mr Soury

Subject: Measures now being prepared for the dairy sector

According to recent information, the Council of Ministers of Agriculture will soon be reviewing the dairy situation to decide on new guidelines for dairy policy.

Could the Council confirm whether, as Community stockbreeders fear, there are plan to take the following measures: to increase the corresponsibility levy to 5 %, abandon all aid to dairy production, and suspend purchases in favour of powdered skimmed milk during the winter months?

Answer

On 25 September 1978 the Council received a Commission report on the situation in the dairy sector, which is experiencing a constant increase in production. For the time being it has merely taken note of the submission of the report, which will be examined in depth in the competent subordinate bodies before being discussed in the Council at one of its meetings in the near future.

At this juncture the Commission has depicted the general situation and outlined some objectives, but it does not intend to submit any further proposals until the report has been properly examined. It is therefore too early for any conjecture as to what measures might prove necessary in the dairy sector.

Question No 36 by Mr Dankert

Subject: Payments from the European Regional Fund

Can the Council explain why in 1978 Member States have submitted fewer applications for assistance from the European Regional Development Fund than in previous years?

Answer

It should first be pointed out that the Council is not responsible for the administration of the European Regional Development Fund.

However, judging by information made available by the Commission, it would seem that in 1978 the Member States submitted fewer claims for payment, but not fewer applications for assistance.

Among the possible causes for this may be cited the fact that over the past few years it has proved impossible to grant all the applications for aid and the fact that the competent authorities are awaiting the entry into force of the provisions of the new Regulation amending the Regulation establishing the Regional Fund.

These provisions, as envisaged by the Council, are substantially more favourable than those under the 1975 Regulation in that they create a non-quota section, more flexible definitions and certain differentiated rates (e.g. for eligible infrastructure, particularly hard-hit regions) and involve administrative improvements.

Once the conciliation procedure at present under way with the European Parliament has been concluded, the Council will be able to adopt the Regulation in question and it will be possible for applications based on this new Regulation to be submitted and given consideration.

Question No 37 by Mr Spicer

Subject: Community policy for the aeronautical industry

In view of the overriding need to sustain a strong Community aerospace industry in the face of US competition and the need to provide the right moral and financial encouragement for the Commu-

nity's aerospace industry, when will the Council give the go-ahead to the Community's first aeronautical research programme?

Answer

The scientific and technical content of the first multiannual technological research programme in aeronautical construction, proposed by the Commission in August 1977, was approved by most delegations. There were, however, differences of opinion between delegations regarding the scope of the programme, some delegations wanting it to be restricted to helicopters. There are, moreover, industrial and financial problems in connection with implementation of the programme, and these are still being studied.

I am therefore unable to inform the honourable Member whether or when the Council will adopt an aeronautical construction research programme.

2. Questions to the Foreign Ministers

Question No 42 by Mr Lagorce

Subject: Human rights in Chile.

What positive results, if any, have followed the visit to Chile on 12 July by representatives of the United Human Rights Commission?

Answer

The report of the ad hoc working party of the United Nations Human Rights Commission concerning the visit to Chile in July this year has not yet been published. It is therefore not possible to assess the outcome of the visit. The decision of the Chilean Government to agree to the working party's visit is nevertheless to be welcomed.

It is expected that the report on the visit will be presented as a UN document during the discussion of the TOP 12 Report of the Economic and Social Council in the Third Committee of the UN General Assembly.

Question No 45 by Mr Dondelinger: deferred

Question No 46 by Mr Dalyell

Subject: Vienna Convention

Will the Foreign Ministers of the Nine take joint action to stop the import, by means of the diplomatic bag, of weapons into the European Community?

Answer

The governments of the Nine are aware of the dangers of the misuse of diplomatic bags. It is one aspect of the general problem of the misuse of diplomatic privileges. Recognizing the need for joint measures, the Nine have set up a subgroup within the framework of political cooperation. Its task will be to investigate the question of the misuse of diplomatic privileges by the representatives of certain countries in the capitals of the Nine in the light of the struggle against terrorism.

The subgroup should begin its work this month.

SITTING OF THURSDAY, 12 OCTOBER 1978

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IN THE CHAIR: SIR GEOFFREY DE FREITAS

Vice-President

(The sitting was opened at 10.20 a.m.)

President. — The sitting is open.

1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

President. — I have received

- (a) motion for a resolution tabled by Mr Rippon and Mr Jakobsen, on behalf of the European Conservative Group, pursuant to Rule 25 of the Rules of Procedure, on the Zimbabwe settlement (Doc. 374/78)

which has been referred to the Political Affairs Committee;

- (b) on 11 October 1978 a proposal from the Commission for the transfer of appropriations from one chapter to another within Section III — Commission — of the general budget of the European Communities for the 1978 financial year (Doc. 376/78)

which has been referred to the Committee on Budgets.

Since this proposal concerns expenditure not necessarily resulting from the Treaties, I have, in accordance with the provisions of the Financial Regulation, consulted the Council on it on behalf of Parliament.

- (c) from the Council, a letter of amendment to the draft general budget of the European Communities for the 1979 financial year, adopted by the Council on 6 October 1978 (Doc. 377/78)

which has been referred to the Committee on Budgets.

3. *Resolution pursuant to Rule 47 (5)*

President. — The first item on today's agenda is a vote on the request for a vote without reference to committee, pursuant to Rule 47 (5) of the Rules of Procedure, on the

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motion for a resolution (Doc. 375/78) tabled by Mr Müller-Hermann on behalf of the Christian-Democratic Group (EPP Group) to wind up the debate on the oral question (Doc. 281/78) on the introduction of summer time.

Are there any objections?

That is agreed.

I propose that the motion for a resolution be put to the vote at the next voting time.

Are there any objections?

That is agreed.

4. *Decision on urgency*

President. — The next item is a vote on the urgency of the motion for a resolution (Doc. 379/78) on the sentencing of Tunisian trade unionists.

I call Mr Rippon to speak on behalf of the European Conservative Group.

Mr Rippon. — Mr President, I should like to reiterate the concern I already expressed concerning the number of motions for resolutions being brought forward. I think we will have to consider this problem as well as the proper definition of the word urgency. As I understand it, this matter has been known for some considerable time, and much more notice could have been given of a desire to discuss it. It is extremely difficult for Members of this House to be faced with decisions on matters of this kind which inevitably involve some consideration of the facts concerned.

I also wish to reiterate the view which I and my group have that if these matters are to be regarded as matters of urgency, then they should not normally take priority over the advertised business of this House. I have, of course, no particular reason for suggesting that this matter ought not to be debated. But if the House wants to do so, it should take it at the end of all other advertised business.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, if Mr Rippon is claiming that this sentencing of Tunisian trade unionists was known earlier, I should just like to ask him to tell us here and now when the verdicts in the trial of these Tunisian trade unionists were announced. He will then realize that it was quite impossible to table a motion earlier than yesterday when this motion was put forward on behalf of the Socialist, Christian-Democratic and Communist Groups.

It is irrelevant for us when the motion appears on the agenda; what is important is that this Parliament voices its protest against the verdicts which have been

passed in a political trial. That is what we are concerned about. In any case, Mr Rippon, your group is also involved in tabling motions for resolutions with request for urgent procedure. In fact, we have to consider today a motion which you have tabled on the events in Zimbabwe. That means, if you like, that all the groups, including the Conservative Group, are equally to blame.

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

Mr Rippon. — Mr President, I would point out that we have not asked for urgent procedure on the subject of Rhodesia, but have tabled a motion on Rhodesia which will be considered in the proper way by the Political Affairs Committee.

President. — I put the request for urgency to the vote.

Urgent procedure is agreed.

I propose that this motion be placed on the agenda for tomorrow, Friday, 13 October 1978, after the Albers report (Doc. 322/78).

Are there any objections?

That is agreed.

5. *Management of food aid*

President. — The next item is the report (Doc. 320/78) drawn up by Mr Lezzi, on behalf of the Committee on Development and Cooperation on the

communication from the Commission of the European Communities to the Council concerning the procedures for the management of food aid.

I call Mr Lezzi.

Mr Lezzi, rapporteur. — (I) Mr President, I should like you and the Members of the House to consider deferring discussion of this subject, because the committee responsible has not had a chance to examine the excellent work of the Committee on Budgets with the series of amendments it has tabled to the Commission text.

Also, Mr Cheysson cannot be here today, and we know how keenly he follows Community affairs concerning the developing countries, whether associated or not. Reference to committee will not delay the entry into force of the regulation but will enable Parliament to discuss the report when Mr Cheysson is here.

President. — Since the request for reference to committee has been made by the rapporteur it is automatically granted under Rule 26 of the Rules of Procedure.

6. *Decision on Member States' aids to the iron and steel industry*

President. — The next item is the report (Doc. 335/78) drawn up by Mr Ansquer, on behalf of the Committee on Economic and Monetary Affairs, on a draft Commission decision establishing Community rules for aids and interventions by Member States in favour of the iron and steel industry.

I call Mr Ansquer.

Mr Ansquer, rapporteur. — (F) Mr President, the Community iron and steel industry is faced with very grave difficulties which have come to a head in the space of a few years. The problems caused by this crisis have already been discussed by Parliament and in 1977 were the subject of a significant and excellent report by my predecessor, Mr Pierre-Bernard Cousté, to whom we owe a well-deserved tribute. Furthermore, Commissioner Davignon has informed both the Committee on Economic and Monetary Affairs and Parliament of the content and implementation of the previous anti-crisis measures taken by the Commission to cope with individual or short-term situations.

It can be said that, despite failures in certain sectors, these measures have had positive results since prices for Community steel have increased compared with a year ago. Community production itself has risen. Thus the previous measures employed by the Commission have proved to be effective and beneficial for the European Community.

Today, ladies and gentlemen, we are facing the prospect of a new phase which the Commission proposes to enter with a very wide-ranging draft decision, and I shall do my best to give a brief analysis of this.

The European Parliament has on several occasions dealt with the content and implementation of the main short-term economic measures taken by the Commission with regard to minimum prices, guide prices or delivery quotas. Parliament approved them on the understanding that they formed only a part of the Community's iron and steel policy.

In fact, the crisis on the steel market is not only a short-term economic phenomenon. This means that more radical measures are called for. The draft decision establishing rules for aids by Member States to the iron and steel industry is designed to provide a framework to ensure that these aids are compatible with the Community's general policy for restructuring the industry.

You doubtless recall, Mr President, ladies and gentlemen, that during the July part-session I requested that this report be referred back to committee. I hoped, in fact, that this question would be thoroughly debated in committee. And indeed, on 25 September last the Committee on Economic and Monetary Affairs had a thorough exchange of views on the subject in the presence of Commissioner Vouel.

In order to resume consideration of this report today, we must take account of certain events which have taken place since last July. The ECSC Consultative Committee approved the Commission's draft decision on 13 July. Furthermore, on 19 September the Council of Ministers decided to pass ahead with implementing the anti-crisis plan in the iron and steel industry. The draft decision before us on the rule governing aids is on the borderline between industrial policy and competition policy two areas with which we shall also be dealing today when we consider the oral question by the Socialist Group on the crisis in the iron and steel industry and the report by Mr Damseaux on the Seventh Report on Competition. Paying particular attention to the points discussed in committee, I shall deal in turn with the aim of the draft decision, the criteria on which the rules governing aids are based and the procedure for supervising these aids. I shall deal with each of these points with reference to the chances of success of the Community's sectoral policy in the iron and steel industry and, of course, to the need to comply with the rules of competition laid down in the Treaties.

The European Parliament has dealt on many occasions with the content and implementation of the main short-term economic measures. We know that the crisis on the steel market, as I just mentioned, is not only of a short-term nature, and so these measures must be supplemented by a section on restructuring policy — i.e. a series of structural measures. The various short-term economic measures put into effect so far, both within the Community and in our relations with non-member countries, have prepared the way for more radical measures. What we now need is for the Commission to have a restructuring policy, and it is this on which the governments of the Member States and the Commission are working in consultation with the parties concerned.

The iron and steel industry needs to be restructured. Indeed, it is not economically acceptable to ensure the long-term survival of an entire sector of industry by means of regulations on delivery quotas, minimum prices and guide prices, with all the controls and possibly sanctions that this implies. The Commission's administrative apparatus already finds it a strain. In addition to these exceptional emergency measures, the Community iron and steel industry must be restored to the competitive position it has partly lost.

Restructuring will also have to be accompanied by reorientation. According to studies by experts, it appears that there will be more demand for flat steel products than for long steel products. The sectors in which an upward trend is expected in the period 1980-1985 are heavy engineering, the electrical and automobile industries and steel tubes. The prospects are not so good for the building industry, light

Ansquer

industry and shipbuilding. It will not be possible to undertake this vast operation of restructuring and reorientation without intervention by the public authorities and the Community, whether through investment aid, and particularly via the whole package of social measures which is indispensable to the implementation of these plans.

Thus the draft decision establishing Community rules for aids by Member States to the iron and steel industry, which we are again considering today, is intended to provide a framework to ensure that these aids are compatible with overall Community policy on the restructuring of the iron and steel industry. The draft decision indicates that the aim of the restructuring plan for the Community iron and steel industry is to achieve a smooth adaptation of the steel industry's production capacity to foreseeable demand and also to restore the competitiveness of the Community iron and steel industry. Your committee stressed this need for compatibility with the aim of restructuring, as indicated in paragraph 1 of the resolution.

We would even have wished to link the framework of rules for aid with the restructuring policy to be laid down in the General Objectives for Steel for 1980-1985-1990. But we realized that the arguments put forward by the Commission in particular had to be taken into consideration. The Commission should, in fact, be able to bring this new instrument into effect immediately, without waiting for the Objectives for Steel, while taking account of the restructuring plan launched by certain Member States.

On the other hand, while aids must be mainly confined to restructuring, some of them are intended for measures to rescue firms and also for tackling very acute social problems. As such they do not seem directly associated with the restructuring plan. However, it goes without saying that the European Parliament will, when the time comes, make very sure that these aids form an integral part of the Community's restructuring policy, as the Commission implies in its explanatory statement to the draft decision.

Owing to the widespread nature of the crisis and in order to ensure consistency between the numerous restructuring operations in this sector and avoid distortions of competition, the Commission considered it necessary to lay down a set of rules for aids and interventions by Member States for the iron and steel industry. In fact, under Article 67 (2), the Treaty establishing the ECSC confers on the Commission only the right to make recommendations, and only in a limited number of cases. This is why the Commission, basing itself on Article 95 of the ECSC Treaty, drew up a draft decision in order to provide itself with an instrument for regulating aid which would be more in keeping with the seriousness of the present situation. In this context, paragraphs 1 to 3 of the motion for a resolution note the need for a restructuring policy and

point out that the lack of a Community framework for national aid could seriously jeopardize such a policy. Over the next few years the financial situation of many iron and steel undertakings will continue to be difficult, and the Member States will frequently have to provide them with aid.

The Commission also notes in its introduction to the Seventh Report on Competition Policy that the existence of national aid schemes is an inescapable feature of competition policy which subjects it to very considerable strain. It therefore seems undeniable that the Commission is justified in having recourse to Article 95 of the ECSC Treaty to implement this decision, which by virtue of its subject-matter is a help to the ECSC in carrying out its general tasks.

There can be no effective framework for aid without precise principles and criteria and adequate provision for supervision. The committee was particularly careful with regard to the criteria to be applied to the Community framework for aid. The field of application of the framework procedures is very broad, since these procedures apply to aids and interventions for the iron and steel industry financed or granted by a Member State or from government funds in any form whatsoever. Without this broad basis the effectiveness of the instrument for regulating aid would be considerably reduced.

The draft decision distinguishes between several types of aid and lays down the criteria applicable to each of them. Investment aid must be justified by the extent of restructuring undertaken or by the structural problems of the region for which the investment is intended. The investment programme must be broadly in keeping with the General Objectives for Steel. It is clear that the application of these criteria is intended mainly to avoid the creation of surplus production capacity.

Articles 3, 4 and 5 of the draft decision set out the conditions which must be met by aids or interventions intended to relieve the burden of welfare payments or other costs resulting from restructuring. In particular, the scope of such aid must not go beyond the original purpose. This stricture applies even more to emergency aid to finance rescue operations for undertakings. Such aid is only permissible if it is needed to tackle acute social problems and in most cases if it is in the form of a government guarantee or a loan at market rates of interest. Paragraphs 3 and 4 of the motion for a resolution approve both the aim and the criteria.

There is no uniform situation throughout the iron and steel sector. Thus, for example, the crisis is having a lesser effect on flat steel products than on long products. It also appears, according to the steel estimates for the fourth quarter, that Italian and United Kingdom deliveries are only slightly below those for the reference period of the first quarter of 1974. We must therefore be very careful that aid does not penalize competitive producers by granting excessive protection to those who are less so.

Ansquer

That is why the committee was anxious to stress the exceptional nature of this aid by adding to the original motion for a resolution an extra paragraph stating that such aid must, in any case, be degressive and temporary. The committee was also anxious — and in this it reflected the concern already expressed in the ECSC Consultative Committee — to ensure that, as stated in paragraph 5, the application of the framework procedure for aid to restructuring should not result in any discrimination between undertakings, whatever their legal form of ownership, Mr Lange.

I now come to the supervision of aid. To be effective, the instrument for regulating aid which the Commission adopts must be both flexible and safe. Account must be taken of the interests at stake: because the questions and interests involved are so complex, there must be sufficient flexibility in the implementation of the rules governing aid. This concern is expressed repeatedly in the draft decision, and the Commission is expected, for example, to take full account, before submitting its reasoned opinion, of the regional aspects or of the special problems facing the undertaking or undertakings concerned.

With regard to the system of rules, the procedure is basically the same as that provided for in Article 93 of the EEC Treaty. The Commission must be notified of any aid or intervention projects, which may not be carried out without its approval, and is under the obligation to make its views known to those concerned as soon as possible. The procedure is made binding by the fact that the Commission may require the Member States in question to see that any intervention not in accordance with the criteria for compatibility is reimbursed or withdrawn. In any case, it seems essential to stress, as do paragraphs 6 and 9 of the resolution, the strictness and watchfulness which are expected of the Commission. The very effectiveness of the aid depends on this.

The committee gave more general expression to the same point of view in the report by Mr Damseaux on competition policy. Some sectors of the Community iron and steel industry complain of distortions of competition caused particularly by inadequate supervision of the anti-crisis measures currently in force, by the considerable amounts by which production objectives are exceeded, and by the undercutting of minimum and guide prices. No new causes of distortion must be added. Further, we must above all keep in mind the competitiveness of the sector and not forget what effects an uncompetitive iron and steel industry would have on the steel processing sector, which is composed largely of small and medium-sized undertakings but also of sectors as essential to the economy as the car industry. If they were no longer able to obtain relatively cheap supplies of foreign steel, these two branches of industry would bear the brunt of the Community measures and the very exist-

ence of a sector which provides a large number of jobs throughout the Member States would be in jeopardy.

Lastly, Mr President, ladies and gentlemen, Article 8 of the draft decision states that the Commission shall at regular intervals draw up reports on the implementation of the present decision. The committee considers it essential that these reports should also be forwarded to the European Parliament, which has a right to be kept fully informed. For this reason we have tabled an amendment to this article which the Commission told us it could accept, and for this I thank it on your behalf.

I have thus outlined the content of the Commission's draft decision and what the Committee on Economic and Monetary Affairs had in mind when it unanimously approved this resolution, which is regarded as a very timely step.

I should also like to mention in conclusion, Mr President, my approval in principle of the inclusion of ECSC customs duties in own resources in order to increase the funds available to the ECSC budget, particularly for the restructuring of the iron and steel industry. This was the subject of an amendment tabled by Mr Müller and has been referred to the Committee on Economic and Monetary Affairs, where it will be examined more thoroughly.

So much for a very brief summary of the contents of the draft decision and the remarks which I was called upon to make on behalf of the Committee on Economic and Monetary Affairs. However, you can clearly see that, over and above its actual provisions, this draft decision represents a new approach by the Commission and is actually a plan for the thorough reorganization of the Community iron and steel industry.

This plan comprises two main elements: firstly, the listing of products and factories which will have to be reviewed and, sad to say, in some cases eliminated, and secondly, the mobilization of considerable resources to finance the necessary changes in our iron and steel industry, e.g. the conversion and specialization of factories where necessary.

Aid will necessarily be much more substantial, ECSC funds will have to be mobilized, the European Investment Bank will have to be asked to participate, etc. It is thus a complex, ambitious and far-reaching whole. We can definitely support this new approach, the essential element of which must be coherence, and it also deserves our support because ultimately the European iron and steel industry must be prosperous and powerful.

(Applause)

President. — I call Mr Hoffmann, co-author of an oral question on the crisis in the iron and steel industry (Doc. 347/78).

Mr Hoffmann. — (*D*) Mr President, it falls to me to introduce this oral question and I should like to state briefly my reasons for doing so. But perhaps you would permit me, to begin with, to paint a rather different picture to what the previous speaker said in the final sentence of his speech. Of course we are delighted that a particular industry in Europe is in a strong and healthy position, but I get the impression that time and time again our debates continue to play down the much more important question of the state of the workers concerned and the regions they live in.

Mr President, we have raised our questions on the one hand because we have seen that in certain sectors of the steel industry the production figures are on the way up in other words there has been a certain improvement in statistical terms. In my country, for instance, the last nine months have seen an increase in the production of sheet steel of the order of 11%, which is a small indication of the fact that it is perfectly possible to overcome the marketing and price difficulties in a particular sector.

The second reason is the substantial changes which we can see taking place in certain countries. Let me remind you that important decisions have been taken in France over the last few days which will have enormous repercussions there. I would also remind you that discussions have been taking place in Belgium on the question of forming a holding company, although I must admit I do not know what effect the Belgian Government crisis is having on all this. And I would remind you that in my country, for instance, contracts have been signed which are bound to have far-reaching repercussions. All these recent changes have prompted us to raise these questions. However, the most important thing as far as we are concerned — as I mentioned right at the beginning of my speech — is that we are coming more and more to the realization that a crisis is only really felt fully when the markets are partially recovering.

In terms of numbers, we find that in France 20 000 jobs in the steel sector will go by the board in the next two years. It can also be seen that a large number of jobs will soon be in jeopardy in Luxembourg, and that under a rationalization programme which began a few weeks ago, something like 10 000 jobs will be rationalized out of existence in the Saar in the near future. We could add other figures on the situation in the United Kingdom and in Belgium. For the long term, these figures reflect an even more difficult situation. As you know, we have to find something like 30 000 to 40 000 jobs in the Federal Republic of Germany, the United Kingdom and France. These are frightening figures which are bound to give rise to problems in a number of fields.

In my opinion, we have attached far too much importance to quantities and prices. The fact is that the measures taken by the Commission and the money made available have all been concentrated on this aspect. On a number of occasions we have discussed the problems of the upstream and downstream industries, but not in sufficient detail. Now, thanks to the report presented by the previous speaker, we must also consider the question of competition between Member States' national aid programmes. Of course, all these problems raise the question of whether we need a definite strategy at European level to deal with this crisis; do we, for example, need a restructuring plan at European level? I assume that most of us here today would answer in the affirmative. But then, of course, we are faced with the question of how far a plan of this kind can actually be put into practice at European level.

In response to our question, Mr Davignon said last time that a special directorate would be set up to deal with restructuring problems. I myself took the view that it would be very sensible to collect additional information and put forward a number of analyses. But, to be quite honest with you, Mr Davignon, I got the feeling that you were all set to pronounce on this important question, but that, at the vital moment, you had nothing to say.

In other words, the Commission has got itself into a situation here in which it has an idea of how to tackle this far-reaching problem — and I support the Commission's ideas — but, on the other hand, it was probably only after making your statement that you realized the severe limitations on the Commission's powers and room for manoeuvre in this sector in the face of national interests. We should therefore be very interested to know, Mr Davignon, what progress has been made in your department on this question of restructuring and what concrete problems you have tackled.

If we start from the assumption that we need a European strategy, we also know what questions need to be tackled. Firstly, there is the question of getting rid of overcapacity. All of us here are perfectly well aware that a good deal of overcapacity has to be eliminated, and that this is bound to mean a loss of jobs. I should like to make this point quite categorically, so that no one gets the impression that we can deal with this crisis without affecting the employment situation. There can be no doubt about this. We then have the problem of diversification and of the upstream and downstream industries, not to mention in particular the employment problem, the problem of providing alternative employment and the social question. To complete the picture, I would just add that there are bound to be substantial regional problems.

The conclusion I draw from all this is that market manipulation in the steel sector has never been

Hoffmann

successful, no matter whether at national, European or world level. I think this is an important point and I am glad to see it accepted on the Right of this House. We could save ourselves needless ideological squabbles if this point were taken in certain other sections of the House as well.

As far as I am concerned, the essential question is not whether we need a plan but what criteria the plan should be based on. Should it be dominated by considerations of cost and volume? Should commercial profitability be taken as a guideline, or do we want to use other indicators. In connection with this, I should like to ask how we are to interpret the following quotation from the VWD Information Service of 10 October — in other words, this week. Referring to Mr Davignon's statement in Rotterdam — I quote VWD and not Mr Davignon — this says: 'It later became known in the course of the symposium organized by the international steel trade association *Club des marchands de fer*' that the Commission intended to set up a working party to include representatives of the *Club des marchands* and of the European steel federation *Eurofer*, for the purpose of examining questions of mutual interest.' I do not know quite how to interpret this statement — hence my question. Is this working party to discuss a tentative delimitation of certain sectional interests which will affect the restructuring plan? It would be interesting to know whether my guess is right.

Mr President, I should like to conclude by saying that this whole debate, which is really a continuation of a number of other debates we have held in this House, this whole subject of national and European aids and subsidies will not meet with any understanding from the workers concerned if they can see that while all this aid is being given there are on the other hand signs of a recovery in sales of steel, an improvement in certain companies' cost structure, but that they are only now really beginning to feel the pinch of the crisis. I think this will be a key question, particularly in view of the direct elections to the European Parliament, because somehow we have got to show the people affected that their interests can be protected in this House. I should therefore like to repeat briefly a number of questions which I first put on 9 May, and ask you, Mr Davignon, to reply to them.

1. How advanced is your plan for a restructuring directorate?
2. How are the workers concerned to be involved in decision-making?
3. What is your view of the increasing use of national aid measures and of the renewed wave of mergers in Belgium and the Saar-Lor-Lux region?
4. What is your view of the recently publicized Lorraine plans?

5. How should the Community and the Member States be given a direct say in decision-making in return for their direct financing of the steel industry?

(Applause)

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, before you call Mr Davignon, I should like to ask him to remember that the Commission promised in the course of the last debate to tell us whether the Commission's working party, which was to be set up especially to coordinate the different funds, has now come into being. This is something separate from the restructuring directorate, in that the Commission is completely free to organize the activity of this working party in and for the coordination of the different funds as it wishes.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, I shall endeavour to be brief since, as was indicated by Mr Hoffmann and Mr Ansquer before him, we are indeed dealing with a continuing process of consideration by Parliament of the implementation of a policy decided at Community level, the various elements of which are interrelated.

A further reason I can be brief is that, with regard to the actual operation of the Community's anti-crisis programme, both Mr Hoffmann and Mr Ansquer accepted that despite a number of imperfections, such as are to be found in any human undertaking, and particularly at government or Community level, this programme had produced a number of political developments which made it possible to envisage a more ordered, trouble-free future for the iron and steel industry in the light of these longer-term objectives.

One day, I think, it will be worth making a detailed assessment of all these elements, but it seems to me that, for this to be possible, it must be preceded by a debate in the Committee on Economic and Monetary Affairs on the same subject, for a lot of figures and technical data need to be given which would unnecessarily hamper a public debate and could be contained in the annexes to a report from the relevant committee. Mr Hoffmann rightly stressed what was the central question namely: what is the point of all this? What is the purpose of an anti-crisis programme and a number of accompanying measures designed to improve market conditions? What is the underlying significance of such an operation if it is not linked to the problem of restructuring the iron and steel industry? How can this be done? Who profits by it and who stands to lose?

Let me digress for a moment to clarify one point straight away: I have not seen the report on the speech I made in Rotterdam to the Confederation of

Davignon

Iron Merchants, which is responsible for an important part of the commercial sector in the iron and steel industry, is represented on the consultative committee and is consequently one of the bodies which, under the terms of the Treaty itself, are to be consulted on the implementation of our various measures. What I told them was that as the programmes progressed it was absolutely essential for them to continue to be associated, like the others, with the development and adaptation of our programmes. That is all there is to it. There is no question of compulsion, or of a new organization. This simply concerns one of the parties involved in multilateral consultations, and to this extent the interpretation or the fears expressed by Mr Hoffmann have no foundation.

To return now to the question of restructuring and the role of the Community in this, I do not wish to anticipate what Mr Vouel is going to say nor repeat what is clearly expressed in Mr Ansquer's report. Without any doubt, the Community has a twin role in this business of restructuring.

Firstly, it is involved at the production level, i.e. we must work together to define the European Community's need in terms of iron and steel production with regard to the various elements which need to be considered: economic factors, political factors, questions of sovereignty, which are also important. Indeed, we in the Community need to maintain and preserve a basic industry, so as not to be dependent in this respect on third countries. Lastly, we should not forget the social factors with regard to employment. We thus have to give ourselves general objectives, as provided in the Treaty.

Secondly, after deciding what the industrial objective is to be, we must ensure that it is implemented in accordance with the provisions of the Treaty. This implies that we have a market economy, and it is laid down that no measures may be taken which would distort this market and that under the ECSC Treaty aid measures may only be authorized in the very specific circumstances outlined by my colleague Mr Vouel. It is thus clear that Community participation in this field is indispensable.

Mr Hoffmann also wonders whether the development of a number of national programmes does not demonstrate the lack of a policy at Community level. I think the opposite is true.

The situation is this: if the Community, in the shape of the Commission, decided that it was its responsibility to define country by country, region by region and company by company how the iron and steel industry should be organized within each company and each plant, to decide on the creation of new companies or the closure of old ones — leaving aside

the fundamental question of whether that corresponds to the type of economy covered by the Treaty, I would say quite simply that this was a completely impossible undertaking for a body such as ours, and I am not even sure a national body could manage it.

But what exactly is it that really counts. That really deserves and gets our attention? Firstly, that we should have a general framework within which to define, taking 1980 and 1985 as reference dates, the production capacity that will be needed in the Community. Secondly, that the Community iron and steel industry should achieve a degree of competitiveness and efficiency which will enable it to stand up to the iron and steel industries in industrialized countries comparable to the Community.

Lastly, since there are bound to be differences with regard to both the amount of capacity and the quality of companies, what matters is the ability to range the transition between the situation as it exists today and that which has been defined as necessary for the future. That is what the restructuring programme is about. And in this restructuring programme two additional factors have to be considered because we are a community.

The first is a matter of solidarity. Indeed, since all the countries of the Community are affected it is through joint action at Community level that we must try to overcome these difficulties and demonstrate our solidarity in taking the necessary measures to adjust. That is the reason for the social side to our programme and also for the measures which must be taken to encourage diversification and redevelopment in the regions which will be affected by the restructuring of the iron and steel industry. This is an element of fundamental importance.

The second important element is the fact that, while on the one hand it is true that these objectives must, in practice, be capable of being achieved country by country and subsequently, company by company, it is essential to ensure that these various programmes are consistent with one another and that, in so far as they are put into practice, they also correspond to the objectives laid down.

It should not be concluded from this that there is no need for consultation with the governments, companies and unions on defining the restructuring programmes until the joint objective has been established and made public. The Commission's task is not to coordinate measures taken individually by the governments and to reconcile a series of decisions which are not consistent with one another. On the contrary, it is to cooperate with the various governments in preparing these programmes, in order to see to what extent they fit in with the overall objective I have described.

Davignon

In this context, in view of the responsibility we have for restructuring, we have of course, within the Commission's departments, made the necessary administrative adjustments, in the course of the year, to meet our responsibility in operational terms on the basis of a programme of this kind. Since 1976 we have been making a whole series of administrative changes — in both Mr Vouel's departments and in mine — with regard to supervision or surveillance and soon with regard to checking the implementation of the industrial programmes in the light of the decisions taken. Once the framework for the aids has been decided, all the questions will have to be answered and provision made for all the checks required under the programme put forward by the Commission.

My reply then is as follows. Have we taken a formal decision to make changes? No, Mr Hoffmann, we have taken a whole series of decisions so as to be able, in management terms, to keep to the priorities we have laid down with regard to restructuring. And let me reply at the same time to Mr Aigner: of course, we have undertaken, in the Commission's departments, the necessary coordination in connection with the financial aspects of Community operations (the Social Fund, the Regional Fund and the special funds set up under the ECSC Treaty) in order to mobilize all our financial instruments in a coherent fashion. And shortly a borrowing facility will be added to the three financial instruments I mentioned.

Mr Hoffmann also asked me a number of more specific questions on restructuring in general I have given him an answer. As to the question of whether restructuring operations have been undertaken in the whole Community and whether this is being discussed between the Commission and the national governments, followed by discussions in the Consultative Committee, my answer is yes since there are restructuring operations in the United Kingdom, Italy, the Netherlands, Belgium, Luxembourg, Germany and France — i.e. in all the countries where there is a primary iron and steel industry.

This question has two parts. How are those affected by these measures to have a say? There is structural participation under the terms of the Treaty, namely in the Consultative Committee, which brings together all the parties concerned in any operation in this field: steel producers, users, processors, clients and the unions. Everybody is there.

Secondly it is clear that in each country there will be a discussion on the implementation by national governments of the part of the restructuring programme which fits into the general programme. There will be discussions in the Parliaments. This was discussed in France on Monday and Tuesday, the Italians have introduced a bill and the Belgians are also ready to do so.

Lastly, there is a third level of participation, the company level. Indeed, within each company there will be discussions, in the light of the proposed legislation, on the effects of restructuring measures taken by the company. For our part, at European level we envisage other restructuring problems being discussed, in addition to the consultations to be held with the Consultative Committee. This will undoubtedly be one of the subjects to be raised at the Tripartite Conference in November. I think that Mr Hoffmann has rightly put his finger on a fundamental question: if we improve the situation at the very moment when this will have the worst social consequences we must be able to explain why this remedy is the only way of giving the iron and steel industry a chance of survival without support measure or aid payments which create distortions. We must also be able to show that, both at the social level and with regard to retraining, this improvement in the situation will enable us to find long-term alternative solutions to the problem of regional development.

With regard to the Saar, Lorraine and the Belgian and Luxembourg programmes, I was asked a specific question: are consultations being held on this with those responsible for defining these programmes? There are — and I have no hesitation in saying this — more or less permanent consultations on these questions with all who wish to take part. Not so very long ago, the Commission took part in a meeting devoted to the problems of the Saar. The purpose here was to define, along the lines of Mr Aigner's question, ways of using all the means at our Community's disposal to lessen the unpleasant effects of a policy made necessary by the exigencies of the industrial situation. That, I think, is the essential factor.

The last question was to what extent — since we are taking part in these programmes — the Community could be said to be involved in joint management with regard to implementing them. Here, I think, we are faced with an impossibility. The Commission is not going to become a shareholder in the individual companies, but it will — and Mr Vouel will be able to explain this in a moment — accept its responsibilities so as to ensure that, with regard to the anti-crisis programme and the said programme, the companies comply with the undertakings which have been given. That is the part to play. There can be no question of participation in terms of direct management or decision-making — deciding, for example, whether it is rolling mill A or rolling mill B which is to be closed, or whether the steel industry should be developed in one place rather than in another.

We shall have to judge whether all the proposals we receive are consistent. We shall have to make suggestions to ensure that the various programmes are linked together in a coherent fashion. There are in fact a number of solutions which are feasible with

Davignon

cooperation but impossible without it. I can give a whole series of examples for this. The example of the concentration that has taken place between the steel-working operations in Belgium, Luxembourg and the Saar show that, with regard to employment, it is possible to find better solutions and increase the efficiency of the company. This is the basis for judging operations of this kind. There will be others, in Ireland and in other countries: they must be judged in the light of the various criteria I have mentioned.

So much, Mr President, for this fundamental question of restructuring, without which there can be no worthwhile Community programme. Without restructuring, we could only disguise the actual situation. We would be unable to give any assurances to those who have good reason to believe that the steel industry in Europe has a future and is even capable of developing, provided, with Community assistance it makes this effort to adjust, which is the only way it will be able to resist the onslaught of its immediate competitors.

In order to make this restructuring operation as painless as possible, the Community has made all the arrangements for a support policy which even includes provision for granting aid provided certain strict conditions apply. It is this whole programme directed at restructuring which justifies the rest of our operations. I hope that in this way I have been able to show that, both in theory and in practice, the right choice has been made. A start has been made on implementing this. It must be carried forward within a framework of continuing discussions, including discussions in Parliament, in order to find the consensus which is indispensable to the implementation of such a difficult and painful policy of adaptation and in order to give this Community policy a chance of succeeding.

(Applause)

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

Mr Ellis. — Mr President, as a speaker for the Socialist Group, I follow my friend and colleague, Mr Hoffmann, who introduced this question. I certainly agree with Mr Davignon when he said that the issues are extremely complex. However, I believe that if one ponders them in a sufficiently detached manner, one can see certain fairly straight forward, simple and valid things that need to be done. I want to try and take this view and, as it were, to stand back a little and not get myself involved in the complexities of the issue.

I welcome the motion for a resolution tabled by Mr Ansart, which we as a group support. But I must say that we feel that it does not really get to grips with the nub of the issue. By the nub of the issue I mean the degree and nature of interventionism which is permis-

ible and desirable. I do not want to start a debate, which might generate a kind of theological warmth, about protectionism on the one hand and free trade on the other, each in its pristine purity, the Ark of the Covenant, as it were, to its adherents. I want a practical, pragmatic response to what is a very practical, pragmatic, important and immediate problem. So I speak in no way from a doctrinal point of view. I speak as a person, as would, I am sure, every Member of this House who is concerned at the gravity of the issues before us. I am not going to spend time spelling out the gravity, although I sometimes fear that it still has not quite registered with everybody.

Now, having posed the question of the degree and kind of interventionism, can I say that protectionism of course already exists. It is there in a very very substantial degree. May I just quote, to make my point, the case of my own country. Virtually the whole, or at least a very substantial part, of the British steel industry is publically owned. If it were being run as a private company, the directors would all be in jail, because they are manifestly trading whilst bankrupt to the extent of some four hundred million pounds a year. And of course that is one of the two advantages — if they are advantages — of being publicly owned. Firstly, we can rely on the resources of the State, and, secondly, there is a transparency about the whole operation, because all the figures are published for anybody to read. That is the actual position.

I do not know when the steel crisis began. I suppose it began after the war. But I do know that in 1972 the then British Government made available to the management of the British Steel Corporation the very substantial sum of three thousand million pounds, which would now be equivalent to six thousand million pounds or ten thousand million units of account. That money was to be used for investment designed to put the British steel industry on its feet. Four years later hardly a penny had been spent. This, I think, is the sort of thing that people like me, who, fortunately or unfortunately, do not have the executive responsibility, cannot help but question. We feel bound to question the resolution of the politicians — and I am the first to be aware of all the political problems. But the fact of the matter is that, for several years after 1972, the British electorate could have legitimately said to its steel ministers; you might as well go home and grow cabbages. In a sense the ministers were behaving very irresponsibly.

I am trying to speak as dispassionately as I can. I appreciate of course, that there were pressures on the ministers. I merely make the point that the response of the minister to the practical problems — I was happy to hear Commissioner Davignon point out all the social, political economic, and industrial problems which have to be weighed — lacked resolution. I am simply trying to illustrate the problems facing us as politicians.

Ellis

It should be obvious from what I said that there is a need for a plan. That is, of course, a platitude. But it is something more than a platitude because the statement that there is need for a plan leads to all kinds of problems. The BSC professional management, which was given three thousand million pounds, produced a plan. It might or might not have been a very good plan in a technical commercial sense. I do not know. But was it their job to produce the plan or was it the British Governments? If the resolution had been there could the British Government have produced a better plan? Or could it have been done even better still on a Community basis? These are very important questions. We must start, it seems to me, by trying to adopt this straightforward simple approach to a complex problem. We have to accept that we must have a plan; it has to be effective: that means that there has to be, inevitably, a degree of interventionism. The plan has to be reasonable, and by reasonable I mean all the kind of things Commissioner Davignon said must be done to cater for all the variables in the situation.

Now this plan that we have to have inevitably will fall into two parts. The two parts will be, firstly, the measures needed to acquire a period of time to put the industry right, the protectionist measures, adding to the ones that already exist, the kind of thing that the Commission has introduced in a voluntary sort of way in recent years. One criticism could be made straight away not of the Commission, but of its measures, in that they have not been wholly effective, wholly satisfactory. They have been partly effective, partly satisfactory, but they could have been, given the complete understanding of everybody concerned, even more satisfactory.

But that is the easiest part of the plan. The more difficult part of the plan is this restructuring. And I will say at once — if I can speak in parenthesis here, speaking personally and not necessarily for my own group — that if I were the Commissioner, I would not be very ready to produce a plan. I know that Commissioner Davignon said it was a dynamic plan. There was a considerable flex to it, I agree. But somewhere, however dynamic, in that plan there would be a little paragraph which said; well such-and-such a works in such-and-such a town, in such-and-such a year must close. Commissioner Davignon shakes his head. I accept I am talking about a plan which may well not be the one that he has in mind. But it seems to me to be the kind of plan that, if I were trying to be effective, I would inevitably have to have in mind. Because I would have to say that in another works, in another town — and this may well be more acceptable — there would have to be considerable investment. It seems that this is a kind of problem that we cannot escape, and no Commission, without considerable political backing, could ever bring itself — it seems to me, and I am speaking in parenthesis now — to issue that sort of plan.

So, there we have these two aspects of the plan.

And this is the point I am trying to hammer home. I am not saying that there has been no progress, there has been progress, but time is going by very quickly. Given the plan, we could approach the problem in two main ways. The Member States could act individually, or even bilaterally, or even trilaterally; or the Community could do it on a Community basis.

There are problems with each approach. The obvious problem with the Member-State approach is that there would be a differential rate of improvement. French measures that my friend Mr Hoffmann spoke about seem to me, looking from the outside, positively Draconian. I do not know enough about France and French politics to know how successful the French Government will be in effecting its plan. But let us assume that it will achieve the results that its authors hope for. Now at the same time, over a period, let us say, of five years, it may well be that the British Government might be less resolute in its approach to its problems. So we would have a position where there was an increased difference in the competitiveness of two of the Member States. That is the obvious weakness of the process of going at it on an *ad hoc*, individual State basis. The process has already started, and it seems to me it is inevitably going to lead to a great deal of trouble in years to come.

Now the other approach, through the Community, also has its problems. The problems are summed up, I think, in what Commissioner Davignon said in May in this House, when we last debated steel. He said this: 'The main difference between 1977 and 1978 is that we have perhaps established conditions' — I like the word 'perhaps' — 'which, if they are complied with, will provide a comprehensive solution to the structural crisis'. Well, it's a large claim: 'will provide a comprehensive solution'. Let's grant him that. But the key words are 'if they are complied with'. The logic of the position is inescapable. The tragedy is, of course, that politics isn't about logic, and I am not going to spell out the logical place to go to, because immediately I do, all kinds of emotions will be aroused. The word will be used pejoratively as it were. But it is there, and we can all see that it is there. Because if the things are going to be effective, then there have to be effective instruments for applying the restructuring proposals. I am not talking about the harsh logic of the 19th century, or anything like that. I am talking about the intelligent but still effective application of the skill and the wit of man.

I want to finish by making that point about the logical place, without actually spelling it out. I will put it in the form of a question to Commissioner Vouel: does he consider that, as the situation is now, the Commission has enough authority adequately to

Ellis

apply a comprehensive plan for dealing with the problems of the steel industry in the Community?

(Applause)

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

Mr Schwörer. — (D) Mr President, ladies and gentlemen, I should like to begin by thanking Mr Ansquer for having taken over this difficult subject so soon after taking up his seat in this House, and for this report and introductory speech this morning. I should also like to thank the Commission, and in particular Mr Davignon, for having tackled this difficult subject so determinedly and for his continuing determination to do all he can for this particular sector of industry, which provides the livelihoods of so many people.

The European iron and steel industry is in an extremely worrying position. First of all, there is the magnitude of the losses which we have heard about in the last few days from the French National Assembly and which have swallowed up the steel companies' reserves and led to enormous debts being accumulated by the companies in the last few years. But the reason for these losses is even more worrying and menacing than the losses themselves. It is the inadequate productivity of the European steel industry, which holds out no promise of a fundamental improvement in the situation even if there is an economic recovery.

The statistics given in the French National Assembly — and reproduced in the newspaper I have here with me, the *Dernières Nouvelles d'Alsace* — show that the British steel industry produces 115 tonnes steel per worker per year, compared with the French figure of 149 tonnes per man per year the German figure of 190 tonnes, 249 tonnes in the USA and 327 in Japan. In other words, Mr Ellis, the Japanese steel worker produces three times as much steel per year as the average worker in the British steel industry, which you have just been talking about. I realize that this is first and foremost a matter of technical equipment and installations. On top of these, however, there are the problems connected with the location of the steel-works and energy costs, and I think I am justified in saying that the European steel industry faces a sombre future.

The Commission has taken measures to bring about short-term improvements to the market situation by introducing minimum prices for certain products, guidelines for prices and deliveries within the Community and by introducing restrictions on imports from third countries. We have debated these measures on a number of occasions in this House, and we have given them our support in principle.

Then we have to find — as has been mentioned on a number of occasions today — the long and medium-term solutions to the structural problems. It is good to know, Mr Davignon, that the restructuring plan, which provides for Community investment aid in accordance with Article 54 of the ECSC Treaty, is in preparation. We also welcome the fact that the Commission does not intend to allow the national measures on restructuring to run their course in uncoordinated isolation. If this were to happen, there would be a danger of the measures taken in the various Member States running contrary to each other and of some countries keeping unprofitable works going — or even extending them — at the cost of other countries or of their own taxpayers, quite apart from the danger of private enterprise being placed at a disadvantage compared with the nationalized sections of the industry. The Commission's planned legal provisions should obviate all these dangers. In my opinion, the Commission is right in thinking that the Treaty is not sufficiently flexible to cope with the present situation. This new legal instrument is intended to enable the Commission to keep a check on aids and interventions to ensure that these measures are applied on an equal and fair basis throughout Europe, and we fully support the Commission in its endeavours.

However, this plan is also fraught with regional problems. Mr Ellis has already referred to the problems of deciding, for instance, where works should be closed down and where investment should be concentrated. This is a tricky problem, especially when we come to consider the economically weak areas. In my opinion, though, regional considerations should not be allowed to run counter to these plans, which means that the economically weak areas must not be subject to different restructuring criteria from the other areas of the Community. We must establish some sort of uniformity here, even at the cost of appearing to act harshly in the short term.

I also think the Commission is right in its determination to ensure that all these measures are included whether financed by the State, the public sector, regional authorities or quasi-governmental organizations and institutions. In other words, it is right that everything should be brought together in an overall strategy. Any other method could result in corners being cut and eventually in the failure of the project as a whole.

Let me repeat that our group approves of the Commission's extended powers, but this does not mean to say that we have finally abandoned the idea of the ban on subsidies under the ECSC Treaty. It is merely suspended for a limited period, which we refer to as a transitional period, so as to improve the structural situation. The Christian-Democratic Group also gives its support to the reasoning behind the Committee on Economic and Monetary Affairs' motion for a resolution, and I should like to set out three reasons why we support the motion.

Schwörer

Firstly, we are in favour of a check being kept on these measures, and in particular on the use of public funds. Mr Ellis, you gave us a good example of how large amounts of money can simply get held up somehow or other. This kind of thing must not be allowed to happen.

Secondly, these measures must aim at reestablishing the principle of free and open competition, and that is why we are in favour of these measures — and particularly the aid to restructuring — being degressive and temporary, and I should think, Mr Davignon, that a running period of three years should really suffice. But I should also be in favour of these measures being extended, as provided for, if the alternative was clearly going to be a resumption of the race to hand out national subsidies, which would, in my opinion, be worse than extending the life of these measures.

Thirdly — and this seems to me to be a particularly important point, since Mr Hoffmann pointed it out earlier — special attention must be given to the social situation of the workers. Two of the paragraphs in this Commission draft — numbers 3 and 5, which, incidentally, receive our full support — provide for the alleviation of cases of social hardship. As far as paragraph 5 in particular is concerned, we realize that this will be a difficult task, but what we are faced with here is a desperate situation facing a company which we are not sure whether to save, because of the jobs involved, or to allow to slip into bankruptcy, because it is no longer structurally viable. I would like to state quite clearly that there is growing public concern at the fact that nationalized or semi-nationalized undertakings are being kept going at all costs, while hundreds and thousands of small and medium-sized undertakings are simply allowed to go to the wall without so much as a bat of the eyelid. At this level too, we need a certain degree of coordination, otherwise it might have an extremely harmful effect on the small and medium-sized businesses.

In an amendment to Mr Ansquer's motion for a resolution, we have suggested that we should table a motion calling on the Commission to present in the near future a review of the action it has taken and a programme for 1979 and subsequent years to be discussed some time this year if possible, perhaps at our November meeting, but at the very latest at the December part-session. I should be grateful, ladies and gentlemen for your support for this amendment to the motion for a resolution.

Let me add just one general remark in conclusion. I would concede that steel is only one aspect of the Community's economic policy which is particularly endangered at the moment. The steel sector cannot, however, be viewed in total isolation. We must see the overall structural policy pursued by the Community and — as we are talking about alternative jobs — we must see the need to create these alternative jobs in

other sectors. We have 6 million unemployed, and we shall need to create something like nine million additional jobs for school-leavers by 1985. That means that we have to create 15 million jobs in the Community in the next seven years, and I feel that we should give even more emphasis to this matter.

I think that more should be done to create additional jobs in the non-problem areas to create more opportunities for redeployment. We must strengthen our modernization policy in all sectors, and I am thinking here particularly of encouraging private investment and encouraging research and development — in fact, encouraging any kind of innovation. We realize that only new products, new processes and new markets can generate these additional jobs, and I should like to add just as an aside that the whole sphere of development aid policy is part and parcel of this question. I am thinking in particular, though, of giving encouragement to the small and medium-sized undertakings and of improving the openings for people to set up in business on their own. I think this will be the best way of creating the additional jobs we need so much.

An improved policy for encouraging medium-sized undertakings would also improve the prospects for the kind of growth we need to finance these projects. Growth is essential not only to finance these modernization projects, but also to maintain our present standard of living in the Community.

I should like to call on the Commission to give us a comprehensive run-down on this subject in the near future. We know that you favour a policy of growth, Mr Davignon, but we also know that what we need are more concrete details of where this policy of growth should be applied in the Member States to get it to bear fruit. The Commission once referred in a document to the fact that Europe has no reason to despair, as Europe was rich in terms of creativity. Let us give our creativity free play, because I too feel that, despite the dark clouds hanging over the future of the steel industry, we have no reason to despair.

We must mobilize the productive forces in Europe, show them the openings available and help them to help themselves. Then we shall soon see an improvement, and after these difficult years we shall find a resurgence of confidence in our European economy. The Commission's draft decision should help in overcoming these difficult years in the iron and steel industry. The Christian-Democratic Group supports the Commission's draft, is prepared to cooperate with the Commission and wishes Mr Davignon and Mr Vouel every success in tackling this problem.

(Applause)

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

Mr Brøndlund Nielsen. — (DK) This House has often discussed the wideranging commercial, regional and employment problems facing the Community's iron and steel industry, and I shall not be going into these difficult problems yet again today.

The Community's iron and steel policy is — together with the common agricultural policy — one of the cornerstones of the Community edifice, and it is therefore extremely important that we overcome the present problems — indeed, the crisis — in the iron and steel industry.

In view of the scale of these problems in this sector of industry, what we need is a well thought out programme of action spanning a number of years, which will bring about and assist in the necessary restructuring of the industry, and which will help to alleviate the negative social and regional effects of restructuring.

In the motion for a resolution we are discussing today, we can discern the first outlines of a restructuring policy. The Commission's draft decision is aimed at providing the machinery needed to check that national measures and State subsidies are brought into line with the Community's overall restructuring policy, and in addition it is proposed that the Commission be given a mandate to intervene in cases where there is a discrepancy between Community policy and national measures.

However, the Commission has not yet formulated a detailed restructuring plan for the steel industry, which means that the instruments we are talking about here lack an overall control system and a framework within which they can be implemented, and we must call on the Commission to come up with firm ideas on the restructuring of the steel industry. We Liberals associate ourselves completely with the Commission's aim of restoring the competitiveness of this industry. The Common Market, the European Community, should not, in our opinion, resort to permanent protectionist measures, and in saying this, we think we are speaking for the vast majority in this Chamber.

In the Liberals' opinion, of course, the Community should champion the idea of the mutual liberalization of world trade, the only exception to this rule being when less well-developed economies need special arrangements.

I should also like to underline the significance of the prices of iron and steel products for many steel-using industries in the Community. These industries are inevitably heavily dependent on the availability of steel products at competitive prices, and as the Commission's proposal is in keeping with the point of view I have just put forward, it will receive the full support of the Liberal and Democratic Group.

I should also like to stress the fact that, in formulating a future iron and steel policy, the Community should attach great importance to the question of scrap iron. We live in an age in which we are beginning to realize the importance of re-use, and this concern should be reflected in our forthcoming iron and steel policy. I see that Mr Davignon is nodding his head, and I am glad that this remark seems to meet with your approval.

I should also like to ask the Commission to continue its work on the restructuring policy with a view to reaching agreement with steel-producing third countries, to enable us to reach a wider-ranging — indeed, one might even say, a global — solution to the problems of the iron and steel industry.

I therefore think it important for us to make progress in this field to ensure that this sector, which is so important to the Community, develops on a sound basis in the future.

(Applause)

IN THE CHAIR : MR ADAMS

Vice-president

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

Mr Leonardi. — (I) The draft Commission decision starts from the premise that the Community iron and steel industry is in serious difficulties because of declining competitiveness, and that restructuring is therefore necessary; I would add that a process of reconversion is required to take account of the substantial side effects of restructuring itself. In any case, this restructuring requires — according to the Commission — a harmonizing of national aid measures; moreover, the present legal framework laid down by the ECSC Treaty does not provide adequate means for achieving this aim, and the draft Commission decision therefore calls for regulations applicable to all types of aid and intervention and not only to those specifically intended for the iron and steel industry.

For our part, we have nothing against such coordination efforts at Community level.

We have several times expressed our support for them, indeed we believe that a restructuring plan for an industry such as iron and steel cannot be successfully implemented at national level in the Community. The problem is that the whole process must come under democratic control, something which does not happen at the moment, and which is certainly not likely to happen as a result of the draft decision submitted by the Commission.

The amendment proposed by the Committee on Economic and Monetary Affairs — the amendment to

Leonardi

Article 8 — seeks to create greater scope for control ; of course we support it, but it is not a definitive solution.

The fundamental reason for our abstention on this motion for a resolution — which I have not personally discussed in the Committee on Economic and Monetary Affairs, of which I am a member, for the simple reason that I was engaged in another working party — is the discrepancy between the Commission's ability to provide assistance and its inability to define the common interest to which it continually refers, as well as its inability to take account of a situation which is much more complex than that set out here and which it is claimed can be improved by reestablishing competitive conditions.

We are afraid that in reestablishing 'competitive conditions' one may end up by serving the interests of the strongest. Who defines this common interest? Other speakers before me have expressed concern at this formulation 'common interest', which is supposed to cover everything.

We do not believe that the current decision-making process, which starts with the ECSC Consultative Committee and which Mr Davignon has very kindly outlined for us, is adequate. Instead we think that a first serious step forward can be taken if, in the process of continual adaptation to which Mr Davignon several times referred, Parliament is given a more important role in the decision-making process, for example through its specialized committees. Indeed, I think Mr Davignon hinted at something of this kind: and we shall see how it can be brought about in the future.

In fact, the European iron and steel industry is the oldest in the world and its present crisis results not only from obsolescence and loss of competitiveness but perhaps above all from the need for redistribution of iron and steel production in the world, including those countries which are now being industrialized and which have hitherto imported from the EEC. This need for redistribution has nothing to do with competitive capacity, but derives above all from political requirements which we must not ignore, since to do so would be to disregard the nature of the world in which we live.

The Community iron and steel industry, moreover, is in a rather special situation, since in the postwar period, after being an exporting industry using raw materials produced within the Community, it has moved to a diametrically opposite position and now has to defend itself against imports from third countries. The private sector of the iron and steel industry has increasingly specialized in the manufacture of finished products with a high level of value added. In the primary sector of the industry, however, there is growing State intervention which takes various forms

and is certainly not confined to simple aids, but above all consists of direct participation with subsidies which cannot be formally described as aids, although they are usually non-repayable.

I think that when discussing the iron and steel industry it is essential to make this distinction between the primary and secondary iron and steel sectors — otherwise we end up by using the same term to designate completely different things. For example, how can one classify the aids currently being allocated by the French Government to offset the costs of depreciation and thus to reduce the enormous debts of the French iron and steel industry? It is also difficult to classify the intervention of IRI in Italy to underwrite the increase in the capital of Finsider — something which private capital certainly would not do. I think Article 2 of the draft decision refers to this. The fact is that the primary iron and steel sector is a highly capitalized industry and therefore bears a heavy burden of fixed costs, but at the same time it is subject to strong cyclical variations. It is therefore an industry which tends to be loss-making by its very nature and for that reason depends on public money, and which is increasingly run as a service necessary to the nation and to the downstream private industries.

It seems to me that these realities must be examined and studied, for otherwise we shall be trying to make competitive something which can no longer be competitive, as so often happens with urban transport and many other sectors. These are the characteristics of the primary iron and steel sector, and in my view it will always require State aid.

In this situation it is clearly necessary to take coordinated action; as I said, we are in favour of coordination, but I think it will be impossible to implement it unless we have common objectives, and this need is certainly not met by the frequent references to the 'common objective for steel' contained in the Commission report, since that objective merely represents unilateral action by the Commission itself. Instead, we must draw up a common programme in which the interests of all those involved are really reflected. Of course, the assessment of the validity of such a common programme cannot be based only on economic criteria, but must have a strong political element. I therefore think it necessary that the Commission — which is asking for this increase in its own powers on which we shall abstain, not because we oppose greater coordination, but because we do not think that greater coordination brought about now in the way proposed would be satisfactory — should from now on cooperate more closely with Parliament and its committees.

If these conditions are not fulfilled, the Commission's request for increased powers is in our view a fanciful exercise which may conceal the danger of protecting the interests of the stronger at the expense of the weaker.

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

Mr Brosnan. — Firstly, Mr President, I would like to thank my colleague, Mr Ansquer, for the excellence of the report which he has presented to us, and it would be remiss not to compliment the Commissioner also on his detailed and very sympathetic exposé of this very difficult and complex problem — one which, I submit, if not resolved, will certainly impede the progress and the future of the Community.

As has been stated clearly and indeed frequently over the past few years, the steel industry is passing through a period of crisis. For such a major sector of the economy to be in a crisis situation is very serious indeed. It is imperative, therefore, that suitable measures be taken to remedy this situation. This report is based on one such measure put forward by the Commission on aids and interventions by Member States in favour of the iron-and-steel industry.

The basic reason behind such a proposal is quite credible and acceptable. It is not in the interests of any Member State to find itself bidding against another Member State with regard to financial assistance and interventions on behalf of the iron-and-steel plants within its own territory. In a crisis situation, the maintenance of the steel industry and of employment in that industry is of paramount importance, but when there is a world-wide recession, which is what we have had in the past few years, the burden should be equitably shared by all as proposed.

At the risk of being called anti-Community, I would like to turn to the situation of the steel industry in my own country, Ireland, a matter which I have previously raised in this House. I would like once again to stress that there is only one steel plant in Ireland, and that provides a limited supply of basic materials. Some time ago it was decided to modernize and develop this plant so that it could remain competitive within the EEC. This development plan was backed by the national authorities, and the usual assistance was sought from the European Coal and Steel Community. When we debated the future of this plant in this House last May, the Commission and the Commissioner who is present here today, had serious reservations about its development plans. It would appear, however, fortunately, that there has been a change of heart. Perhaps the Commission have now acknowledged the unique situation of the steel industry in my country, because we are happy to learn at this stage that, following negotiations between all parties concerned, an acceptable solution in the form of a swapping arrangement based on cooperation between the one and only mill in Ireland and a French steel-mill is emerging. This is satisfactory to us. At the

expense of being called selfish, Mr President, I would recall that this steel-mill is situated in my own constituency in Ireland. I should be very grateful if the Commission would indicate that it is now satisfied with the arrangements which have been reached, and if they are now in a position to give a favourable response as regards financial assistance from the Community towards the development and expansion of Irish Steel Ltd. The continued existence, development and modernization of this plant is essential to Ireland from every point of view — this we have gone into in detail on previous occasions — and to the regions and to the people of Ireland. The Irish people are hopeful, indeed they are watching and praying, that the Community's promises on developing the peripheral and the poorer regions are not now cast aside in the case of our one and only mill so that the large steel complexes of the golden triangle may survive. There is a retrospective clause contained in the proposal which gives rise to concern in particular in relation to the development plans for the Irish steel plant, I feel it would be a cruel fate if Irish steel were to arrive at satisfactory arrangements which were acceptable to the Commission, and then to find that it was prevented from obtaining this financial aid because of the retrospective conditions contained in the proposal we are discussing here today. I would again request the Commissioner to allay my fears and assure me that Irish steel will not be penalized in any way because of the retrospective clause.

In conclusion, Mr President, I would again like to congratulate my colleague on his report and to pledge my own and my group's support for the motion for a resolution.

President. — I call Mrs Ewing, who has tabled a question on the same subject for Question Time.

Mrs Ewing. — Mr President, I would like to say that Mr Hoffmann has put many of the questions and Mr Ellis has posed many of the problems, which saves me a considerable amount of time.

When I look at the motion for a resolution, I am reasonably happy with it down to about paragraph 4, and then I start getting a little worried about the position so far as it affects my country. Mr Brosnan seems happy about Ireland. Well, I wish I could say that I was happy either about the United Kingdom position or about the position in Scotland.

We all know that there is a worldwide recession, and this kind of recession hits steel harder and lasts longer than in any other industry. It is the worst recession since the war, but it is really a great concern to a country like Scotland, where steel has so many jobs depending on it and is so closely related to the whole industrial structure of Scotland. And of course the same is true of the United Kingdom in general.

Ewing

We know that the Community has made piecemeal attempts to deal with the problem. I wonder about its powers, for instance under the Treaty of Paris setting up the ECSC, to impose production quotas and minimum prices. We have however, seen the crisis growing; we heard the view of Eurofer in February 1977 that the Simonet crisis plan was not likely to succeed, and now we have the Davignon plan, which has caused some considerable concern in the United Kingdom Parliament, particularly from the government benches, from back benches and from my party's benches.

I would like to say that I have tabled a question. It might be, I think, in accordance with the traditions of the House if I mention it: it is No 24. I have asked the same question about the problems of importing steel from countries outside the Community, particularly *via* Eastern Germany in the House of Commons, and I received a degree of assurance in the House of Commons that in the next talks at the highest level, this matter would be raised with Western Germany. I wonder whether any comment could be made about this problem, because it is affecting certain parts of the steel industry in the United Kingdom very severely.

I also would like to ask a question about the United States' attitude. It has quite clearly expressed concern at the increase of steel imports this year, particularly from Western Germany. The increase from the United Kingdom is rather minimal, at 1.5% in the first period of 1978, but the West German increase is 72.5% for the first eight months of this year, and the figures for France and Luxembourg are respectively 24.9% and 47.4%. I wonder if we could hear whether there are discussions going on about the possibility that the United States will take retaliatory measures against either this industry or the agricultural products industry, which I think it did indicate it would do if this increase in imports from the Community is to continue.

If I understand the present policy of the Commissioner, he is proposing to slim down the industry to a viable size. This is where, of course, concern must be expressed by myself on behalf of the Scottish position; because according to the British Steel Corporation's report — if we accept it and I see no reason why we should not — there is no doubt that the UK performance has improved substantially in the past three years. It has operated new plant with high efficiency and the whole climate of industrial relations has improved, but there is need for new investment. Unless there be any myth about the Scottish end of it, Scotland's steel production units are basically profitable. Hallside is profitable; Dalziel would be profitable if it were allowed to reach its production targets; Ravenscraig has just broken records as late as a few months ago and predicts that it will be capable of

producing 3.1 million tonnes a year from next year, with productivity levels more than competitive with any steelmakers in the EEC. I do not know whether that is accepted, but that again comes from the British Steel Corporation's report.

If I could turn to the view of the Scottish Council for Development and Industry, which, I may say, is a much-respected body when it makes pronouncements, a kind of embryo ministry for industry for Scotland, the President of that Council has said this: For the present and shortrun, Scottish steel output must be maintained at not less than its traditional proportion, which is about 15% of the UK level. Investment in the UK must account for at least 15%, otherwise there is danger to areas where there is no alternative employment and where there is a traditional level of some of the highest specialized skills in the whole of the world. He states that the Scottish investment programme should be oriented towards the production of specialized steels, because we do have the skills for that. I wonder whether any comment could be made about that prospect that would give me some of the assurance that Mr Brosnan seemed to be expressing with regard to his one mill in Ireland.

Basically, the importance of the steel industry is what I am trying to get across to Members in this House. In economic and social terms, it is the basis of all our heavy and light industry. It could have been a completely integrated industry, but that did not come about because of the policy of successive governments.

Returning to Mr Ellis' question, I ask with some anxiety which of our works this cutting down is going to affect. Which towns are going to become ghost-towns in Scotland? Because that is the position in a country in Europe with one of the highest unemployment levels.

I would therefore ask that these points be taken into consideration and that, if there is time in the summing-up, the Commissioner might answer some of the question I have posed.

President. — I call Mr Müller.

Mr Hans-Werner Müller. — (D) Mr President, ladies and gentlemen, I have just a few brief remarks to make. I was pleased to hear Mr Davignon refer again to the three points on the structural reorganization of the steel industry. I think it right that these things should be repeated as often as possible in public. Mr Hoffmann produced statistics which show a slight improvement in the situation.

I should just like to point out one thing, and that is that the restructuring is being tackled differently in the various Member States of the Community. One country has decided on a private-law solution, while

Hans-Werner Müller

another has chosen a solution involving a higher degree of public intervention. There are no doubt points to be made for and against both these solutions, and I have no intention of starting an ideological debate, something which Mr Hoffmann also fortunately avoided. But, ladies and gentlemen, I would warn against opening a discussion in public which might give the impression that the unfortunate problem of impending redundancies would yield more easily to a greater degree of State intervention. An attempt is being made in the guise of political argument to promote this idea and to convince people with the slogan: 'the more State intervention, the fewer the redundancies'. Ladies and gentlemen, let us not have a debate on these lines. Mr Hoffmann conceded in his speech just now that, whatever the solution adopted, painful redundancies will be inevitable.

Whenever we set out along a particular path those who criticize our chosen route are often in a politically very strong position, because they are never required to prove that their solution would have been better.

Examples in other countries show that increased State intervention certainly does not mean that restructuring will result in fewer redundancies.

We are absolutely convinced that we shall have to lower our sights in respect of our medium-term competitiveness, and that the aids given under this programme are essential. We must not be too ambitious, because in the steel industry — as in the mining industry — the ratio of jobs to those in the ancillary and service sectors is something like one to two. In the course of yesterday's energy debate, I pointed out that every job in the mining and steel industries generates two jobs in other sectors. The steel industry supplies sector consists — as Mr Schworer pointed out — of small and medium-sized businesses. The Commission should give some thought to the question of how it can help those small businesses. I know from personal experience in my own constituency that these small businesses have no access or — at least, they have to fight to get access — to the subsidies pot, if I may call it that.

Ladies and gentlemen, let me just add a brief comment on a problem which Mr Ansquer dealt with in his introductory speech. He said that, on the basis of an amendment I tabled on 7 July this year, we would be returning to the question of customs revenue from ECSC imports. We shall have the chance to do so this week in some detail.

At its meeting on 19 September 1978, the Council of Ministers went into the question of channelling customs revenue from ECSC imports from third countries into Community funds. We are in favour of this income going to the Community, but we must give

some thought to distributing the money sensibly. The Council has been mulling over this question for a year now, and has still not come up with anything. I think we would be well advised to remind the Council to do its homework. As I said in the debate on 7 July, this is of course largely a technical budgetary problem, and we shall probably agree in the Committee on Economic and Monetary Affairs to refer the question to the Committee on Budgets.

In conclusion, I should like to thank Mr Davignon and his colleagues once again for their cooperation, and to echo Mr Schwörer's hope that these problems, which are of such great importance for our European Community, will be brought as soon as possible to a satisfactory conclusion.

President. — I call Mr Porcu.

Mr Porcu. — (*F*) Mr President, ladies and gentlemen, the iron and steel industry provides a striking demonstration of the consequences of the European policies currently pursued, and the crisis facing this industry — with its enormous repercussions on the workers and on whole regions and countries — is now reaching intolerable proportions.

As far as the regions are concerned, I should just like to refer briefly to the situation in my constituency of Lorraine. The process of running down the mining and steel industry in Lorraine began in 1961 and 1962 with the closure of the Aubrives and Trieux mines, and has continued right up to the present day. Not a year has passed without jobs being lost, firms closing down and productive plant being dismantled. France has been especially badly hit by this process, and is now unable to meet its domestic and export requirements of steel. The workers have also suffered greatly, with tens of thousands losing their jobs. Those still employed — whether in the steel works or down the mine — are being withlessly exploited, with productivity expectations increasing all the time. The workers remaining are expected to produce as much — if not more — in fewer hours than a larger workforce did in the past. It is hardly surprising, then, that illnesses are becoming more and more frequent, and accidents at work more and more numerous and more and more fatal. Nor is it surprising that one French steelworker in two dies before reaching retirement age. These are the terrible consequences of the policy euphemistically known as restructuring in the iron and steel industry.

Our rapporteur told us that what we needed was 'un plan d'assainissement'. What a wonderful language French is, that can produce such a beautiful word for something as ugly as redundancies, industrial demolition and the deliberate creation of chaos! I think this House should take the step of instituting a committee

Porcu

of enquiry to look into how — in the countries concerned — public funds are used and how the destruction and decline of entire regions is organized as well as to study what future projects we could offer these regions.

Mr Davignon told us that we would have to give some thought to the question of the competitiveness of the Community countries compared with third countries. But, ladies and gentlemen, this is the kind of thing we hear everywhere. Last Monday and Tuesday in the French National Assembly, our ministers told us that the French steel industry had to be able to compete with the other Community countries and with third countries. And now you are saying that the Community countries must be able to compete with third countries. But these third countries are saying exactly the same thing. And who, pray, is expected to carry the cost of this striving for competitiveness at any price and thus for greater profits from the capital invested?

The answer is the workers, and nobody but the workers.

And what does Mr Davignon tell us has to be done to attain these goals set out in the recently completed 'Objectives for steel'? 140 000 jobs will have to go by the board in the European steel industry, and a vast amount of productive plant will have to be dismantled. But this kind of solution is in flagrant contradiction with the objectives of the European Coal and Steel Community!

There is one other matter I should like to touch on, because we must not concern ourselves exclusively with economic problems. There is also the human element, the rights of human beings and the question of personal liberty. Ever since I have been a Member of this House, I have heard constant references to the need to respect human rights. But what about respecting the rights of the miners and steelworkers affected by this policy? I would ask you to give some thought to this matter and to bear it constantly in mind. Respecting human rights means consulting the workers via the organizations freely elected by them, first and foremost the trade unions. And what is required is not just a formal consultation where the unions are brought together and told about the plans for the steel industry. What is needed is a readiness to listen attentively to what the unions have to say and to take their views and suggestions into account; these, after all, are the people most familiar with the social and economic reality!

We elected representatives must not simply be informed of decisions that have already been taken, and confronted with a *fait accompli*. We must make an effective contribution to the formulation of an industrial strategy, and in saying this I have in mind particularly the situation in my own country, France. The question of the iron and steel industry was

discussed last Monday and Tuesday in our National Assembly, as Mr Davignon pointed out. But it was not the steel industry itself which was discussed, so much as the financing of the steel industry; in other words, the real issue, that of social and industrial policy, was ignored. What the Government in fact brought up for discussion was the question of finance and the granting of fresh public funds to steel companies to enable them to make even more workers redundant.

The common denominator in all this is the lack of democracy in the individual Member States and in the Community as a whole. Let us take a look at the problems at European level, because the restructuring takes place across national frontiers. Mr Davignon referred just now to restructuring in the Saar region of West Germany, in Belgium and in Luxembourg by the process of amalgamations and by agreements reached by the various companies concerned, aimed at identifying gaps in the present pattern of production so as — or so they say — to make better use of the tools of production. In fact, of course, to divide up the markets between them! This is the kind of thing that will get us into a mess again and result in a fresh wave of closures. And the Member States of the Community are making a financial contribution to this dubious initiative!

We cannot stand idly by and watch this kind of policy being put into effect indefinitely. We therefore present the following demands, over and above our call for the setting up of a committee of enquiry. Firstly, this House must be informed of Public Funds granted to the big companies. Secondly, the workers', engineers' and management organizations must be invited to give their opinions on how the money is to be invested, so that the governing criterion is not just profit, but also social and national needs. Thirdly, the social aspect which is talked about so much must be given as much prominence as financial aid to the big companies. Yes, ladies and gentlemen, the human element must be given more prominence in this House! In other words, no one should be made redundant until alternative employment has been found, and redevelopment funds made available. Finally, I think we should allocate a sizable chunk of aid to those regions which are entirely dependent on the steel industry, as is the case in particular in Lorraine.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — (I) Mr President, ladies and gentlemen, the sector we are considering is a key sector for the development of our economies. When I reflect on the recent history of my own country, on the significance of the restructuring and revival plan for the Italian iron and steel industry — to so-called 'Senigallia Plan' — in the 1950s, I cannot fail to note

Bersani

how the successful combined intervention by State and private industry laid the foundations for a considerable expansion of the whole Italian economy. Our support for the draft decision presented to us by Mr Davignon on behalf of the Commission is therefore more than justified.

I think that we can agree on many of the causes of the crisis in this sector. They certainly include the creation of surplus production capacity, resulting in loss of competitiveness at the international level, and the establishment in the Third World countries of iron and steel enterprises as a result of the legitimate aspirations of these countries. These features call for most careful assessment and go beyond the more immediate short-term aspects of the problem.

I should now like to make some observations on the important and constructive proposals submitted by the Commission, and specifically on the substantial political content of the whole package. There is certainly a need — and I think that the vast majority of us agree on this — to coordinate the general aims and guidelines in this sector.

That said, there remains the important and complex question of how to bring about such coordination.

For example, the relationship between restructuring and the complementary and equally essential reconversion measures must be clearly brought out. The unique nature of this industry is also reflected in the characteristic social and local environment in which the effects of restructuring measures are felt. This is the political crux of the matter — the way in which European and national planning are coordinated, i.e. the proper assessment of their impact at regional level. Another important political aspect is the control of national aids and restructuring measures, which involves finding a suitable legal basis and appropriate administrative methods. In fact, these measures must take account of such a complex spectrum of problems that the political content of the decisions to be adopted — leaving aside the technical or legal aspects — is bound to loom large. Now, in my view, we should pay particular attention to this aspect. We must not run the risk of attaching undue importance to certain technical and economic aspects as compared with the political and social aspects which are fundamental to the problem.

Mr President, ladies and gentlemen, I wanted to add these brief observations in support of similar comments made by previous speakers. They were intended to convey to the Commission the clear message that it should consider very carefully all the possible implications of the measures proposed in general terms in this document.

My support must therefore be seen in the light of the peculiar national and international issues raised by the

iron and steel industry, which appear to merit further examination in the context of a more intensive political dialogue.

As the world situation changes there is a growing need to ensure that the necessary short-term aid measures do not run counter to the overriding requirement to avoid yielding to revived protectionist temptations. Therefore, while remaining fully convinced of the need to cooperate to the best of our ability in the process of restructuring the Community iron and steel industry, and fully aware that since the Community operates in a free market system, reduced competitiveness would weaken the Community's economic system as a whole, with especially serious repercussions for Italy and other countries — such as the United Kingdom — we are nevertheless convinced that a more balanced view must be taken of all aspects of the problem. These aspects are economic, technical and legal, but let us not forget that they are also political and social.

President. — I call Mr Vouel.

Mr Vouel, Member of the Commission. — (F) Mr President, Mr Ansquer's report was very explicit and went into great detail, and in view of the lateness of the hour, I shall try to be fairly brief.

Mr President, I welcome the support I have received from your Committee on Economic decision on aids and interventions for the iron and steel industry. The motion for a resolution drawn up by Mr Ansquer has met with your Committee's approval, as today's debate has shown. I believe that this House, the Committee on Economic and Monetary Affairs and the Commission itself are basically in agreement as to the main elements of the draft decision we have been debating here today.

This being so, Mr President, I should like to take this opportunity of underlining once more the importance which the Commission attaches to this decision. It is — as I have stressed on a number of occasions — a key element in our structural policy for the iron and steel industry. On the one hand, it will enable the Member States wherever necessary to give aid to encourage the required structural reforms, which, as you know is only legally possible on the basis of a Commission decision.

On the other hand, the decision will provide a framework for aids and interventions at Community level to avoid one Member State's difficulties being passed on to the other Member States. Another vital point is that it will give the necessary flexibility to enable restructuring to be carried out in socially acceptable conditions.

Vouel

Mr President, I would emphasize the fact that only a broad framework of aids and interventions as provided for in this draft decision can give the provisions of the Treaty sufficient flexibility and effectiveness to reinforce the process of restructuring in the steel industry at the same time distorting competition. I would add that the Commission fully intends to work closely and constantly with the Member States — as provided for in Article 8 of the draft — to ensure that this decision is put into effect. This being so, the Commission will of course accept the amendment proposed in your motion for a resolution which requires the European Parliament to be informed regularly of how this decision is actually being implemented.

Having said this, Mr President, I should now like, if I may, to reply briefly to the questions which have been raised by various speakers in the course of this debate.

There is, first of all, the question raised by Mr Schwörer on regional aid being subject to Community legislation. I think it would be unfair — and therefore unacceptable — not to take into account this category of aid which is clearly of importance to the steel industry as a large number of steelworks are located in these very regions. By failing to take account of regional aids, we would run the risk of nullifying the discipline imposed by this decision.

On the other hand, I quite understand the Member States' regional concerns. But in my opinion, and in view of the magnitude of the crisis in the steel industry, sectoral considerations must take precedence over regional objectives, especially since it would hardly be good regional policy to aid and abet an increase in capacity in such a crisis-ridden industry. Of course this does not mean to say that we should not bear in mind the regional aspect of certain measures, and regional considerations figure conspicuously among the criteria set out in the draft decision.

As for Mr Schwörer's remarks on the duration of this framework procedure and on the restitution of a competitive system in the iron and steel sector, I can only say that we entirely agree with him on this point. The necessary bending of the rules laid down in the ECSC Treaty is justified for the period of restructuring we envisage. Once this period is over, our iron and steel industry should have attained a degree of competitiveness — and this is precisely the object of the exercise — which will enable it to revert to the normal rules of the free market economy.

To Mr Ellis, who wondered whether the Commission had sufficient authority at present to impose a global restructuring plan, I would say that first of all — and my colleague Mr Davignon made this point clearly at the beginning of the debate — the Commission has

no wish to impose a restructuring plan which it has drawn up itself in every detail. What it does want to do — and what it must do — is to ensure that the restructuring plans adopted by the Member States of the Community are mutually compatible. And with this objective in mind, I believe that the Commission not only has the necessary authority, but that it is convinced it will have the support of all concerned, after all, everyone knows perfectly well that a coherent policy is a *sine qua non*. As for ensuring compliance with Community rules on aid, I believe that, here again, the Commission will succeed in its objectives for the same reasons I mentioned earlier.

To Mr Leonardi, who was wondering who would decide what was meant by 'the Community interest', I would say that this must be a matter for the Commission, taking account of the objectives laid down in the Treaty. In other words, the Commission will take account of the impact which a national measure has on the other Member States' steel industries and of the extent to which these national measures accord with the restructuring objectives laid down at Community level.

I would reply to Mr Borsnan that the draft decision contains a number of criteria to be applied in granting aid to the steel industry. These criteria are particularly severe in the case of the proposed creation of new capacity. Admittedly, new capacity may be financed by companies' own resources, but when it is intended to provide aid, each case must be examined most carefully and strict limitations applied.

Mrs Ewing asked five questions, and beginning with her question about low-priced imports from the German Democratic Republic, I would say that here we are limited by a system of basic prices applicable to imports from third countries with which we have no special arrangements. It is deemed presumptive evidence of dumping, and countervailing duties are levied, if products are imported less than these basic prices. These prices are fixed by reference to the most competitive producers' cost prices and are designed to discourage imports. It is true that dealers from other countries in the Community supply the British market with goods imported from third countries, and in particular from the German Democratic Republic. But these are traditional practices which are perfectly above board provided that the goods were imported at the basic price.

As to the US market, which was another question raised by Mrs Ewing, I would say that the EEC has recovered its original trading position on the American market at the expense of the Japanese, who have suffered from the revaluation of the yen. Overall, imports into the USA are not harming the American steel industry, which is currently working at 85% capacity and which has substantially raised its prices.

Vouel

In our opinion, therefore, the American authorities, with whom we keep in contact, have not grounds for taking retaliatory measures against imports. And so far, at least, they have shown no inclination to do so. But we shall be keeping a sharp eye on the situation. And, generally speaking, we all acknowledge that in the context of the American trigger price system, the system of Community basic prices has worked to the satisfaction of all the countries concerned.

I would also say to Mrs Ewing that a great deal of modernization has taken place in the Community steel industry, particularly in Scotland. But sheer competitiveness is not enough if we have persistent overcapacity, because the modernized steel plants would never recoup the capital invested if overproduction were to keep market prices too low. Even the ultra-modern Japanese steel companies are currently cutting back on their capacity. But the international action it is tacking, the Community is helping to ensure that all countries make an effort, and not only the European countries or regions like Scotland. This is the only way that modernization — including the modernization of the Scottish steel industry — will be a success.

As for the question of special steels, this is quite a different matter from ordinary steels, in that the companies in this sector are profitable, and it is just a problem of marketing for certain producers. The Commission is keeping a very close eye on developments in this sector, especially with a view to preventing dumping. The Commission is also, of course, fully aware of the social aspects of this problem and has, as you know, asked the Council for a substantial increase in the ECSC's resources and for the allocation of customs duties levied on steel to enable it to carry out a social programme to alleviate the impact of redundancies.

To Mr Porcu, and to all those who have stressed the social aspects of the problem, I would say that our objectives are certainly not limited solely to financial and industrial matters. Far from it — one of our essential objectives is to make these restructuring operations socially acceptable and tolerable. This is the thinking behind Article 5, which, as you know, authorized certain aids to bail out struggling companies, precisely because of the social problems which would ensue if these companies were to go under.

Mr President, I think I have now dealt with all the questions which were put to me. I would just once again underline the fact that I am very grateful for the support given to the Commission's plan to introduce this necessary set of rules for the steel industry. I should like to thank Mr Ansquer again for his excellent report and also thank your Committee on Economic and Monetary Affairs for the support it has given me throughout the discussion on this draft decision.

President. — I note that there are no more requests to speak. The motion for a resolution will be put to the vote as it stands at voting time this afternoon. The debate is closed.

7. Agenda

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

Mr Porcu. — (*F*) Mr President, ladies and gentlemen, together with Mr Ansart, Mr Bordu, Mr Eberhard and Mr Soury I tabled an oral question with debate on supplies of ore to the Community.

This is a very topical issue at the moment, and it is also connected with the problems of the steel industry which we have just been discussing and which we are sure to discuss again in the future. Among the areas affected there is an entire region, Lorraine, which is where my constituency is.

Mr Davignon told me in person that he was anxious to give an answer to this question in view of its importance. I am grateful for that. Unfortunately, he has had to return to Brussels as a result of Mr Tindeman's resignation and cannot attend this debate.

It is my view, too, that it should be Mr Davignon, the Commissioner responsible for industrial affairs, who should reply to this question which affects the industrial future of the whole Community.

I therefore ask for this oral question to be postponed until the next part-session, so that Mr Davignon can be here in the House.

President. — I put to the vote Mr Porcu's request for the debate on Doc. 292/78 to be postponed.

That is agreed.

The proceedings will now be suspended until 3 o'clock.

The House will rise.

(The sitting was suspended at 1.05 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR : MR BERKHOUWER

Vice-President

President. — The sitting is resumed.

8. Question Time

President. — The next item on the agenda is the third part of Question Time (*Doc. 351/78*)

We will deal with the remaining questions to the Commission.

President

Since the author is absent, Question No 5 will receive a written answer.¹

I call Question No 6 by Mrs Dahlerup :

In a speech delivered in the USA on 8 September 1978, Commission Vice-President Mr Henk Vredeling advocated cooperation between the Member States of the European Community on security and defence policy.

Does the Commission share this point of view ?

Mr Natali, Vice-President of the Commission. — (I) As Mr Vredeling stated clearly in the speech referred to by the honourable Member, defence policy as such is not a matter for the Commission.

In putting forward his views on the possibility of future cooperation within the Community on matters of security and defence, he was speaking not on behalf of the Commission, but in a personal capacity.

Nevertheless, in drawing attention to the important role which arms supplies could play in the Common Market in view of its considerable importance for industrial policy, Mr Vredeling was referring to a field which undoubtedly also involves the responsibility of the Commission, as is clear from the Klepsch Report and the answer given by Mr Davignon at the sitting of this Parliament on 13 June.

Mrs Dahlerup. — (DK) Mr President, I must say that this is the first time that I hope the interpreting has been completely inaccurate, since if what I have heard from the interpreter is correct, the Commissioner has answered that arms supplies are of great importance for the Community, and I must say this is cause for some alarm. For this reason, apart from putting my supplementary question, I must ask the Commissioner, when he answers my question, to state quite clearly whether what I had from the interpreter was correct, or whether his answer was quite different. Nevertheless, even if it was mistranslated, I find this answer disturbing, and my supplementary question is as follows. Does the Commission think it reasonable that when such delicate and important questions as these are involved, Commissioners should travel around the world and express their personal views, while it is only by virtue of the fact that they are Commissioners of this Community that they are travelling at all ?

Mr Natali. — (I) I have already explained that Mr Vredeling himself made it clear on this occasion that he was speaking in a personal capacity.

Mr Prescott. — The Commission has still not made it clear what rules do apply to a Commissioner visiting a country and speaking as a Commissioner

rather than expressing his own personal views. Clearly, it will lead to confusion if this policy is continued. And secondly, surely the advocacy, in this House, by the Commission of an arms procurement agency is against the Treaty as he interpreted it in the original question.

Mr Natali. — (I) The official positions of the Commission as such form the subject of deliberations by this collegiate body and are expressed in the institutions.

Mr Seefeld. — (D) Mr Natali, do you not agree that a Commissioner who was once Minister of Defence in a Member State cannot, when visiting third countries, pretend not to have anything to do with defence policy and that, in addition, questions of defence policy in the context of European political cooperation are an aspect of foreign policy and therefore cannot constantly be excluded ?

Mr Natali. — (I) It was not for nothing that in my answer to the question regarding coordination on arms, I remind you that Mr Davignon had clearly explained the attitude of the Commission, namely that defence questions do not come under the Community Treaties even if the industrial aspects of defence clearly are covered by the EEC Treaty. I think I will shortly have occasion to repeat this view in connection with other questions.

Mrs Dahlerup. — (DK) Mr President, I am asking you directly for clarification as to whether the answer I received from the Commissioner was that arms supplies was of great importance for this Community, or whether there was an interpreting error. Since I cannot ask the Commissioner, I am asking the President directly for clarification of this matter.

President. — Mrs Dahlerup, it is not for the President of this Parliament to explain the answers given by the Commission to your question and supplementary question. If you are not satisfied with the answer given by the Commission concerning certain views expressed by one of its Members somewhere abroad, it is up to you, or your Group, to find ways and means of doing something about it. Unfortunately nothing can be done in Question Time in view of the Rule that the Commission answers the question put, and that the questioner can then put a supplementary question — as can other Members if they so desire — after which the matter is closed. If you wish to pursue the matter further, it is up to you to think of a way of doing so.

Since the author is absent, Question No 7 will receive a written reply.¹

¹ See Annex.

President

I call Question No 8 by Mr Noè :

In view of the brilliant results obtained in August at Princeton University and the conclusions arrived at at the recent Innsbruck Congress organized by the IAEA and having regard to the priority recently accorded by the Americans and Japanese to a joint nuclear research programme, does not the Commission feel that the Community should step up its own work in this field?

Mr Natali, Member of the Commission. — (I) The Commission is fully aware of how important nuclear fusion could be to Europe. In fact, of the various sources of energy considered, i. e. solar, fusion, super-convertes etc., it is fusion which appears particularly suited to European requirements.

The Commission is currently preparing a new five-year plan, the fifth, which should come into force on 1 January 1979. In accordance with the 'programme glissant' procedure which the Council decided upon in 1976, this plan will be submitted to the Council in the near future, before the previous plan, which covered the years 1976 to 1980, has come to an end. As pointed out by Mr Noè in his question, the recent results of the Tokamak programme, which were described at the Innsbruck Congress, were even more encouraging than our most optimistic expectations. This means that we could ease off in general scientific research, and step up the Tokamak programme and concentrate our efforts on heating.

This would mean that the technological aspect of the programme could also have to be stepped up.

After reconsidering its proposed programme, and in view of the possibility for revision in 1978 under the 'programme glissant' procedure, the Commission is of the opinion that the programme proposed makes adequate provision for stepping up work on those aspects where this seems appropriate in the light of future analyses of the situation.

As regards the JET project, it might prove advisable to obtain results earlier than envisaged, and this point is currently under consideration.

Mr Noè. — (I) Does the Vice-President of the Commission think that, in view of the progress made in the physics of nuclear fusion, it would be appropriate to start work soon on the technological tests to which he himself referred — i. e. materials tests — possibly in collaboration with the OECD Nuclear Energy Agency and the United States, given the difficulty of tests of this kind?

Mr Natali. — (I) The results obtained are indeed particularly encouraging and the Commission intends to include in its next plan proposals for a variety of activities of the kind suggested by Mr Noè.

President. — I call Question No 9 by Mr Hamilton :

Will the Commission please explain how the incorporation of the 157.8 weighting into the basic staff salary scale on 1 January 1977, which should have been a technically neutral operation, apparently resulted in substantial unintended gains in net remuneration being made by many officials and ex-officials, and losses by others, indicate the individual and overall financial extent of such gains and losses and state when and how it proposes to rectify this unsatisfactory situation?

Mr Vouel, Member of the Commission. — (F) The distortions referred to by the honourable Member are due to the method used for incorporating weightings into the basic salary scale as from 1 January 1977. Although it was quite similar to methods already applied on other occasions, this method was not very suitable when a high weighting was involved — in this case 157.8. The Commission and staff representatives at that time drew the attention of the Council to the technical problems this would involve, but this did not stop the Council continuing in this course of action.

As regards the over and under payments in the various individual cases, it is difficult to give figures since these vary depending upon the family situation or position on the salary scale of the persons involved. Generally speaking, however, there was a net increase of the order of 1.7 % in the remuneration paid to Community officials. Nevertheless, I can inform the honourable Member that the Commission has proposed a new method for the future with a view to avoiding all these problems, and this was adopted by the Council last June.

Mr Hamilton. — Can the Commission confirm that 1 200 or so officials are involved in this matter and whilst one appreciates that the money cannot be recouped, can the Commission give any indication as to when this overpayment will be stopped, because at the moment it is quite an indefensible situation?

Mr Vouel. — (F) The number of officials involved is much higher than 1 200. As regards recouping the overpayments, I must unfortunately point out that from the legal point of view, remuneration paid on the basis of a Council Regulation cannot be reclaimed. There is no chance of a similar situation arising in the future, since the method for incorporating weighting has been changed, as I have just explained. However, certain Member States would like to see the distortions created in the past compensated for by blocking the remuneration of the officials involved until this result was achieved, which is theoretically possible in spite of technical difficulties. At any rate, the discussions on re-examining the individual situations are currently underway within the Council.

President. — Question No 10 by Mr Corrie will be dealt with at the next part-session.

President

Since the author is absent, Question No 11 will receive a written reply.¹

I call Question No 12 by Mr Fitch.

Can the Commission give a statement on the effectiveness of the multi-fibre arrangements?

Mr Vouel, Member of the Commission. — (F) In December 1977, the Multi-Fibre Agreement was renewed for four years, i.e. up to 31 December 1981. Before the end of December 1977, the European Communities had approved the protocol extending the Agreement, which thus entered into force on 1 January 1978. The conclusions adopted by the GATT Textiles Committee at the same time provide for all problems regarding trade in textiles to be solved by bilateral consultations and negotiations. With a view to finding mutually acceptable solutions, it was made possible to depart, within reasonable and mutually agreed limits, from certain of the provisions of the Agreement on specific points. The Committee also stressed in its conclusions that the Multi-Fibre Agreement was basically aimed at promoting trade in textiles, particularly for the developing countries, whilst avoiding distortions in certain markets and for certain products. The Commission feels that the renewing of the Multi-Fibre Agreement under these conditions provides a satisfactory framework for controlled development of trade in textiles in the Community.

Mr Fitch. — Is the Commissioner aware that by the end of August of this year imports from Turkey were well in excess of a ceiling laid down under the agreement? What action does he intend to take against those countries where these quotas are being exceeded?

Mr Vouel. — (F) The Commission has taken a decision with a view to putting a stop to this state of affairs.

President. — Questions Nos 13 by Lord Bessborough and 14 by Mr Normanton will be dealt with in the next part-session.

I call Question No 15 by Mr Van Aerssen:

What information does the Commission have in support of the view that Western conjunctural weaknesses are being accompanied by steady and intensified efforts on the part of the Comecon countries to achieve autarchy, with the resultant likelihood that they will adopt a restrictive import policy *vis-à-vis* the West up to 1980?

Mr Natali, Vice-President of the Commission. — (I) The reasons why the Eastern block countries might be induced to intensify relations within Comecon at the expense of relations with countries with a market economy are many and varied.

Thanks to their monopoly of external trade, the authorities of these countries have at their disposal a means of directly influencing trade. We cannot, therefore, regard all these phenomena as coincidental.

The level of debts is undoubtedly the main reason why some of these countries have decided to ease off considerably in expanding their imports from countries with a market economy. The conjunctural situation in the Western world is only one of many factors in this context, but it is certainly not the main one.

The Commission is not in a position to explain the intention of the leaders of these countries, since it is not possible to form a clear picture of future developments in view of the inadequate information published in their plans and the statements — which are sometimes contradictory — as regards the intentions of those responsible for economic affairs in these countries.

Mr van Aerssen. — (D) Does the Commission share the view that, if we are to establish better relations between the European Community and Comecon the information contained in the plans to which the Commissioner has just referred is in many respects inadequate. Furthermore, would the Commission agree that these plans must become more precise, more specific and transparent, so that we can establish a reasonable partnership and climate for trade?

Mr Natali. — (I) It would certainly be useful if we had more reliable information. Indeed, in my answer I mentioned the vagueness of the plans and the contradictory nature of some statements.

President. — Question No 16 by Mr Osborn will not be put as this matter has already been the subject of a debate (Docs 315/78 and 316/78).

Question No 17 by Mr Scott-Hopkins has been withdrawn.

Since the authors are absent, Questions 18, 19 and 20 will receive written replies.¹

I call Question No 21 by Mr Dondelinger:

Has the Commission begun work on the report on European armaments procurement cooperation as requested in the European Parliament's resolution of 14 June 1978, and when does it hope to submit this report?

Mr Natali, Vice-President of the Commission. — (I) In the debate on the motion for a resolution tabled by Mr Klepsch, Mr Davignon made it clear that the Commission proposed to consider this matter and discuss it with Parliament. As promised, the Commission has already started studying those aspects of the question which affect industrial policy.

The Commission intends, in an initial phase, to collect the necessary information and expects to be in a position towards the end of 1978 or the beginning of 1979 to draw up specific plans in this sector, which

¹ See Annex.

Natali

will then be discussed in this House. At this stage, however, I must point out that national security provisions are exclusively matters for the individual Member States and, furthermore, that it is frequently difficult to separate industrial and strategic factors.

Mr Dondelinger. — (*F*) Since the Commissioner has just told us that the Commission intends to submit a report to Parliament towards the end of this year or the beginning of the next, I should like to know whether, in preparing this report, it has in fact received all the support necessary from the governments of the nine Member States.

Mr Natali. — (*I*) This was the subject of a recent debate in Parliament. I should like to remind the honourable Member that the Commission, in carrying out this study, is merely acting in accordance with the request made by this Parliament itself. I do not think that any of the Member States will fail to cooperate on matters for which the Commission is responsible.

Mrs Dunwoody. — The Commissioner replied with his normal tact, but is it not true that the Commission are in danger of spreading over into an area where, frankly, they have no responsibility? The procurement of arms on a European scale would carry with it very considerable political problems, quite apart from the industrial involvement that he has already mentioned. Would he be very careful not to spread into an area where he has no direct involvement?

Mr Natali. — (*I*) I have just explained the views of the Commission and reminded you of the views put forward by Mr Davignon in the course of the Parliamentary debate on this subject. I might add that the Commission is aware that the situation is rather complicated, and for this very reason it does not intend to get involved in matters which do not come under the responsibility of the Community.

Mr Mitchell. — Do I understand there are actually people in the Commission who are working on this nonsense? If so, how many, and what is the cost to public funds?

(*Laughter*)

Mr Natali. — (*I*) This question should have been put when Parliament voted in favour of a resolution urging the Commission to undertake this study.

President. — Question No 22 by Mr Herbert will be dealt with in the next part-session.

Questions Nos 23 by Sir Geoffrey de Freitas and 24 by Mrs Ewing have been withdrawn.

Since the author is absent, Question No 25 will receive a written reply.¹

I call Question No 26 by Mrs Dunwoody:

Will the Commission explain what steps they intend to take to set on foot an inquiry into any possible distortion of competition between the television and film companies of the Community in relation to the showing of films on television?

Mr Vouel, Member of the Commission. — (*F*) Firstly, the Commission would like to stress the special or exclusive rights enjoyed by television companies within the Member States. The fact that these companies are free to devise their programmes as they wish means that they can choose freely which films they are going to transmit over their networks.

The Commission can assure the honourable Member that if, under these particular circumstances, it was aware of specific cases of practices which were incompatible with the provisions of the Treaty regarding competition and which affected trade between Member States, it would not fail to intervene by virtue of its powers in this field.

In the absence of any complaints on this particular subject, or of any other information which might indicate that the Treaty was being infringed, the Commission does not feel there is any need at this stage to give priority to any action of the kind requested by the honourable Member.

Mrs Dunwoody. — With the greatest respect to the Commissioner, that is the greatest load of nonsense I have ever heard. Is the Commissioner not aware that the cinema industry in Europe has made specific representations and had a meeting with Mr Davignon on this particular subject? They have submitted evidence time and time again to the Commission of the gross distortion of trade between the cinema and the television industries, and it really is not good enough to talk in those general terms. This is a grey area, admittedly, but if the Commission is actually concerned with the distortion of trade, then let it do something to protect the cinema industry, which in Europe employs a great many people and is being forced out of business by the unfair competition of television companies who show films that they have bought at very unreal prices.

Mr Vouel. — (*F*) In the interests of brevity, I merely answered the precise question put by Mrs Dunwoody.

She asked me whether we were intending to set on foot an enquiry into distortion of competition, and my answer was 'no'. However, since I have no wish to leave Mrs Dunwoody with a negative impression, I shall point out that I fully agree that there are problems within this sector. The Commission is also taking action, and with good reason. For some years now, it has been urging the governments of the Member States to do something to improve inter-professional relations in this field.

¹ See Annex.

Vouel

What the honourable Member refers to as the unfair competition which the cinema industry is suffering as a result of films being shown on television can be explained, at least in part, by the differences in the regulations governing television in the various countries of the Community and the resultant differences in power and methods of negotiation. Depending upon the national regulations, television can be anything from a non-profit-making public service to a purely commercial venture. The Commission is fully aware of these problems and is resolved to do all it can to eliminate distortions and difficult situations, particularly for the cinema industry. However, as I have just said, it does not at this stage intend to take the view that there is a case of distortion of competition and open up a full-scale enquiry on the basis of the relevant articles of the Treaty.

President. — Question No 27 by Mr Stetter was considered jointly with Question No 1.

Question Time is closed.

Since it has been decided that the voting on motions for resolutions which have already been discussed is to take place at 3.45 p.m., we shall adjourn until that time.

The sitting is adjourned.

(The sitting was adjourned at 3.35 p.m. and resumed at 3.45 p.m.)

President. — The sitting is resumed.

9. Votes

President. — The next item comprises the votes on motions for resolutions on which the debate has closed.

I put to the vote the *motion for a resolution (Doc. 378/78) tabled by all the political groups: Situation in the Lebanon.*

The resolution is adopted.¹

We shall now consider the *motion for a resolution (Doc. 361/78/rev.) tabled by Mr Fellermaier and others: Situation in Nicaragua.*

I put the preamble and paragraphs 1 to 3 to the vote.

The preamble and paragraphs 1 to 3 are adopted.

On paragraph 4, I have Amendment No 1, tabled by Mr Sandri and Mr Bordu on behalf of the Communist and Allies Group, rewording this paragraph as follows:

4. Calls on the United States Government to discontinue all aid to the Somoza dictatorship;

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

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.¹

I put to the vote the *motion for a resolution (Doc. 375/78) tabled by Mr Müller-Hermann: Introduction of summer time.*

The resolution is adopted.¹

I put to the vote the *motion for a resolution (Doc. 315/78) tabled by Mrs Walz: Community energy policy.*

The resolution is adopted.¹

I put to the vote the *motion for a resolution (Doc. 316/78) tabled by Mr Flämig: Energy policy.*

The resolution is adopted.¹

We shall now consider the *motion for a resolution (Doc. 335/78) tabled by Mr Ansquer: Iron-and-steel industry.*

I put the preamble and paragraphs 1 to 10 to the vote.

The preamble and paragraphs 1 to 10 are adopted.

After paragraph 10, I have Amendment No 1, tabled by Mr Schwörer on behalf of the Christian-Democratic Group (EPP), inserting the following new paragraph:

- 10a. Asks the Commission to submit to it at the November part-session a report on its action in this field and a programme for 1979 and subsequent years;

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

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

The resolution is adopted.¹

¹ OJ C 261 of 6. 11. 1978.

10. *Seventh Report on Competition Policy*

President. — The next item is the report (Doc. 334/78) drawn up by Mr Damseaux, on behalf of the Committee on Economic and Monetary Affairs, on the Seventh Report of the Commission on competition policy.

Since the rapporteur is not present, I shall ask Mr Lange to open the debate on behalf of the Socialist Group.

Mr Lange. — (*D*) Mr President, I am sorry, but I am not prepared to speak on the report on competition without any rapporteur and without any introduction. First we must have the rapporteur or someone responsible from the committee. I am not the chairman of this committee and I am not even the deputy chairman. Just take the report off the agenda.

President. — Since we have got through the agenda this afternoon rather faster than usual and since I am informed that Mr Damseaux is in the building, I propose that we suspend our proceedings for five minutes.

I call Mr Prescott.

Mr Prescott. — Mr President, I appreciate your difficulty. I can tell you that Mr Damseaux was at a meeting with me ten or fifteen minutes ago. He is downstairs talking to some stagaires. If you could send one of your officials to bring him out, we could continue with the rest of the agenda without breaking for five minutes.

President. — The proceedings will now be suspended until 4 p.m.

(The proceedings were suspended at 3.55 p.m. and resumed at 4 p.m.)

President. — The sitting is resumed.

I call Mr Damseaux.

Mr Damseaux, rapporteur. — (*F*) Mr President, please accept my apologies: I was in no sense an absentee from Parliament, I was merely answering questions from Commission trainees in a room on the ground floor of this building and my absence was certainly not due to the collapse of the Belgian Government!

This is the seventh occasion on which the Committee on Economic and Monetary Affairs has reviewed the Commission's conduct and control of the competition rules, and it is my privilege to submit to the House the conclusions reached by the committee.

In the introduction to its report for this year, the Commission states:

The aim is to assure the efficacy of the Community economy and society in facilitating free and equal competition between the different economic agents, to safeguard the mobility of the factors of production both temporally and spatially by preventing their sterilization, which would inevitably be costly, and to leave open possibilities for progress and innovation.

In this sentence, I think the Commission has fully conveyed the importance of observing the rules on competition within the Community and, with the help, which is greatly appreciated, of my colleagues on the Committee on Economic and Monetary Affairs, I have endeavoured to complete my job with the object of being both thorough in my review and specific in my proposals.

The review must certainly be thorough; this is essential, because at the present time the economic and social position of our European Community is, to say the least, unsettled in the extreme. As stated in paragraph 2 of the motion for a resolution which you have before you, this unsettled situation has four distinguishing features:

1. a low rate of growth;
2. changing world economic trends;
3. The need for structural change; and
4. the importance of avoiding any resurgence of protectionism.

In this situation, the Committee on Economic and Monetary Affairs believes that all the institutions have a contribution to make, but paragraph 3 of the motion makes particular reference to the Commission. This is because it has extensive powers under the Treaty and its essential job is to ensure the most effective, comprehensive and well-adjusted application of competition policy.

I said we wanted to be very specific in our proposals. This is why the explanatory statement is in three parts, which deal with, respectively, equalization of competition conditions, the adjustment of competition rules and the general conduct of competition policy. Paragraphs 4 to 12 inclusive of the motion are concerned with the equalization of competition conditions, which are the subject of the first part of the explanatory statement.

Paragraph 4 states why the Committee on Economic and Monetary Affairs refuses to interpret competition policy in terms solely of the articles of the Treaty. We are firmly convinced that, over and above the terms of the Treaty, consideration must be given to a *de facto* extension of the scope of competition policy not only in the fields of industrial property rights and exclusive dealing agreements but also in that of approximating legislation.

Damseaux

On the question of the regulation for exemption of certain categories of patent licensing agreements, we are most anxious that the Commission, in its proposal, should bear in mind the need to avoid anything which restricts the transfer of technology within the Community and to provide all possible safeguards for the protection of small and medium-sized undertakings. While the committee was at work, the Commission did in fact assure us that its proposal would be submitted at the beginning of next year. In paragraph 5 of the motion, the Commission is asked to submit the regulation in the first half of 1979 at the latest, and we take due note of the undertaking which the Commission gave.

Your committee has always had a lively interest in the preparation of Community law on this subject, and the Commission has indicated that it will be submitting a draft regulation on it in 1980. We believe things ought to move even faster than this, but we anticipate that the Commission will provide us with further information and details when it presents its Eighth Report on competition policy.

Another important subject is dealt with in paragraph 8 of the motion for a resolution, which is concerned with the elimination of technical and administrative barriers to trade. This is something in which the citizens of the Community can be expected to take a lively interest and, as we approach the direct election of Parliament, we note with satisfaction the Commission's expectation that its proposals for a new procedure will be submitted without delay.

The lack of progress by the Council in the work of tax harmonization also causes us concern. It is impossible to maintain healthy competition in a Community where tax evasion is common and made easy in fact if not also in law. In this connection, we consider that the Committee on Economic and Monetary Affairs ought to ask the Council for an explanation of the latter's failure to act.

In paragraph 10 of the motion, we go into the question by what specific means the Commission could amplify its annual analysis of developments in national competition policies. As the result of an extremely useful discussion with Mr Vouel, we came to the conclusion that there was no need to think in terms of a regulation laying down a precise line of demarcation between the competence of, respectively, the Commission and the national authorities of the Member States. A regulation of this kind might, to some extent, restrict the jurisdiction of the Court of Justice of the European Communities and, what is, perhaps, more serious, result in a reduction of the Commission's present powers, which would constitute a retrograde step. We insisted, however, on the Commission's doing something to give practical effect to the precedents established by the Court, because, although some progress has been made, there are still

inconsistencies and loopholes in the legislation of the Member States and these constitute so many obstacles to be overcome if we are to achieve real equality of conditions between competitors.

Paragraphs 11 and 12 of the motion lay emphasis on two areas where, in our view, it is essential to widen the scope of competition policy. These are air and sea transport and finance. As regards its application in the finance sector, I must make it clear that, as far as our German friends are concerned, we are not concerned with the public finance sector but with what is referred to in German as *Kreditwesen*. In the case of air and sea transport, the Committee on Economic and Monetary Affairs would think in terms of an approach to the Council and, in the case of the finance sector, we suggest that the House ask the Commission to give us a progress report on the subject in its Eighth Report on competition policy.

Paragraphs 13 to 19 of the motion for a resolution are largely concerned with the second section of the explanatory statement, which deals with the adjustment of competition rules.

At a time of economic crisis, the temptation for Member States to resort to protection is strong. In paragraph 13, we feel it right to emphasize that aids to employment are degressive and temporary (and these are the correct adjectives), whether applied sectorally or regionally in order to ensure that these aids are, as they must always be, compatible and consistent with the object of restructuring our economic armoury, and with the need to keep it competitive in world trade.

On the same subject, paragraph 14 comments on the aids provided by the States. In the opinion of my committee, it is vital that aids should be coordinated at Community level and that there should be both prior and retrospective control of the use made of these temporary measures when they are put into effect by the governments concerned. We believe that, if the action suggested is taken in regard to State aids, this will ensure the recovery of those industries which are in difficulty, such as iron and steel, textiles and shipbuilding.

From the practical point of view, we also feel that the Commission should make the necessary modifications in the services responsible for dealing with these matters so that they can cope with the growing number of cases and provide the necessary supervision.

On the question of the financial relations between the States and public undertakings, we believe that the maintenance of genuine competition requires the early submission by the Commission of its proposal for a directive, now in course of preparation, on the introduction of greater transparency in the financial relations between, on one hand, the States (a term we use advisedly, after lengthy discussion and consideration), and, on the other, the undertakings which come

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within the ambit of Article 90 of the Treaty establishing the European Economic Community. We refer specifically to Article 90 in order to ensure that the undertakings covered by the motion for a resolution are clearly identified. We were equally concerned about the question of concentrations. Here, too, we found the dilatoriness of the Council exasperating. The members of the Committee on Economic and Monetary Affairs suggest that the House makes the Council aware of its dissatisfaction through the vote on paragraph 16 of the motion for a resolution.

Paragraph 17 deals with the multinational companies. While acknowledging the work done by Mr Vouel and his team (and I must thank him for the part he played in the Commission and the assistance he gave to Parliament and the committee in carrying out their task), we are nevertheless asking the Commission to include a comprehensive account of its work on the multinationals in its next report.

When I spoke last year, not as rapporteur but, as the representative of my group, I emphasized our concern for small and medium-sized undertakings. I am very pleased that all the political groups and the Commission are agreed on the adoption of measures in favour of small and medium-sized undertakings, and I imagine that paragraph 18 of the motion will obtain the general, if not unanimous approval of this Parliament.

The concluding paragraphs of the motion cover the third section of the statement, dealing with the general conduct of competition policy. We must be effectual and, on the subject of price differences, we earnestly hope that the Commission will decide to do something more than just publish its investigations into prices in the Community. We call on the Commission to put before us appropriate measures to protect the consumer's purchasing-power by systematically attacking the root causes of excessive and artificial price disparities (here again, these are the correct adjectives); by this I mean disparities of non-economic origin, those which do not arise from normal conditions on the market.

In the interests of a sound competition policy, we are asking the Commission, and the Council as well, to ensure that activities are properly co-ordinated. We have no doubt about their good intentions, but we are also conscious of the dead weight and hand of tradition, not to mention opposition from entrenched positions of advantage on the market and objections on administrative grounds.

In the hope that I have correctly communicated the decisions of your Committee on Economic and Monetary Affairs, I should like to conclude by paying tribute to the excellent spirit in which it did its work.

I am grateful to my colleagues. I must also thank Mr Vouel, on behalf of the members of the committee, for making himself available to us and being so ready to answer our questions.

The direct elections are getting nearer. I think the Committee on Economic and Monetary Affairs has shown that it has a European political will. I trust that this House will show the same spirit in its deliberations and, in line with the first paragraph of the motion for a resolution, I should like to emphasize that competition policy plays a fundamental part in the proper functioning of the market and, in addition, that the issues covered in this report involve other issues relating to the Community and also involve issues which have arisen in the international field, such as the world recession and the dollar crisis in particular.

Mr President, I hope I have given you an objective and accurate report. I trust that Parliament will be good enough to back the committee by voting for the motion for a resolution, because in all probability, it is upon competition policy that the economic and social welfare of 250 million Europeans depends.

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

Mr Lange. — (*D*) Mr President, I think it was a good thing for the rapporteur to have presented the report and for us not to have begin the debate without him. As he says himself, Mr Damseaux has drawn a faithful picture of the subject for discussion in the Committee on Economic and Monetary Affairs and I would like to make the point that this report — as you can see from the preliminary notes — was unanimously adopted by the members of the Committee on Economic Affairs after it had undergone various changes. This is further evidence that, in fundamental questions, we can meet each other and come to terms on certain lines.

Ladies and gentlemen, competition policy, which after all, has a special place in the Treaty, is not a policy for its own sake, it is the expression of freedom of economic action and at the same time a curb on anyone who tries to misuse a position of power. I feel it is necessary to reiterate these decisive prerequisites for competition policy in connection with economic policy in general and to make it very clear, in view of the general developments in the world economy, to which Mr Damseaux has already referred, and the specific effects that they have in the European Community, that it would be fatal to do without competition in our economies. The frequent calls for protectionism — the motion for a resolution of the Committee on Economic Affairs which Mr Damseaux has introduced is squarely opposed to it — because of

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certain structural and cyclical economic difficulties and development problems clearly involve the danger of eliminating competition altogether. I would like to state clearly once again — as I have on earlier occasions — that we often have the impression that even the Commission — I do not mean individual Commissioners — does not seriously take the provisions of the Treaties as established and binding in every respect. There is too much proneness to talk lightly of certain things that tend towards the formation of cartels and syndicates — in the German sense, a syndicate implies not only agreements on markets but also on production and the fixing of production quotas and prices, in other words the suppression, in practice, of the conditions necessary for competition. This can certainly not be in the interests of the functioning of the European economies and their subdivisions. If firms have difficulties, then naturally — and surely we all agree about this — we must create opportunities for restructuring on certain conditions; but this should not lead to a complete jettisoning of the principles of economic policy laid down in the Treaties.

I wanted ladies and gentlemen to stress this point, with particular force because, in the discussions on iron and steel for example, but in the debate on the shipbuilding and textile industries as well, attempts of varying strength are continually being made to seal off everything from the outside and let nothing in and to act as though we were self-sufficient. I have already said in this House on an earlier occasion that self-dependence, as far as economic policy is concerned, is a characteristic of dictatorships, not of countries with a democratic constitution that want to maintain economic relations with the whole world.

We must therefore keep our frontiers open whatever happens and never close the door. If however, we want to maintain the international competitiveness of certain branches of the economy that have fallen into difficulties and feel duty-bound to give them certain subsidies or certain support or aid or whatever we want to call it, then it seems to me — as stated in the report — that it is absolutely essential, in the first place, that this aid should be given on a uniform European basis and not varying in the individual Member States, for this would create completely unequal competitive conditions within the Community. In the second place, this aid must be placed under the control of the Community — i.e., under the control of the Commission. This must be clearly understood by those members of the Commission responsible for sectors of economic policy other than competition. I say this quite deliberately, because very often the impression overtakes us that there is a wish to depart from the Treaties — for we still, after all, have the three Treaties: Coal and Steel, the Economic

Community and the Euratom Community. In very simple phraseology the last paragraph of the motion for a resolution refers to what, in my view — and in the opinion of many — is possibly the most important constituent of present economic policy. It reads:

Warns the Commission that if the creation of 'crisis cartels' is countenanced, this may jeopardize the ultimate restoration of free competition.

In countries where there is fully-developed competition legislation (and they include my own country, for example: others do not have such fully-developed competition legislation), the possibility of crisis cartels is provided for. If, however, crisis cartels are created — and this we have experienced in the iron-and-steel industry, not this century but last century — it is infinitely difficult to get rid of them again. This highlights the danger of not giving careful thought, firstly, to the scope of such cartels, i.e., the task they have to perform, which is to restore competitiveness by achieving quantitative or qualitative structural goals, and, secondly, to their limitation in time so that, as soon as competitiveness is restored, they can be dismantled. If these two decisive aspects cannot be guaranteed, then crisis cartels should not be used at all. The reference to this subject here implies that the Commission should certainly look into the conditions in which the crisis cartel might be introduced and applied as an instrument in the framework of Community law. Whatever happens it must be clearly understood that a crisis cartel may lead only a relatively short life and never last for more than half a decade or so, as many imagine, because otherwise the temporary arrangement or the assistance to bridge the gap during restructuring and the process of regaining the ability to survive on the world market practically becomes a permanent establishment.

It is clear from a study of economic development over the last 90 years that whenever economic difficulties arose, cartels and syndicates were set up (not on a legal basis, because that sort of thing did not exist at the time) and these survived to the Greek Kalends except where a fortuitous end was put to them by events in wartime, as happened in Germany for example, after 1945. From 1896 to 1945, there was a Rheno-Westphalian coal syndicate that fixed supply quotas, prices and everything else and carved up the market. There was a potash syndicate which, prior to the first world war, included the potash mines in Alsace-Lorraine. There were similar syndicates in the iron-and-steel sector.

All this led to certain sectors of the economy becoming more rigid and isolated. There has never really been an open national economy. True enough, people used to talk about the need for competition then, too, but when it came to competition itself then, at best, it was a creed for Sundays, not for the

Lange

economic working week. The air of competition is indeed chill, there is no doubt about that, and people have continually to think up new ideas in order to ensure that they are as productive as others. This stimulates the imagination of everyone on the market, and whoever has the greater imagination and can develop production methods that reduce costs naturally has the advantage over those who continue to work unimaginatively with old, handed-down methods and then one day discover that they are at the end of the road, as happened in the steel industry, for example which stupidly rolled in the profits in the first half of this decade, or in 1973 to be more precise, and did nothing to introduce more modern production and steel-smelting methods.

These examples are all reasons why, basically, we should not have to compensate for the negligence of certain industrial managements just because the enterprises are so vast, employ umpteen thousands of workers and thus present a certain social problem. If we did, these big firms would have a ready-made public guarantee of survival just because the social problems bound up with these giant firms are so critical. Consequently, care needs to be taken that the kind of behaviour exhibited by some firms which were coining money when times were good and then called for public aid when they were bad is no longer accepted in the future.

This is something we should all agree not to encourage by creating crisis cartels, which make a public burden of their own stupidities since it is the public purse that supports them financially. Provision must be made to ensure that, once efficiency is regained, the aid that has been furnished has to be paid back at compound interest and not written off, so to speak, as a grant to the enterprises concerned.

I am being intentionally too harsh because all the discussions we have had in the last two years have repeatedly shown how many people who, otherwise, are against state intervention never fail to appeal for state aid when they get into difficulties for which, at bottom, they themselves are partly responsible. If we could put an end to that, we should once again have some chance, by and large, of applying our rules of competition as laid down in the Treaties. But for this a number of measures would be necessary.

For my group and myself it is self-evident, as I said at the start, that competition policy is not a policy as such and for its own sake but one decisive prerequisite for economic policy, among others: appropriate cyclical and structural policies must also be pursued at the Community level. It also goes without saying that the market must be kept free of attempts to enlarge market positions to the detriment of others and making unfair use of one's own market position. This

relates to the comments that Mr Damseaux made with regard to the very big firms which operate, to some extent, the kind of competition that squeezes competitors off the market: this is something that we simply cannot afford to see happening to our small and medium-sized firms, because mobility is not to be found in the big and giant firms, which suffer from a degree of bureaucratic rigidity, but among the small and medium-sized firms, which also show much greater courage when it comes to taking risks. This we must reward by keeping the market open for them and making positive efforts to prevent any possible unfair exploitation of market position and power.

Mr President, ladies and gentlemen, I wanted simply to make these one or two basic comments on competition policy without going into detailed figures, since this motion for a resolution was unanimously adopted in committee, as I said at the start and as Mr Damseaux has also pointed out. Naturally, this point or that could have been put in a different way, but all in all it expresses the general feeling that Mr Damseaux has described. I feel that my own comments are in accord with what the Committee on Economic Affairs felt to be important in the drafting of this motion for a resolution.

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

Mr Martinelli. — (I) Mr President, while congratulating Mr Damseaux on the report which, on behalf of the Committee on Economic and Monetary Affairs, he has submitted on the Commission's Seventh Report on Competition Policy, I cannot escape the impression that, though meticulous, this latter document sets out to describe rather modest achievements in the competition sector at a time which is fraught with difficulties of every kind, but this is not the fault of the Commission. During the past year, the Commission has given priority to the structures of the market; it has intensified its examination of company concentrations and the conditions under which selling prices are arrived at, in order to bring out (or bring out more clearly) the reasons which may underlie the unsatisfactory manner in which competition is working. For example, the Commission was able to identify about a hundred market areas where the biggest undertakings were responsible for more than half of all sales and it was once more compelled to recognize that the tendency to concentrate distribution continues to grow with the basic object of cutting down distribution costs and, in consequence, prices. Despite this, however, there is still a wide variation in the price of products at all levels and, as the Commission points out, even between purely local products. This leaves one to conclude that the Commission, has been unable to do much. I repeat: 'unable'.

Martini

In paragraph 19 of the motion for a resolution, the rapporteur maintains that the Commission should not be content with publishing the results of its investigations but should take the necessary steps to remove the causes of artificial price disparities in as much as competition policy (and this is of value only if it really helps to protect the consumer's purchasing-power). True enough! But what is the real situation in which we have to work? When I say 'we', I mean the Commission, the Council of Ministers and all of us who live with the economic realities in our countries. I hasten to add that the substance of the committee's motion for a resolution has my support, but this does not absolve me from expressing certain doubts which arise from consideration of one or two specific points. In its comprehensive report, the Commission states that it is in the area of State aids that competition policy has been subjected to the greatest pressures. From a strictly legal standpoint this is true, but no one can conceivably imagine that tens or hundreds of thousands of workers serving industries which are essential to the economy of each country — there are, for example, a million and a half unemployed in my own — can be deprived of their jobs pending completion of the necessary restructurizations and the advent of the day when the European economy becomes competitive! It is inconceivable that the policy of the Member States can be so clinical and so divorced from social reality as to put a growing number of workers on unemployment benefit!

What we must aim for is action consistent with the economic purpose which competition is designed to fulfil, this being to regulate the market and prices and to enhance the efficiency of the economy. But as we climb the uphill road to efficiency, and face the contrast between the various national policies (a contrast which is often a conflict), we must bear in mind that the tendency, noted by the Commission in 1977, of Member States to strengthen the instruments of control in the realm of competition policy does not arise from calculated disloyalty or from disregard of the Treaty but from the duty of any civilized community, at a time of difficulty and of economic and social change which affects all, both industrialized countries and the countries of the Third World, to assure its members of their livelihood and to ensure that they can obtain work with some degree of self-respect. There is, accordingly, no question of reconsidering the rules on competition or the principles underlying the Treaty but, as the Commission reminded us, we must bear in mind that competition policy is only an accessory to a far wider-ranging policy designed to ensure harmonization of the stages of development and, in consequence, an economic redistribution of work.

Meanwhile, the States must have recourse to interventions and aids which must, naturally, be degressive and temporary, be commensurate with the difficulties

peculiar to each national situation and be dispensed in such a way as to produce the required results quickly and effectively. In the meantime, the States must act on the old principle of *primum vivere*, and in view of this I cannot conceal my misgivings about the warning, given to the Commission in paragraph 21 of the motion for a resolution, concerning the danger inherent in having recourse to crisis 'cartels' or 'agreements'. At a difficult time such as that which the world economy and the European economy, in particular, is passing through at this moment, it seems to me that in the case of industries where the impact of the crisis is heaviest, these 'crisis cartels' can be both necessary and helpful by ensuring a timely subdivision of the market between European industries in a particular sector in order to maintain production and, with it, employment.

Synthetic fibres are a case in point. The attitude adopted in this case by the Commission towards the agreement on fibres, reached with the help of Mr Davignon some months ago between the major European producers, is something to be wondered at. The Commission gave advance notice that it intended to denounce the 'agreement' as contrary to Article 85 of the Treaty. I agree that the duration of such an agreement must be restricted to the period of time necessary to enable the undertakings to be restructured, but I do not accept that such an important industry, in which a crisis agreement has been achieved after such effort, should be thrown back on the jumble of uncoordinated provisions for budgeting and organization.

I must also confess to some misgiving about the wording of paragraph 15 of the motion for a resolution, especially the suggestion that the Commission should shortly submit its proposal for a directive, now in preparation, to introduce greater transparency in the financial relations between the States and the undertakings to which Article 90 of the EEC Treaty refers. In my view, such a proposal for a directive gives rise to two kinds of problem. The first is a legal one in that, on the basis of an interpretation, which seems to me to be very liberal, of Article 90, the scope of which, moreover, has yet to be authoritatively defined or reviewed as far as the Community is concerned, the Commission will eventually arrogate powers to itself on a subject, that of State aids to undertakings, which is reserved to the Council under Article 94. It is true that Article 90 provides that Member States shall not enact any measure in respect of the undertakings which is contrary to the Treaty and imposes an obligation on the latter to comply with the rules on competition, the Commission being enjoined to ensure that those provisions are observed by, where necessary, addressing appropriate directives or decisions to Member States. Due regard must, however, be paid to the provisions of Article 94, under which the Council, acting by a qualified majority on a proposal from the Commission, may make any appro-

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appropriate regulation for the application of Articles 92 and 93, in which the aids compatible with the Common Market are set out.

The second problem is a political one in that, at a time of widespread and increasing economic crisis, the automatic application of the principles of competition is not conducive to a solution of the pressing social and employment problems which have arisen. Mr Damseaux, this has nothing whatever to do with 'the temptation of protectionism'! You have to have hundreds of thousands of unemployed in your economy before you can understand that in certain conditions, certain objectives remain out of our reach! In my view, therefore, the principle underlying the proposal for a directive, which is still unofficial and is based on the procedure laid down in Article 90, will confer powers on the Commission to which they have no right in this field.

In view of these considerations, it would be better to take out paragraph 15 or perhaps, instead of removing it, to replace it with another emphasizing the desirability of ensuring that the principles of competition should take account of the social objectives which, at times of crisis, need to be pursued in the economic field. Elsewhere, in GATT, at times of crisis, where certain rules about unfair competition are to be the subject of further discussion, there is a desire to proceed at once with the creation of a body which can take decisions in order to avoid the painful process of multilateral negotiation.

I hope that what I have said has made a constructive contribution to the wide range of views which we have expressed concerning the economic and social realities facing the Community and, despite some of my comments, I assure you, Mr President, that the substance of Mr Damseaux's report has my support and that of my group.

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

Sir Derek Walker-Smith. — Mr President, the publication of the Commission's Seventh Report on Competition Policy is an important event, and the report certainly deserves careful study. Though I shall have some suggestions and criticisms to make in the course of my observations, they are of a comparatively secondary nature. I can endorse and indeed applaud, both for myself and for my group, the main lines of approach and of philosophy adumbrated in this report.

A successful, balanced effective competition policy is a *sine qua non* of a strong free market economy, which in its turn is an indispensable prerequisite of an improving standard of life for the peoples of the Member States. The Community is fortunate in that its competition policy is securely based on the twin pillars of Article 85 and Article 86 of the Treaty. And

they constitute a very firm foundation. It so happens, Mr President, that in earlier days, as a trade minister in the United Kingdom, I was in part responsible for the Restrictive Trade Practices Act of that country, which is still the main basis of our competition legislation there. And as that act came into force in 1956, it will be seen that we anticipated by a short head the founding fathers of the Community in the formulation of the competition provisions of the Treaty. But in effect we reached the same result, though by slightly different avenues. The basis of both Community law and British law is, first the prohibition in principle of restrictive trade practices — for example, market-sharing agreements, fixed common prices etc., and that is covered by Article 85 of the Treaty — and, secondly, restraint of abuse deriving from a dominant position. That is covered by Article 86. But — and it is a very important one — but there is provision in the Treaty for relief from these prohibitions and restrictions in cases of proven public benefit.

With these powerful weapons, the Commission is able to pursue a useful and constructive role. It is admirably defined at page 9 of the Seventh Report, where it is stated that the role of the Commission must be to promote and establish structural change within a socially acceptable framework. The illusion must be resisted that enterprises can protect themselves against those necessary changes by coming to terms with their competitors, or by seeking excessive protection from national authorities. That is clearly a correct philosophy, in my submission, as is also the philosophy adumbrated in respect of State aids. On page 11 it is stated :

For the present it is in the area of State aids that competition policy has been subjected to the greatest pressures. The general policy objectives remain valid. Aids should not be granted except where they are really necessary, and only at an intensity proportionate to the real difficulties of each national situation. They should be accorded in such a manner that in practice they rapidly contribute to, and provoke, the necessary changes.

Again, on the following page :

Aids to the maintenance of employment must not be perpetuated in undertakings which can benefit in a manner which allows them to maintain without change non-competitive production likely to aggravate the crisis to the detriment of other undertakings.

That seems to me to be very sound economic and social sense.

Against that background of general endorsement of the Commission's report and their policies, I would like to make my one or two suggestions and criticisms.

First, the prohibitions which the Commission is empowered to make under that Article 86 depend, *inter alia*, on showing that trade between the Member States is affected. That is clearly stipulated in the first

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paragraph of the article. That is a necessary ingredient of the offence of abuse of a dominant position. There are some suggestions today in commercial and industrial circles that the Commission is tending to ignore this factor — as indeed we have recently found the Commission ready to ignore the harmonization requirement in Article 100 that there should be a direct effect on the functioning of the common market. Scrupulous adherence to all the requirements of Article 86 is therefore necessary — and all the more so as there is no definition in the article of what constitutes a dominant position. I think I am right — and the Commissioner will correct me if I am not — that in the ABG case, a 9 % share of the relevant market in the Netherlands was held to be a dominant position for the purposes of Article 86.

Mention of the ABG case brings me to another point. This is referred to in paragraph 28 of the Commission's report. But at the time of the publication of this report, the Commission's decision was under appeal. I think again I am right in saying that the European Court of Justice has now reversed the Commission's decision. Unfortunately, the Commission's Seventh Report, which we are here discussing, does not make it clear which decisions are under appeal. Surely it is right that they should do so. It is, one would think, misleading to industry and their advisers to present cases as if they represent the law, when in fact they are under appeal. I would respectfully suggest that the reports of cases under appeal are either omitted altogether from the report, or at least have a qualified reference, preferably with a summary of the grounds of appeal.

In regard to Article 85, I have two short comments to make. Paragraph 3 of Article 85 provides very properly for cases in which the general prohibition contained in paragraph 1 of that article may be declared inapplicable. To implement those procedures, there is, Mr President, a system of what is generally known as negative clearance or exemption. This proceeds by way of notification to the Commission and adjudication by them. In this context, there are considerable complaints at this time in industry, and indeed among lawyers, of delays on the part of the Commission. The Commission should take the practical and commercial implications of these delays into account, such as the commercial implications for companies of having to wait perhaps eight months for negative clearance or exemption on a joint venture, and two or more years in other cases. Those are substantial delays which must adversely effect the conduct of industry.

My second comment on Article 85—and this leads me to a more general conclusion — is that the provisions for exemption set out are, of course, of fundamental importance. I started by stressing the necessity of promoting competition and eliminating restrictive

practices. I certainly do not resile from that. But at the same time we — and the Commission — must keep in mind the realities of the market. Size and organization are not evils in themselves in industry. There are many great advantages to be had in the so-called economies of scale. The 'gateways', as we call them in our British practice, allowing for exemptions for proven public benefit, should not be closed or lightly viewed by the Commission.

I conclude, Mr President, by asking the Commission to keep this balance in mind, to observe scrupulously the provisions of the Treaty and to seek to use those provisions to strengthen competition and industry alike, and through them the well-being of the citizens of the Member States, producers and consumers alike.

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

Mr Spinelli. — (I) Mr President, the Commission's policy on the subject of competition is, traditionally, something which is faithfully carried out and on which that institution reports each year to Parliament and to public opinion. Although there can be a lot of comment on details, the fact remains that the basic purpose of the policy is to maintain a watch on competition and to see that it runs on the right lines. I think policy on competition can be compared with the work of keeping the streets of a city clean and in good repair for the benefit of traffic.

If, however, the city is hit by fire, earthquakes or other disasters, it is more than ever necessary to clean and maintain the streets, otherwise there may be epidemics of disease and it may be impossible for traffic to circulate. On the other hand it is obvious that in such circumstances, the work of cleaning and maintenance has to be fitted in with the further and more urgent task of rebuilding the city.

In my view, the basic weakness of the policy on competition, as practised by the Commission, is that it goes ahead on its own, without paying much attention to related considerations, and now and then even goes against the decisions of the Commission, as on the occasion when the 'crisis cartel' was first authorized by one section of the Commission and then denounced as dangerous by another — which goes to show that the Commission's policy is rarely based on an overall view.

I do not intend to continue with these comments, because I should merely be repeating what has been said by other speakers, but I should like to put them into specific proposition to ensure that the resolution of the House reflects them. I shall accordingly move and submit to the vote two amendments which have already been distributed, one dealing with paragraph 1 and the other with paragraph 14. In doing so, I shall endeavour to get it recognized that, while competition policy performs a task which is vital if the market is

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to function properly, it must at the same time form part of an overall Community economic policy which has been designed to overcome the crisis, promote harmonious development and limit the excessive powers of large undertakings in dominant positions. The inclusion of this in the policy on competition would point it in a direction in which it would never go if those objectives were ignored and if the only object were merely to ensure the continued operation of the competition rules which have been laid down.

At the same time, when I see that, further on, in paragraph 14, the Commission is being asked to make the necessary modifications in the services responsible for certain matters so that they may cope with the growing number of cases to be dealt with, I take the view that the question is not merely one of coping with more cases but also one of investigating them in a manner which is different from that normally adopted, i.e., enlisting the help, in their investigations, of departments of the Commission who view the problems involved from a standpoint other than merely that of compliance with the rules of competition. In the other amendment, I accordingly propose that these cases should be considered in the light of the general economic objectives of the Community. In submitting these amendments, we want to indicate that we are rather dissatisfied with the way in which the Commission has hitherto conceived its task of carrying out competition policy, and we express the hope that this task will in future be conceived in rather more comprehensive terms.

I cannot refer to all the paragraphs which deserve approval and support, but there are two other questions on which the Commission must be asked to think in more specific and somewhat different terms.

There is a reference at one point to transnational companies. Of course, the alphabet is everyone's property and everyone can use it as he likes, but, since the expression normally used for these companies is 'multi-national companies', I think we ought to use it so that we know we are talking about them and not about any others. But this is a detail. All that is said about the transnational companies is that they must pursue their activities within the framework of appropriate rules which strike a balance between the obligations that have to be imposed upon them and the need to avoid discrimination against them. This is all very well, but it does not amount to much and falls short of what ought really to be said. Yes, we have to agree that there should be no discrimination against the multinationals (though, in actual fact, I think there is discrimination in their favour), but I should like to see things put more clearly and the paragraph but I should like to see things put more clearly and the paragraph worded like this :

Recalls that multinational companies must pursue their activities within the framework of rules which, while

avoiding discrimination against them, make them subject to obligations and controls to eliminate the possibility of abuses arising from their very nature as multinational companies.

I suggest this because what gives rise to concern in the case of these companies is that, in their capacity as multinational companies, they are in a position to escape certain obligations and controls, whereas it is essential that they should be subject to them and, in consequence, further the public aim of economic development and not merely the interests of their shareholders. I think this ought to be said, because the present wording of the paragraph is unsatisfactory.

Finally, I come to paragraph 21, in which the Commission is reminded that if the creation of 'crisis cartels' is countenanced, this may jeopardize the ultimate restoration of free competition. I think something more needs to be said about this. The danger undoubtedly exists. In my opinion, the most serious aspect of 'crisis cartels' is this: when, in any obvious situations of crisis, an effort is being made to prevent the collapse of an industrial group, there can be no dispute about the need to suspend certain competition rules and to conclude certain agreements which, whether good or bad in themselves, are nevertheless necessary and are designated 'crisis cartels'. When one is ill, one has sometimes to take dangerous medicines, but they have to be taken if one wants to get better. However dangerous they may be, they tend to be in constant use, in one form or another, and, generally speaking, when one is told that they are not to be taken, one gets hold of them by hook or by crook.

I well remember the arguments and discussions I had with the leaders of the German iron and steel industry, who would not agree that, to deal with a crisis situation, the Commission should impose certain restrictions on the free market and on open competition for iron and steel products. They assured us in confidence: 'Don't worry about it, leave it to us: we'll reach some understanding among ourselves without asking the High Authority or the Commission to do it for us'.

This is why I think we ought to do more than say that they are dangerous and say when such agreements are necessary and, if so, under what conditions. In addition, there should be formal authorization for and supervision of them and it must be for the Commission to take the decision to dissolve them in order to provide the best possible guarantee that what began as a 'crisis cartel' will not become a permanent one. I submit therefore that this paragraph should be phrased in the following terms:

Calls upon the Commission to submit urgently a proposal for a regulation based on Article 235 of the EEC Treaty, on the subject of crisis cartels laying down the circumstances and form 5 in which they are admissible and empowering the Commission to authorize them, lay down conditions and time limits and dissolve them.

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We want the executive body of the Community to have the power to authorize, lay down conditions and ultimately dissolve: in other words, we want the maximum protection against the dangers inherent in this measure, in case it is required.

If we agreed on the adoption of these four paragraphs we should, I believe, give the resolution a different and less superficial character, as well as a lead to the Commission. If these amendments are accepted, we shall vote for the resolution, otherwise we shall not vote for it.

There is one further paragraph to which I should like to draw attention, though with some reluctance, without proposing any amendment.

In paragraph 15, Mr Damseaux states that a proposal for a directive is in course of preparation on greater transparency in the financial relations between the States and undertakings. It is the right and duty of the Commission to prepare these things. I should like to remind the Commissioner that when his President began his term of office he said to us: we shall treat this Parliament as though it were already an elected Parliament and we shall discuss our proposals with you so that we can secure the greatest possible measure of agreement before forwarding them to the Council. It is clear to me that this proposal is already in the hands of the governments and that you are already discussing it with them. Whether the outcome is good or bad, the fact remains that they are working on them and the only people not taking part, the only people not yet in the picture, the only people who, thanks to hearsay, have a vague idea about them but still know nothing positive are the Members of this European Parliament. I think that, before we finally agree on the wording of a resolution, it would probably be worthwhile having a full-scale and thorough debate on the issue, which is an important one and, in my view, one of far reaching significance. Unlike Mr Martinelli, I believe the Commission should try to strengthen the powers it possesses (and it would not abuse them when exercised). Since this is, however, 'delicate ground' where there will be plenty of opposition, the wisest course is to secure early and substantial agreement in this House. But this is a political judgment which goes far beyond the resolution in itself.

We have submitted four amendments, and we shall vote for the resolution only if the amendments are adopted.

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

Mr Nyborg. — (DK) Mr President, first of all I should like to compliment Mr Damseaux for the great work he has performed in drawing up this report.

At a time when more and more aid measures are being introduced throughout Europe to alleviate the

problems caused by the economic crisis and its social consequences, I think one is entitled to ask whether one can still have confidence in the ability of market forces to ensure increased efficiency in the service of society. We feel it is possible since competition facilitates the constant adjustment of supply and demand.

In recent years the common policy on competition has without doubt been the most successful whether with regard to the action taken against agreements or the condemnation of the abuse of a dominant position in the market. Even so we feel that implementation of the competition policy to resolve the conflicts which have arisen here and there ought to take a more concrete and relevant form. It has become particularly apparent during the crisis we have just been through or rather which we have not yet come out of, that the most important problem is to combine a real policy on competition with the Member States' social and regional policies and industrial policy.

Conditions within the Community have undoubtedly developed in such a way that interest in purely national systems of public aid is unfortunately increasing but this is because they can be brought in more rapidly and are better suited to the circumstances than the Community's aid machinery.

They are meant to be temporary measures carried out in the hope of solving the problems experienced in individual sectors. But they have an unpleasant tendency to become permanent, hampering the development of sound businesses within the Community. Unless there is a change of attitude to these problems, the governments of the Nine, under the pretext of being forced into this position, will be disposed to pay less and less attention to the provisions of Article 92 on public aid.

A Community solution is needed so that competition can provide a socially acceptable way of remedying the difficulties of certain sectors and in order to prevent the national States from giving haphazard support to the sectors which are in difficulty.

The Commission ought to be able to put forward an alternative to industry and one of the many problems which ought to be raised are the proposals concerning export credits. It seems that some progress has been made in this area since one can, as it were, see some light ahead in the insurance sector, but the more comprehensive OECD plan is nevertheless the best way of attaining a real harmonization of both rates and duration. Harmonization enters into the whole process of competition in order, for example, to prevent distortions and both the private sector and the Member States and the Community's authorities ought to make a serious effort in this field.

I would like to mention that we are very pleased that discussions have at last been started on competition within the aviation industry.

Nyborg

Without wanting to start a new debate on the many inconsistencies which there are, we must insist on the need to reach a solution soon and affirm that the obstacles can be overcome.

Many of the speakers in today's debate have talked about protectionism and I would like to make it clear that the European Progressive Democrats are also against protectionism in any form and in any disguise.

Turning to the amendment I have tabled to point 8, I am sorry that I was not present when the motion for a resolution was adopted by the Committee on Economic and Monetary Affairs. Otherwise it would certainly not have been necessary to present this amendment today. The purpose of the amendment is simply to delete the deadline of 30 June 1979 and the reason is that the member of the Commission, Mr Davignon, has given me an assurance in my capacity as rapporteur in the Committee on Economic and Monetary Affairs for the subject referred to in paragraph 8 that such a proposal would be submitted before the end of September this year.

I have not yet seen this proposal and must deplore the fact that the Commission has not complied with the European Parliament's wishes for a new and simpler procedure. I do not, however, think that there is any reason to prolong the deadline for the Commission's proposal as it stands in paragraph 8, since this lays down June of next year as the deadline and I therefore hope that the rapporteur and other members can agree with me to delete this part of paragraph 8 so that the European Parliament should not itself give the Commission an excuse for taking its time on this matter.

Finally, let me say that a perusal of the seventh report on competition policy and a discussion of Mr Damseaux's exhaustive report have strengthened the belief of the European Progressive Democrat Group that, in spite of the difficulties, competition still has a role to play in Europe.

President. — I call Mr Vouel.

Mr Vouel, Member of the Commission. — (F) Mr President, May I first of all express my thanks to your Committee on Economic and Monetary Affairs, and especially to its Rapporteur, for the helpful and constructive resolution placed before you. I note with pleasure that the committee has again tried to avoid an ideological debate on the principles on which competition is based, since it is enshrined in the Treaties. It has concentrated on passing judgment on the Commission's actions, emphasizing certain points and indicating the lines to be followed.

Of course, your appraisal of the Commission's actions contains criticisms, but on the whole they are constructive and indicate the importance which Parliament attaches to the pursuit of a vigorous competition policy. I have also noted the hope expressed by your

rapporteur and your committee that, at this time of structural change, competition policy will continue to make an effective contribution to the unity of the Community and the conviction that there must be greater consistency in the policy itself as well as in its relationship with the other policies of the Community and of the Member States.

I should like to take this opportunity of emphasizing the fact that the Commission shares the view that the unity of the Community wholly depends upon firm action by the Commission in applying those general rules of the Treaty which are intended to combine the markets in a single market. It will be through harmonizing the provisions of national law which stand in the way of equalizing competition conditions and, above all, through the competition rules that we shall be able to prevent the markets from being walled off as the result of agreements, even though they are crisis agreements, or as the result of aids granted by the States.

The discussions in the Committee on Economic and Monetary Affairs revealed that some people interpreted our report as expressing either our scepticism about the results achieved on a strictness which is misplaced in the light of the problems we have to face. But if the Community is to be a consistent whole, it will be so thanks to discipline and not the absence of it; and this is supplied and, so far as lies within its power, will continue to be supplied by the Commission.

The cohesion of the Community will collapse if the Member States feel that they can get out of the obligations of solidarity and make unilateral arrangements. No one can seriously imagine that a single market can be kept in being within the Community and common policies can be adopted on the big issues of the day if, for example, the Commission does not keep the conditions on which aids are granted within strict and carefully applied limits.

In the sectors in difficulty, it is particularly important to maintain some degree of equality of opportunity between the different citizens and countries of the Community. We are passing through an economic crisis which is likely to continue, but we have so far prevented a resurgence of national protectionism as a consequence of aids. Although the realization that our difficulties were structural was a slow process, everyone realizes it now and this is to a great extent due to the Commission's policy on aids. The success of this policy cannot be judged by the number of aids in force or by the number of times they were not approved. The public decisions of the Commission are insignificant compared with the work of persuasion and constant, long-drawn-out negotiation in which it is involved. The number of decisions on the subject of aids is less important than the need for them to be no greater than is strictly necessary and for

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them to help in speeding up industrial re-deployment. The unity of the Common Market must not in the long run, be undermined by the protection of uneconomic output.

Accordingly, although one can appreciate the reasons for it, a policy of maintaining employment at all costs does not really help because, in the end, pressure on the market will inevitably result in retaliatory or protective measures, whether inside or outside the Community.

I must now turn to the question of the consistency of competition policy with action taken in pursuance of other Community policies. I can only agree with the appeal on this subject in paragraph 20 of your motion for a resolution. You must, however, recognize that consistency can be maintained only as a result of striking a very delicate balance, which is the subject of constant argument. On the one hand, competition policy must undoubtedly be regarded as a concomitant of the Community's political activity but, on the other hand, this activity must take account of the specific object of competition policy, which, as I have just said, is to maintain a single market which must be open to all producers and serve the interests of consumers. The need for this balance to be maintained is particularly strong in the relationship between competition policy and the industrial, social and regional policies.

As an example of the clear need for a high degree of consistency in the activities of the Community, I can quote iron-and-steel policy, under which the rules on agreements and concentrations, together with the policy on aids, have to underpin the policy of industrial restructurization as well as define the extent of cooperation by undertakings within the framework of the Commission's interventions in the functioning of the market. Another example of the difficulty of striking a balance between the different objectives of the Community's policies is provided by the synthetic fibre industry, which was referred to in your debate. Last July, synthetic fibre producers gave notification of an agreement the purpose of which was to reduce production capacities and to share the market for a given period. Because a large proportion of the markets would, in consequence, be protected from normal competition, you will realize that serious doubts were entertained, *as priori*, about the possibility of authorizing an agreement of this kind. I have to say this, however little it may please Mr Martinelli.

As regards Amendment No 5, I should like to say, in particular to Mr Spinelli, that new legislation governing crisis cartels is quite conceivable. It might well provide a means of coping with a situation of structural crisis provided it were really possible, in a market economy system, to allow these exceptions only for short periods and under the strictest structural conditions; in reality, however, there is a consid-

erable danger that the ultimate restoration of free competition will be seriously compromised. Nor must we underestimate either the possibility of a proliferation of agreements of this kind or their cost to the competitiveness of the Community's undertakings as a whole. In my view, these considerations place a large question-mark over crisis cartels, which, one must agree, are of such a nature as to constitute a rejection of the market economy. On this I fully share the views and fears so well expressed by Mr Lange.

The question of consistency also arises in the case of the policy on aids, in both what I shall call the internal and the external sense.

As far as external consistency is concerned, that is to say, consistency of relationship between the policy on aids and other Community policies, the policy on aids must, of course, take account of the progress made in evolving a Community strategy, especially in industrial and regional terms. Similarly, we have an understandable interest in resisting the temptation to take back, in the form of aids, the concessions made as part of the common commercial policy. This does not mean that the policy on aids should defer to those other policies to the extent of accepting or imposing conditions on the granting of aids which, in pursuance of industrial or regional objectives, prevented competition or unduly restrict it.

As regards internal consistency, it is, as emphasized by the motion for a resolution, essential for the various categories of aids to be judged by their overall effect and subject to the same principle. We cannot, therefore, afford to ignore the effect of regional aids on sectors in difficulty if this effect is to aggravate their surplus capacity. Similarly, we must be on our guard against the effect which some types of employment aid have in keeping non-competitive structures in being and transferring sectoral problems from one Member State to another. The specific action we have taken in this connection shows that the coordination called for in the motion already exists.

The search for internal consistency obliges us to consider less reputable methods than the traditional aids, though in certain circumstances they lead to the same result. At this juncture we meet the special problem of the financial relations between States and their public undertakings. On this aspect, which was developed at greater length by Mr Martinelli and Mr Spinelli, I should like once more to emphasize that, if our policy on aids is to be consistent, it must take account of the financial relations between the Member States and their public undertakings, in which the State's attitude may well be nothing more than that of an industrialist or private shareholder. A distinction must nevertheless be drawn between a proprietorial attitude of this kind and action by the public authorities such as that taken to help a private undertaking by granting it State aid. More than ever, therefore, it is

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obvious that under present conditions, especially in sectors undergoing a major upheaval, it is impossible, without discriminating between Member States, for some of them to be excused from the rules applying to aids because, in contrast to their partners, their industries operate under the system of public ownership.

It is equally clear that it is only by studying specific situations that, in the financial links between States and public undertakings, a distinction can be drawn between what is and what is not part of an undertaking's normal pattern of behaviour. In order to do this, we have to know precisely the way in which these financial links develop and the main purpose of Directive 90/3, a draft of which is at present being considered in conjunction with the experts from the Member States. This directive will enable the Commission to be informed of the financial contributions which, in various forms, the Member States make to their public undertakings, and why they are making them. This first step depends, of course, on some tricky technical problems being resolved; they are not insurmountable, however, as the preparatory work is proceeding normally and producing results. By 1979, I imagine the Commission will be in a position to make up its mind on the substance of the directive, which, incidentally, relates to the responsibilities conferred on it by the Treaty.

Having once made up its mind, the Commission will, of course, have to decide on priorities. It is unnecessary in practice or in the common interest for the Commission to go into each and every relationship which the States maintain with their public sectors. Our first concern must be with the competitive industrial sector and, at an early stage, with public undertakings in the various parts of that sector which are in greatest difficulty and in whose case strict rules have been imposed on the subject of aids. There is no need for me to add (and this is also for the benefit of Mr Spinelli) that, when the present discussions at expert level have produced a clear indication of the outcome, we shall not fail to have, as is customary, a detailed discussion on the subject with your Committee on Economic and Monetary Affairs.

In conclusion, Mr President, I have the following comments to make on the new amendments adopted by the Committee on Economic and Monetary Affairs.

In the case of Amendment No 1, may I say that, as Mr Davignon announced at a plenary sitting last Spring, a document drawn up by the competent departments is now under consideration by the Commission with a view to its approval. As the procedure is a novel one, the matter is one of some delicacy; in particular, the reference to the legal basis of Article 155 of the Treaty is the subject of close study. This study will be completed in a few weeks time, and the proposal for the new procedure will then be

submitted to the Council. The members of the Committee on Economic and Monetary Affairs are in fact aware of the draft proposal, on which a member of the House has expressed an *a priori* view which is favourable.

With regard to Amendment No 2, the suggestion that competition policy must form part of the Community's overall policy is, of course, a proper one, but this overall policy ought not to be designed solely to overcome the crisis or promote consistent regional developments but should cover a large number of aims and objects not mentioned in the amendment. I should remind you, moreover, that, as our powers are at present, we are powerless to prevent the creation of dominant positions — which, incidentally, are as likely to benefit small as large undertakings. In such circumstances, our job is to keep a watch on the conduct of the undertakings so as to prevent abuses and not, as suggested in the amendment, to exercise control over their powers.

In so far as Amendment No 3 does not imply that the principles of competition should take second place to the other policies, I have no objection to it.

Finally, as regards Amendment No 4, I believe it is an exaggeration to say that abuses within the meaning of the rules on competition arise from the very nature of transnational companies. Misuse of their position can, by definition, arise in cases where undertakings wield considerable power in a particular market, regardless of the reason why an undertaking enjoys the benefits of some technological advantage, patent or trademark. To my mind, whether a company is national or transnational is not the decisive factor at any rate, not so far as the competition rules are concerned.

Mr President, I should not like to conclude without expressing my warmest thanks to your rapporteur, Mr Damseaux, whose cooperative attitude has been greatly appreciated and who is to be congratulated on his report, and to the chairman and members of the committee. Their comments and suggestions have undoubtedly been a much appreciated source of encouragement and a valuable contribution to the maintenance and development of a basic Community policy at a time when, unfortunately, pressures and disagreements are keener than ever.

President. — I call Mr Damseaux.

Mr Damseaux, rapporteur. — (F) Mr President, I have only three comments. The first is on the amendments, because, unfortunately, political considerations at home oblige me to return to Brussels and I shall have to arrange for a substitute for tomorrow morning's vote.

I think Amendment No 1, submitted by Mr Nyborg, is quite acceptable, not only because the Commission is now considering the introduction of a procedure, but also because it is unwise for Parliament to keep on postponing the time-limits.

Damseaux

Mr Spinelli's Amendment No 2 is right against the spirit of our recommendations. We did our best to avoid ideological considerations and argument about the underlying principles of competition, because the rules on competition are enshrined in the Treaty. When we began, Paragraph 1, which Mr Spinelli wants to amend, had other things in it, and we took out everything which could be regarded as ideological. Competition policy undoubtedly comprises the objects emphasized by Mr Spinelli, but it comprises others as well and the best thing to do is to take the politics out of it, as the Committee on Economic and Monetary Affairs has done in paragraph 1.

I have no objection to Mr Spinelli's Amendment No 3, for the simple and sound reason that it changes nothing.

Amendment No 4 was the subject of lengthy discussion in committee. We spent a great deal of time on the question of transnational companies, not just the multinationals, and, in the case of national companies, the relationship between parent companies and their subsidiaries, especially in connection with transfer prices. We did not want to treat the multinationals and national companies differently. And we emphasized the fact that disparities arose not only from exchange difficulties but sometimes also from *variations* in tax legislation. We have left the question as open as possible, and the wording before us today represents the outcome of very long discussions in the Committee on Economic and Monetary Affairs. I am, moreover, glad that, like the committee, all today's speakers have dealt with competition policy as a vital element of the economy and that we have not adopted a standpoint based on purely theoretical or legal considerations.

The third point I want to make is that the resolution is helpful and constructive. It certainly does not blow any trumpets but, on the subject of competition, we have to clear the ground and bear three things in mind. The first is that the Commission performs its tasks by virtue of the responsibilities and powers conferred on it by the Treaties. The second is that the Council bears a tremendous share of the responsibility for creating a really unified market. The third is that Parliament lacks the necessary powers to force the Council to adopt a different attitude — incidentally, the Council has never for a moment been present during our debates on competition policy. I think the resolution is realistic and constructive. It is based on the present provisions of the Treaty and, in consequence, on the means available to the various organs of the Community for ensuring that the provisions of the Treaty of Rome are observed.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote, together with the amendments that have been moved, tomorrow at the end of the sitting.

The debate is closed.

11. Air traffic control

President. — The next item is the motion for a resolution (Doc. 319/78) tabled by Mr Blumenfeld, Mr Noè and Mr Fuchs, on behalf of the Christian-Democratic Group (EPP), on air traffic control.

I call Mr Noè.

Mr Noè. — (*I*) Mr President, I have tabled this motion, in conjunction with my colleagues Mr Blumenfeld and Mr Fuchs, for the purpose of obtaining information in the interval between the question submitted by Mr Blumenfeld during the last part session, which gave rise to a number of speeches and created a great deal of interest, and, on the other hand, a meeting which the chairman of the Committee on Transport, Lord Bruce, proposes to hold in Paris in February with the object of making a comprehensive study of questions relating to airtraffic control on the basis of a paper adopted by Parliament in May last year which I was responsible for preparing.

One particular aspect of the general question of airtraffic control is the effect of the 'go-slow' declared and carried out in France in July and August. This 'strike in the sky' held up traffic in the whole of Europe.

During the short debate we had in this House, those who took part, including Mr Burke, were mainly concerned with the hardship to passengers. In my view, while the hardship to passengers may be forgotten after a week or two, the other side of the coin, which is the increase in the number of collisions as a result of irregular action of this kind, is a much more serious matter.

During the last few weeks I have tried to get facts and figures which would make it possible to calculate the increased risk of collision. Although it has not been easy, I have managed to get some information, and more will become available by December on the basis of studies undertaken by certain organizations, so that by February the Committee on Transport should have something definite to go on.

To put the question at once, why is there a greater risk of collision? Because, under conditions of this kind, the number of aircraft admitted into a particular air-space, in this case the French, is reduced: during a particular interval of time, the number of aircraft accepted, n , becomes n divided by 2, 3 or some other number. The result is that aircraft which would normally be passing through the French airspace have to be re-routed through neighbouring countries. For example, flights from Italy to Belgium had to be re-routed through Switzerland and Germany. In consequence, the areas bordering on the French airspace contained an abnormal concentration of aircraft. That was the first effect.

Noé

The second was that some aircraft, especially those on charter, were forced, weather permitting, to resort to visual flight. This is permitted, but many become dangerous when there is a sudden change in weather conditions.

I once discussed this particular question with a representative of the airlines, who played down the risk involved in visual flight. Unfortunately, on the following morning, the newspapers of the world reported the accident in San Diego, California, where a visually-flown aircraft collided with a Boeing 727 after failing to receive the warnings flashed from the control tower, which had located it by radar close to the Boeing. This, then, is a second source of danger.

There is a third, which was drawn to my attention by the captain who was piloting the aircraft involved. The Atlantic Ocean lies on one of the boundaries of French air-space. As the flow of aircraft over this boundary was, at that time, greater than usual, because planes which should have flown over France had been compelled to fly over the Atlantic, this captain was forced so far out from the coast that the aircraft's radio equipment, which was designed solely for communication over short distances, was incapable of establishing any form of contact, even for a limited period. As you will be aware, an aircraft which flies over the Atlantic, for example, is equipped with other aids, because, of course, there are no radio stations to help it on the stretch of water below. The other aids consist of gyroscopic equipment, which enables the position to be fixed, and radio-stations of greater power.

I have tried to get information about 'near misses'. This expression refers to occasions when there is a risk of collision between aircraft; they are graded from 1 to 5, grade 1 representing a collision which was narrowly averted and grade 5 one in which the risk was not so great. I managed to get the figures for the French air-space, where, of course, there was less risk of collision because there were fewer aircraft in flight and they were, accordingly, further away from each other; as regards the area bordering the French air-space, I shall have the required information by the end of December, i.e., before the conference in February. This evidence will make an important contribution to an assessment of the situation.

I should also point out that, if there is any delay in giving aircraft permission to land on an airport, they often have to circle around in a holding-zone. This is a permitted and common practice, but it is not without risk, because in the holding-zones the aircraft fly at a vertical distance of 1 000 feet from each other, or 300 metres. At the speed at which modern aircraft fly, it would only be necessary for the pilot not to hear an order from the control-tower to create a risk of collision.

Furthermore, in flights over Europe, not only do aircraft receive automatic signals from automatic radio-beacons, giving them their position at any moment,

but, almost everywhere they go, they are tracked by radar monitors. This means, for example, that an aircraft going from Milan to Brussels *via* Switzerland is taken charge of, first, by the Milan control, then by the one at Zurich and, finally, the one at Stuttgart. Between one control and another, however, there are 'dead areas' and when the number of aircraft in flight increases, these areas represent a major source of risk.

This makes it desirable for the Committee on Transport to go into these questions at a hearing like the very interesting one which the committee attended in Paris after the oil-tanker sank in the Channel.

We should endeavour on this occasion, too, to enlist the help of experts throughout Europe in making a thorough study of the subject and, in the general context, helping to solve the problems referred to in our motion for a resolution.

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

Mr Fuchs. — (*D*) Mr President, ladies and gentlemen, first I would like to thank Mr Noé warmly for his exceptionally expert introduction to this somewhat difficult problem area.

On behalf of the Christian-Democratic Group, I would like to add a few political comments and conclusions of a more general nature. Firstly, there is no disputing the fact that safety has now become an extremely high priority with the public, and rightly so, and if safety is endangered then there is, of course, no doubt that political authority must take the matter up. It would be completely wrong and a mark of resignation, capitulation even, in the face of certain difficulties to say that things cannot be changed. I feel that it would also be a very bad ticket of admission to the first direct elections next year if we were even to give the impression that resignation or capitulation prevailed in this matter.

In my view it is, without question, a right, or rather a duty, of the Community to take steps towards a common air transport policy, since air transport in particular knows no national frontiers — above all in the small continent of Europe. But I must confess that one communication from the Commission, stating that the question before the Council of a common air-transport policy is at the stage of preliminary examination by the Permanent Representatives, causes me exceptional concern. Anyone who knows what this means could be forgiven for telling us to give up all hope. A charming prospect, we might say ironically, or — with a slightly more sarcastic edge — most Members of this House will be in the next world before they hear anything about the Council's first decision on this question. This must, however, definitely not happen. We can only urge the Council and the Commission to act in this matter with a greater sense of commitment and more courage than in the past.

Fuchs

I would also like to raise two other problems which are, perhaps, somewhat difficult, but it is no use beating about the bush just because the subject is controversial. In the recent work-to-rule there was something that the passengers could not understand, and that is that they had to put up with serious inconvenience, possible damage to their health and even the endangering of their lives because staff were allegedly or really working to rule. Everybody concerned must surely, in those circumstances, feel that something is really not right. Either the rules are utterly wrong or else they are clearly being wrongfully interpreted. We must not shirk this controversial issue. Clarification is definitely necessary and we have to find some way of throwing light on these things, which are simply incomprehensible for those who are affected.

My second point goes beyond air-traffic control itself. It is a fact that increasingly small groups of technical specialists are causing not only inconvenience but also danger to others by forcing home their own completely justified interests. Knowing how safety-sensitive our populations rightly are, we have somehow to have a fundamental discussion on these questions. Where do we have to draw the line? Should not the self-evident principle of the means suiting the end, which prevails in all democratic countries, be applied in this case as well? I feel that we, the Commission and the Council, and the national authorities too, cannot go on avoiding this question, because otherwise our policy will lose its credibility and in the mind of the citizen there is nothing worse than that. We have to find an answer to these admittedly tricky and difficult questions, and I therefore urge that we do so.

Lastly, I would like to make a special appeal to the Commission and the Council to make air-traffic control one of their specific concerns. I know that this is also a responsibility of national authorities and the governments of the Member States, and yet we shall not be able to evade this question in the long run; at least it ought to be tackled energetically by the Council.

Finally, ladies and gentlemen, let me say that I feel the public rightly expects that the subject will be handled at European level. I know that it will judge the policy-making bodies — in other words, this Parliament — on the extent to which a serious effort is made to settle these questions, and above all, of course, the public will be watching closely to see whether we are successful. I repeat once again: the public has a right to expect something to be done here and will rightly judge the responsible policy-making bodies on the basis of whether anything is done and what. In this matter, that is what we should seriously consider.

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

Mr Jung. — (*D*) Mr President, ladies and gentlemen, although years ago it seemed as if the European Community had not only perceived the problem of air safety in good time but had also wanted to introduce a satisfactory solution by setting up Eurocontrol, for example, the problem comes up again and again and recently with even greater frequency.

I do not propose to consider in detail who is to blame for the unfortunate fact that we are continually having to put this question on our agenda. The problems of air safety are too involved, and the examples referred to by Mr Noè have given us some idea of their nature. But in my view, and here I would fully support what Mr Fuchs has said, blame must quite certainly go to those governments who continue to foster 'national egoisms' and refuse to transfer any responsibilities whatsoever to supranational institutions, even though in air transport this would be the most natural thing in the world, for both military and civil aviation. Both are carried on largely uncontrolled. This lack of cooperation between civil and military air-safety services could be disposed of through the Eurocontrol system, for example, but unfortunately the national egoisms I have referred to and the lack of goodwill have brought us to our present intolerable situation. The fault also lies in the differing technical equipment used at air-control stations on the ground and in military and civil aircraft. Lastly, there are the people themselves, the staff of the air-safety facilities — Mr Fuchs has already referred to this — a relatively small group of specialists who hold key jobs in this highly technical sector and are thus able to cripple air transport.

Which is how we come to the present motion for a resolution relating to disruptions in air transport caused by industrial disputes in a Community country. These industrial disputes have had considerable international repercussions because of the highly international nature of air transport, but it is not only the disruptions to international transport and the exceptional delays caused thereby, with, in some cases, appalling consequences for passengers, that are at issue here. The problem once again is primarily the danger to human life arising out of these disturbances. Here I feel that what Mr Fuchs has said is important — namely, that people should not exploit their position. An appeal should be made to the special responsibility of the air-traffic controllers even though their fully justified interests are at stake.

As has been said, all these problems and questions have already been discussed several times in this House, the last occasion being in May of this year. Measures designed to overcome these difficulties were requested, but nothing has happened. All we can do, then, is once again to ask the question: what do we really have to do so that something is done?

Jung

To conclude, I would therefore refer once again to the many questions, reports and resolutions in this connection that have been discussed and approved in the past in this House. No new arguments are really needed — we surely have enough already. What we need are efficacious measures to improve safety in air transport, and these measures must be taken quickly. In a direct appeal to the governments of the Member States, the Council and the Commission, I would ask that 'national egoisms' be put in the background in this sector, which is so important for all of us, and I would at the same time state that my group is wholly and entirely in agreement with this motion for a resolution.

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

Mr Eberhard. — (*F*) Mr President, I cannot help expressing concern. Yesterday, we heard the President-in-Office of the Council arguing in favour of restraints on workers and advocating their extension throughout the countries of the Community; today, on another subject, we have just heard speeches which, on the ground that strikes are started by small groups of specialists, contrive to question the fundamental right to strike recognized by the Treaty of Rome.

The suggestions are disquieting, because they are made repeatedly and especially because the grounds on which they are advanced are untrue. The French air-traffic controllers have for several years now been calling attention, by various means, to the difficult and dangerous conditions under which they carry out their job. Their colleagues in the Federal Republic and in Italy have done the same. The object in every case has been nothing more or less than to ensure greater safety for passengers.

I should like first of all to refer to one of the paragraphs of the motion for a resolution submitted by the Christian-Democratic Group and to say that it is not the go-slow by the traffic controllers which endangers the safety of passengers. On the contrary, the controllers decided to restrict to eight the number of aircraft visible on their control screens at any one moment because they consider that any greater number makes it impossible or difficult to ensure safety. You referred to the near miss over Lyon: on that occasion one of the planes was under control and the other, a German charter plane, could not wait for the necessary authorizations and was in visual flight at more than 800 kilometres per hour!

There are numerous incidents of this kind in our countries every year; nearly 20 were officially recorded in France last year. One of these days a disaster will occur because no notice was taken of the air-traffic controllers, who have for years been condemning the breach of the safety rules and demanding more equipment and staff and normal working conditions.

The controllers are very exercised about the standard of their work. As they are at any moment responsible for the lives of hundreds of passengers, they want this public service to be efficient and of a high standard. As far as they are concerned — and this is quite logical — safety means good working conditions, adequate staff, training, qualifications and, of course, pay. They would certainly have no need to attract public attention by actions of this kind if the governments of the Member States met their claims. Instead of doing that, their reaction is to question the right of these workers to sound the alarm. In France, they went so far as to use military controllers instead of the civilian controllers who were on strike, and we witnessed the tragic sequence when two Spanish aircraft collided.

This is why we have to listen to the constructive proposals of the controllers and satisfy them. As for the European air-control organizations, I should like to say a word or two about them, from experience. European cooperation ought to play an important part in this field, but only within the bounds of possibility. The history of Eurocontrol shows that we should not expect too much from international authorities. Eurocontrol could play a useful role as a centre for research, information and forecasts. This would seem to be, in the end, the best and most realistic solution; it is also the moral to be drawn from the way it works as an international civil aviation body. This, clearly, is how we should proceed, but one condition is essential for the safety of all air passengers, and that is satisfaction of the controllers' claims, which means going out for a public service of unmistakable excellence.

IN THE CHAIR : MR MEINTZ

Vice-President

President. — I call Mr Broeks.

Mr Broeks. — (*NL*) Mr President, I can very well imagine that the people who are responsible for air traffic in France need good equipment. I consider it right that they should fight for this and that — if their working conditions do not match what is international practice — they should organize international action on that account. There can be no objection to this — on the contrary; but I also feel that serious mistakes have been made on the part of the French air-traffic controllers, who are now supported by our Communist friends. I can understand that people should strike, but I consider it unfair to choose times when travellers are hardest hit. That cannot be defended, and it is right to say that such difficulties should never have occurred. Strikes are normal, but strikes that are fought out at the expense of the public, which has nothing to do with the issue, cannot be defended. Striking at weekends and striking at the busiest times in the summer when their fellow-men are going on holiday — that I object to.

Broeksz

I also think it is a good thing to demand better equipment on the ground and in the air, and we firmly support the view that problems of air-traffic control organization should be examined and resolved, but I have serious objections to the statements by our Communist friend that this strike should be fully supported in the way it has been conducted.

I consider that it should not be defended and that, if the army is used as a result, then the blame should not be attached to them — that is completely unfair as well. Clearly some of the blame must go to the people who go on strike in this way at a time when air traffic is denser than normal.

I wanted to make these comments because the way things have gone in connection with this strike has been so strongly defended in this House, a fact which I personally — I am not speaking on behalf of my group but am obliged to say this on my own behalf — find very shocking. And I give you my assurance, Mr President, that fortunately I was not involved in the difficulties myself: otherwise these comments would have had a personal flavour.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, Mr Noè says that this motion for a resolution has been proposed for interlocutory purposes. In my view they ought to be described as provocative purposes, because, unless I am mistaken, the motion has come up in the interval between a resolution which was adopted in May 1978, a series of questions which were answered at the sitting on 12 September and the announcement by Mr Noè of a special meeting of the Committee on Regional Policy, Regional Planning and Transport in Paris which will go into the problems of traffic and air control and the possibility of finding ways and means of reducing hardship to passengers, eliminating loss and, above all, cutting down the risk of accident.

It is this last point which interests me most. No doubt any inquiry into the causes of air-traffic problems must cover the question of physical discomfort and possible loss of property, but there can be no doubt that the fundamental issue is the saving of human lives. I must say, therefore, that, so far as I can see, the motion for a resolution contains nothing that was not already said either during the debate on the previous motion for a resolution, or in the answers to Parliamentary questions which, as the Commissioner responsible for this sector, Mr Burke gave at the time.

The document before us begins by referring to the French air controllers' strike which, in somewhat dramatic fashion, drew attention to certain causes of complaint and also, perhaps, certain dangers, but, to be frank, all the committee can do is take note of it; it certainly cannot pass judgment one way or the

other on a trade-union action the merits of which we cannot possibly judge for ourselves. It might conceivably express a view on the possible consequences of the action, but it obviously cannot go into the merits of a dispute which falls within the ambit of national law. In this connection I should merely like to say that it is no secret that, in some countries, the right or otherwise of public servants to go on strike is a subject of dispute. Some countries have answered the question in one way, others in another. This corroborates the fact that it is patently not for us to pass judgment on trade-union action. What, in appropriate circumstances, might eventually be the subject of comment are the consequences which may arise from the absence of a basic safety 'shield' for air traffic.

To go back to my opening remark that, instead of being interlocutory, this motion for a resolution is (in the best sense of the word, of course) provocative in character, I should like to recall briefly what was said in the resolution adopted in May 1978 as a result of a most valuable report by Mr Noè. (At this juncture, I should add that, in all probability because Italy is so far from the headquarters of the European Parliament and of the Community institutions, Mr Noè has become not only an expert but a leading expert on air-traffic problems.

I don't know whether Mr Noè is becoming a greater expert on air traffic or on nuclear questions; (I have an impression that there is little to choose between his experience of airtraffic problems and of nuclear problems.) As I said, the resolution recognized that, at the present time, air transport operates in Europe with a fairly high degree of safety; but in paragraph 10 it called on the Commission to study the possibility of improving cooperation between the national authorities responsible for air control. All I can say to Mr Noè is that the obstacles of various kinds which, as was pointed out at the time, lay in the way of achieving a genuine European system of airtraffic control still exist today, and their removal depends on the settlement of a number of legal problems. The House will recall that, in 1975, the Commission tabled a proposal providing for the establishment of a European air-space. You will no doubt also remember the legal difficulties which arose in connection with the objective proposed and the fact that the outcome of the debate in Parliament on what was an extremely ambitious proposal was not the one that had been expected. You will further remember that, during the debate in this House, Commissioner Burke emphasized the legal, political and, I ought to add, practical difficulties which continue to stand in the way of any successful attempt to set up a European airtraffic system. Mr Noè is aware of these difficulties, because his resolution made a special plea for better cooperation between the Community, the States and the international organizations responsible for control.

Natali

On this aspect, I should like to make it clear that, as, incidentally, Mr Burke stated at a recent meeting of the Transport Ministers' Council, progress is being made towards better cooperation and that, without doubt, this debate and, in particular, the meeting in Paris will further serve to emphasize the urgency of tackling this problem and its legal and political implications.

Mr President, my reply is the only one the Commission can give as things stand at present.

President. — I call Mr Noè.

Mr Noè. — (I) Mr President, I should like to clarify something mentioned by our Communist colleague. I certainly did not say that there was greater danger in the French air-space; what I said in the clearest terms was that the risk of collision was increased in the immediate vicinity of French air-space. When fewer aircraft in flight are shown on the screen, there is obviously less risk. It can be greater only at one point: when they reach the airport, if acceptance is delayed. I repeat, therefore, it was in the surrounding areas that the risks became greater and, as far as French air-space is concerned, they were caused by charter planes flying on VFR.

I have studied the statement by the French controllers concerning safety, but I have found nothing constructive in it. They put forward economic demands, as they are entitled to, but, as regards safety, all they did was to reduce the number of aircraft flying over France during particular periods to a level below that normally applied throughout the world. That is not what is important: making flying safer means long and laborious efforts to improve the effectiveness of ground and on-board equipment.

The main purpose of the Paris Conference in February is in fact to see *how* we can improve equipment to make flying safer. But the way to do so is certainly not by reducing the number of aircraft shown on a radar screen!

I would say that the ultimate object is clear (though no one knows when we shall reach it): it is that the position of all aircraft at any moment can be checked by satellite. When that time comes, it will be possible to see the position of all aircraft in a single control

centre, and this will make it easier to avoid the risk of collision.

However, this prospect is rather remote. At the meeting we held in Paris about the oiltanker which sank in the Channel, we discussed the problem of equipment. Indeed, the equipment used for airtraffic control can also be used to keep watch on the movement of tankers in areas of dense traffic, such as those in the vicinity of Singapore and in the Channel.

Finally, I should like to thank Vice-President Natali for his kind words and to assure him of the interlocutory character of the resolution proposed. This debate has been an encouragement, because we have posed problems in order to set out the basic factors on which, as Members of Parliament, we can reach a decision. I hope that we shall be able to make one in Paris next February in terms commensurate with the far-reaching importance of the subject.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — as it stands — tomorrow at the end of the sitting. The debate is closed.

12. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Friday, 13 October 1978, at 9 a.m., with the following agenda:

- Procedure without report
- Ibrügger report on standards on merchant ships
- Oral Question with debate to the Commission on regional policy
- Ellis report on health and safety in the steel industry and the mines
- Albers report on the carriage of goods by road
- Albers report on transport by rail, road and inland waterway (without debate)
- Motion for a resolution on the sentencing of the Tunisian trade unionists
- Oral Question without debate to the Commission on stateless money
- End of sitting: Votes on motions for resolutions on which the debate has closed.

The sitting is closed.

(The sitting was closed at 6.40 p.m.)

ANNEX

Questions which could not be answered during Question Time, with written answers

Question No 5, by Mr Pisoni

Subject : Directive on education for the children of migrant workers

Having regard to the Council's adoption of the above directive on 25 July 1977 in the context of the action programme in favour of migrant workers and their families, can the Commission now state whether any definite, positive results have been achieved in the Member States ?

Answer

Article 4 of the directive allows the Member States a time limit of four years within which to take the necessary steps to comply with its provisions.

The Member States are under the obligation to inform the Commission of all laws, regulations and administrative provisions or other measures adopted by them in the field covered by the directive.

Hitherto no Member State has forwarded any such information to the Commission.

In July 1979, i.e. two years after notification of the directive, the Commission will proceed to organize an exchange of views on the action taken or proposed by the Member States to implement the directive.

Question No 7, by Mr Howell

Subject : Emergency Aid to the East and South East of England

Has the British Government informed the Commission of how it has allocated the 1m EUA which the Commission gave as Emergency Aid to the East and South East of England following the storms of 11 and 12 January 1978 ?

Answer

No, Sir. We understand that the allocation of funds between affected regions has not been settled. Decisions on the distribution will be made only when all the affected authorities have submitted their detailed claims. However, we also understand that, apart from funds going to Scotland, the United Kingdom Government intend to make some of the money available to the fund set up to assist farmers who suffered severe livestock losses and also to provide help to the most severely affected local authorities.

Question No 11, by Mr Edwards

Subject : Bribery by multi-national pharmaceutical companies in member countries of the European Community.

Following a report of a committee of the United States Senate revealing widespread bribery and illegal payments by pharmaceutical companies to officials in member countries of the Community, will the Commission take action to exercise some control in this matter ?

Answer

Commission efforts so far have not managed to locate or obtain the 'report of a committee of the United States Senate' to which the honourable Member refers. The Commission will certainly not fail to study this document when it is in its hands.

I take the opportunity to restate the Commission's view on corrupt practices, which is that these are primarily a matter for the criminal law. While the rules of competition could apply in specific cases

of bribery producing effects contrary to Articles 85 or 86 of the Treaty, they must not be deflected from their proper purpose to chastise activities to the discredit of officials in Community countries.

Question No 18, by Sir Brandon Rhys Williams

Subject : Animal welfare

What has the Commission so far achieved in the field of welfare of farm animals, what does it have presently in hand, and what does it expect to undertake in the future, especially in the fields of transport of live animals and methods of slaughter?

Answer

Following proposals from the Commission the Council has already adopted two important texts in this field, namely a directive on stunning of animals before slaughter in 1974¹ and a directive on the protection of animals during international transport in 1977². Initiatives have also been taken to enable Community accession to Council of Europe conventions concerning protection of animals kept for farming purposes and international transport of animals.

The Commission will continue to develop these initiatives and is giving particular priority to the field of transport of live animals.

Question No 19, by Mr Porcu

Subject : American pressure in GATT

How does the Commission intend to resist the very strong American pressure against the EEC's system of refunds on agricultural exports?

Answer

In the negotiations for a multilateral arrangement on countervailing duties and subsidies, the object of the Commission, acting on the Community's behalf, is to obtain US recognition, in accordance with Article VI and contrary to present practice, that there must be material injury to national production before countervailing duties are applied in order to relieve pressure, and secondly to confirm that the present provisions of Article XVI (3) which relate in particular to export subsidies for agricultural products and constitute the basis of the Community's export policy, are to be maintained for trade in agricultural products. The wording of Article XVI (3) is as follows: 'If, however, a contracting party grants directly or indirectly any form of subsidy which operates to increase the export of any primary product from its territory, such subsidy shall not be applied in a manner which results in that contracting party having more than an equitable share of world export trade in that product'.

Question No 20, by Mr Cifarelli

Subject : European synthetic fibre cartel

Is the European synthetic fibre cartel established by 12 firms compatible with Article 85 of the EEC Treaty, and if not, can the Commission confirm whether, as alleged by the Italian Government, this cartel was organized on the initiative of the Commission?

Answer

The main European producers of synthetic fibres concluded on 20 June 1978 an agreement whereby they undertook to reduce their production capacity.

Notification of the agreement was given on 14 July 1978 with a view to obtaining an exemption under Article 85 (3) of the EEC Treaty.

This is now being considered very carefully by the Commission and its services, and until such consideration has been concluded, it is not possible to determine whether or not the agreement is compatible with the article of the Treaty referred to.

(¹) 74/577/EEC — OJ L 316/10 of 26. 11. 1974.

(²) 77/490/EEC — OJ L 200/20 of 8. 8. 1977.

The agreement is the outcome of extensive negotiations between the producers. The Commission, which had the problem drawn to its attention by the producers in 1977, has kept itself informed of the progress of the discussions, which were initiated by the producers themselves.

Question No 25, by Mr Zywiets

Subject: Community cooperation in the armaments sector

Does the Commission intend to confirm the view expressed in the European Parliament by its representative with regard to the possibility of achieving Community cooperation in the armaments sector within the framework of industrial policy, or does it intend to change its views as a result of the position taken up by the French Government, which is refusing to consider these proposals on the grounds that they are not in conformity with the Treaty?

Answer

In the debate in the European Parliament on the Klepsch Report, Mr Davignon made the position of the Commission extremely clear. Firstly national security remained the exclusive concern of individual Member States. Secondly there were areas of industry and technology in which industrial and strategic factors were inextricably connected. This was a difficult area. Although the European Institutions had a role to play it was not clear what that role should be and it was necessary for the Commission to consider the situation in some depth before returning to discuss its ideas with the Parliament. It was made clear during the debate precisely what areas the Commission would be studying, and nothing in the position of the French Government expressed in the National Assembly has made it necessary to change the Commission's view.

SITTING OF FRIDAY, 13 OCTOBER 1978

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IN THE CHAIR: MR MEINTZ

Vice-President

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

President. — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

President. — I have received:

- a) from the Council, a request for an opinion on the proposal from the Commission of the European Communities for a Council regulation for a Community aid system for intra-Community trade in power-station coal (Doc. 381/78)

which has been referred to the Committee on Energy and Research, as the committee responsible, and to the Committee on Budgets for its opinion:

- b) from Mr van Aerssen, Mr Luster, Mr Notenboom and Mr Klepsch, on behalf of the Christian-Democratic Group (EPP), Mr Bettiza, on behalf of the Liberal and Democratic Group, Mr de la Malène, on behalf of the Group of European Progressive Democrats, and Lord Bethell, a motion for a resolution pursuant to Rule 25 of the Rules of Procedure, on the conviction of Rudolf Bahro, a German national, and of Niko Hübner, a German national from East Berlin (Doc. 382/78),

which has been referred to the Political Affairs Committee.

3. *Petitions*

President. — Pursuant to Rule 48 (4) of the Rules of Procedure, Petition No 12/77 has, at the request of the committee responsible, been forwarded to the Foreign Ministers meeting in political cooperation.

4. *Procedure without report*

President. — At Monday's sitting I announced the titles of Commission proposals that were placed on the agenda for consideration without report, pursuant to Rule 27A of the Rules of Procedure. Since no Member has asked leave to speak and no amendments have been tabled to them, I declare these proposals approved by the European Parliament.

5. *Statement by the chairman of the Socialist Group*

President. — I call Mr Fellermaier, who has asked to speak pursuant to Rule 31A of the Rules of Procedure.

Mr Fellermaier, chairman of the Socialist Group. — (D) Mr President, on behalf of the Socialist Group I should like to make a statement on a letter dated 22 September 1978 from the Minister for Foreign Affairs of the French Republic to the President of the European Parliament. This is a really extraordinary state of affairs. We are informed today by press agency reports of an official letter from the French Foreign Minister to the President of Parliament, in which the French Government demands that, contrary to the decisions taken by its Bureau, the European Parliament should hold its April 1979 part-session in Strasbourg and not

Fellermaier

in Luxembourg. To give this demand the required emphasis, the French Government unequivocally declares that failure to comply with their request is likely severely to jeopardize relations between the European Parliament and the presidency of the Council of Ministers, which France will be assuming for the first six months of 1979.

It is also stated that this could have repercussions on the first direct elections. In diplomatic parlance this amounts to an attempt by the government of a Member State strongly to influence, if not intimidate, the European Parliament.

I should like to make three comments in this connection. First, conversion work on this Chamber is due to start in April 1979 to ensure that it meets all the requirements of the 410 Members of the directly-elected Parliament. Second, the plenary Chamber in the Grand Duchy of Luxembourg is entirely at the disposal of the present Parliament for April 1979. And in any case, as every Member of this House is aware, in 1979 there will necessarily be more part-sessions in Strasbourg than in Luxembourg. For these reasons I say that this Parliament, in accordance with what it sees as its democratic role, must make absolutely clear, only a few months before the first direct elections, that it does not take orders either from the Council of Ministers or the government of a Member State.

The Socialist Group will oppose any such attempt at intimidation. I now turn to you, Mr President. This kind of attempt to intimidate cannot and must not be discussed as if it were some sort of secret matter. It is true that the letter is being translated into all the official languages by Parliament, but it has not yet been made available as an official document either to the House or to the Bureau. For this reason I feel that all Members of this House should give an appropriate reply. If it gets about that this Parliament can be intimidated, how can we present ourselves to the electorate claiming that the European Parliament plays a valuable part in the democratization of the European Community, when it is not even free to decide whether to hold its April part-session in Strasbourg or Luxembourg!

(Applause)

Our silence in this case will be taken as consent, and so I feel that a statement must be requested from the President of this House.

(Mixed reactions)

President. — Mr Fellermaier, your statement has been noted. It will be submitted for consideration by the enlarged Bureau at its next meeting.

I call Mr Broeksz.

Mr Broeksz. — *(NL)* Mr President, I have no reason whatever to object to this statement by Mr Fellermaier being submitted to the enlarged Bureau. Indeed, I

urge the enlarged Bureau to let us know their reaction to the statement by Mr Fellermaier, so that we may if necessary hold a debate on this question in Parliament. The matter certainly seems important enough to me.

President. — We clearly cannot hold such a debate this morning, since it is not on the agenda. But when I proposed referring this matter to the enlarged Bureau it was obviously with the expectation of a reply.

6. *Decision on the maintenance of standards on merchant ships*

President. — The next item is the report (Doc. 348/78) drawn up by Mr Ibrügger, on behalf of the Committee on Regional Policy, Regional Planning and Transport on the

proposal from the Commission to the Council for a decision concerning the Memorandum of Understanding of 2 March 1978 between certain maritime authorities on the maintenance of standards on merchant ships.

I call Mr Ibrügger.

Mr Ibrügger, rapporteur. — *(D)* Mr President, ladies and gentlemen, we are all concerned about accidents and collisions, not only because this involves physical danger to seamen but also because the effects of such accidents and collisions are assuming more threatening proportions because of the increasing size of deep-sea ships. The latest event in the European Community, the wreck of the *'Amoco Cadiz'*, with its effects on marine flora and fauna and also on the basis of the existence of thousands of fishermen, has made only too clear how important it is to take countermeasures at the European level.

As a result of the general concern in the shipping sector of the European Community for greater transport safety, a number of maritime authorities in the European Community together with those of Norway and Sweden signed an understanding on 2 March 1978 to check the maintenance of minimum standards on deep-sea ships. The purpose of the Commission's proposal now is to extend this understanding to the national maritime authorities in Italy and Ireland and thus to bring the Italian and Irish ports within the scope of this control. The purpose of the Commission is to make this understanding among the national maritime authorities binding throughout the Community by a change in national legislation. The minimum standards to be enforced mainly relate to working condition for the crew, certificates of competency and accident prevention measures. All these minimum standards are designed to help make it possible for ships in Community waters to be inspected regardless of the flag they fly.

The Committee on Regional Policy, Regional Planning and Transport considered these subjects at its

Ibrügger

meeting on 22 September. It welcomes the Commission's proposal and considers that it is reasonable and important to give more teeth to this Understanding among maritime authorities, but such an agreement can be reinforced and effectively applied within the European Community only if we make it work at Community level by harmonizing national regulations on the control of ships in Community ports. This, incidentally, is also a part of the general subject of 'Transport Safety' that has already been tackled by the Committee on Regional Policy, Regional Planning and Transport, one example being the public hearing on accidents at sea, held in Paris in the middle of this year, and another the hearing on the subject of air-traffic control and air safety, planned for February next year.

The Committee on the Environment, Public Health and Consumer Protection has also been concerned with this subject. In its opinion dated 22 September 1978, it referred to the urgent need for this Understanding on the maintenance of minimum standards of merchant ships to be made binding throughout the Community in order to reduce the risk of accident, to contribute to environmental policy and to do something to improve health protection for crew members.

In this connection, I would like to add one piece of information that reached me at the beginning of the week. Last week, President Carter submitted a bill to the American Congress for approval that also concerns safety at sea and minimum standards on deep-sea ships. If we succeed — the European Community in its waters and the Americans in theirs — in ensuring that minimum standards are made binding and enforced on deep-sea ships on the basis of the same criteria, then a standard will have been set for the improvement of safety at sea.

In the knowledge that the proposed decision is part of a series of proposals already submitted or yet to be submitted by the Commission for the prevention of accidents at sea and the pollution they cause, the Committee on Regional Policy, Regional Planning and Transport, on whose behalf I present this report, has approved this motion for a resolution as one of the measures necessary to improve safety at sea. It also invites the responsible authorities in those countries that are parties to the Understanding of 2 March 1978 to let the Commission have a report as soon as possible on their experience so far with regard to compliance with the standards laid down in this Understanding in the first year of their application.

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

Mr Fuchs. — (D) Mr President, ladies and gentlemen, this question, which Mr Ibrügger has just introduced so clearly, or rather its solution, is a step in the right direction for the common transport policy. It

is a small step, I agree, but it will bring about definite improvements above all because it will mean an advance in at least one aspect of EEC transport policy. Unfortunately, you need a microscope, if I may put it thus, to find such positive steps.

In support, may I perhaps refer again to the hearing that was held by the Committee on Regional Policy, Regional Planning and Transport of the European Parliament in Paris this summer on tanker accidents. There the technical experts were all unanimous in saying that human failure was repeatedly found to be one of the causes, and it appears that one of the reasons for human failure is the fact that working conditions are not what one might expect. For this reason, this regime, under which inadequate working conditions would, as far as possible, be eliminated or improved, certificates of competency be standardized, minimum requirements set and better accident-prevention rules applied throughout the EEC area, is unquestionably of considerable importance. I feel that it will make a real contribution to the prevention of accidents.

I would next, on behalf of the Christian-Democratic Group, like to make the point with a special emphasis that it is now particularly important to harmonize national regulations regarding control in ports, because it is only if an energetic and effective control exists that this harmonization will have any real meaning. Lastly, I would like to express the hope, or rather the expectation, that further measures will follow as soon as possible and supplementary proposals will be made covering the whole of this field so that the whole question may be finally settled.

In this expectation and in the conviction that this harmonization is a step towards improving transport conditions, the Christian-Democratic Group is in favour of the Commission's proposal and the report, and particularly the motion for a resolution, which Mr Ibrügger has submitted on behalf of the Committee on Regional Policy, Regional Planning and Transport.

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

Mr Jung. — (D) Mr President, ladies and gentlemen, we shall surely still remember the discussion that took place in the European Parliament following the *Amoco Cadiz* oil — tanker off the Breton coast. At that time there was not one group or one speaker that did not demand that everything be done to prevent any repetition of such calamities. In the meantime, our Committee on Regional Policy, Regional Planning and Transport has held a hearing in Paris and we shall soon be receiving its report on accidents at sea. On the basis of that report, we shall be able to ask for further specific measures to prevent this kind of accident at sea and in general to improve sea-transport. This apart, the subject of the report before us is a prop-

Jung

osal by the Commission aimed in exactly the same direction, and it has my group's full support.

The Liberal and Democratic Group would, moreover, welcome discussions at regular intervals in this House on the ways in which the measures proposed by the Commission in the field of the safety of sea transport are being applied and the situation reached in their application. For this the Commission would have to submit a situation report giving a clear picture of the success or failure of specific measures, for only in this way will Parliament be able to exercise effective control.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) A moment ago Mr Jung and, earlier, the rapporteur said that this proposal, which Mr Fuchs described as a small step forward, forms part of a comprehensive programme which, on behalf of the Commission, I was privileged to describe to Parliament in connection with the *Amoco Cadiz* disaster.

It consists of a series of proposals relating to protection and prevention. The present proposal, which, as stated by the rapporteur to whom we are grateful for his clear and concise report deals with the extension of the Memorandum of Understanding of The Hague to Italy and Ireland, is, accordingly, one of a number of proposals which were submitted to the Council and submitted and explained to Parliament. As Members will be aware, they have been discussed both in the Council of Ministers of the Environment and in the Council of Transport Ministers.

However modest, Mr Fuchs, this step shows that the Commission has kept its word. I must also emphasize the especial importance attached to the outcome of the hearing to be held by the Committee on Regional Policy, Regional Planning and Transport, because very useful and specific suggestions may, and probably will, emerge on the conclusion of its labors. On behalf of the Commission, I can state that it is ready to consider any suggestions which it may receive from now on.

I should also like to say that if, as I hope, this decision is adopted by the Council of Transport Ministers on 23 and 24 November, it will form an integral part of Community policy. Because of this, the new Member States (and, in view of the size of its merchant fleet, Greece must have a special interest in the meeting) ought to follow suit and accept the decision, which will henceforth be part of the Community patrimony.

Finally, with regard to the need for harmonization, at Community level, of national laws relating to the

control of vessels in Community ports, I should like to add that the Commission will submit, as soon as possible, a series of proposals, as I said, with a view to harmonizing the laws of the countries concerned on an appropriate legal basis.

In conclusion, may I once more express my thanks to the rapporteur and, as we are talking about the sea, express the hope that the proposals we are drawing up will soon arrive safely in port?

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — as it stands — at the end of the sitting.

The debate is closed.

7. Procedural motion

President. — I call Mr Caro for on a point of order.

Mr Caro. — (F) Mr President, I should like to refer to the speech by Mr Fellermaier at the beginning of the sitting on a matter which was not included on the agenda. I am shocked by this untimely intervention by the chairman of the Socialist Group, whose remarks are particularly discourteous to France, and by implication, anti-Strasbourg in character. I am shocked because Mr Fellermaier has wilfully misinterpreted the letter from the French Minister for Foreign Affairs, who is only doing his duty in drawing attention to the customary practices which have enabled the European Parliament to live in harmony in the three cities which have been the seat of our Institutions for so many years. I am also shocked because the European Parliament is not at present competent in this matter, because, as Mr Fellermaier himself has said, it is a matter for the national governments, and because, by speaking as he did, he was contradicting himself as to the legal position.

Finally, Mr President, there has, after all, been a gentleman's agreement between us as Members of the European Parliament, for many years. Basic political questions are by common agreement tabled on days when we can be here in large numbers, that is on Tuesdays, Wednesdays and Thursdays. It has become the custom not to raise problems of this sort on a Friday, on account of our national obligations. I myself have had to make special arrangements to remain here today, for, as you will know, we are having an extremely important debate in the National Assembly, on finance law. I therefore regret this business, and I should be happy if we all made an effort to ensure that it was taken no further. Besides, attacks on individual countries will never get us anywhere!

(Applause)

President. — We cannot continue with this discussion. The reason I called Mr Fellermaier was because he invoked Rule 31A of the Rules of Procedure — and perhaps his use of it was rather incorrect — and not as part of our practice, at the beginning of the Friday sitting, of hearing speeches on matters ranging from grave political problems, such as the one which Mr Fellermaier has just raised, to complaints about taxis. As for Mr Caro, I called him pursuant to Rule 32.

I note Mr Caro's statement, which, with that made by Mr Fellermaier, will be submitted to the enlarged Bureau. It is in fact for the enlarged Bureau to arbitrate in this debate and to give us the reply requested by Mr Broeks.

I call Mr Broeks for a procedural motion.

Mr Broeks. — (NL) Mr President, do you consider it reasonable for someone to say that a Member should place an item on the agenda before he knows about it? That seems to me to be totally unreasonable. And when something comes to light rather late in the day and this Assembly then has to wait a whole month before getting an explanation, that too seems to me to be unreasonable. And when someone gets up and says he wants to comment on a statement that he has not heard, that seems no less unreasonable to me.

Mr Caro. — (F) It's a trick!

President. — We may say, in conclusion, that Friday is not such a dull day as some people seem to think.

8. Regional policy

President. — The next item is the Oral Question with debate (Doc. 344/78) by Mr Fuchs, Mr Brugger, Mr Starke, Mr Noè, Mr McDonald and Mr Shyns to the Commission:

Subject: Regional policy

In its 1977 Annual Report on the Regional Fund, the Commission notes that between 1975 and 1977 nearly 185 000 jobs were created or maintained by assistance from the Regional Fund but that the scale of existing regional imbalances has barely altered. One of the reasons why it proved impossible to achieve the real objective of the Fund is that there is no guarantee that Regional Fund assistance is actually used as a supplementary and complementary contribution to national regional economic policy. Hitherto the Regional Fund quotas allocated to the individual Member States have not even been indicated separately in the national budgets in the chapters on regional development. This entails the risk that the assistance will be used as a general reinforcement of the national budgets.

We therefore ask the Commission the following questions:

1. Do the governments of the individual Member States use the Regional Fund quotas allocated to them to

increase their budget appropriations for regional development or do they enter them under the general budget appropriations?

2. In this context, what differences are there between individual Member States?

3. Is the Commission prepared to propose to the Council a draft amendment of Regulation (EEC) 724/75 of 18 March 1975¹ in order to ensure that the national governments earmark the funds allocated to them from the EC Regional Fund as budgetary appropriations for regional developments and do not use them as a means of covering general budget expenditure?

I call Mr Fuchs.

Mr Fuchs. — (D) Mr President, ladies and gentlemen, one of the few financial instruments in Community policy apart from agricultural policy is the Regional Fund. The European Parliament has always stressed that the use of these financial resources must never lead to any reduction in national efforts but, on the contrary, should be designed specifically to supplement them. This point has also been repeatedly made by the Commission, since that is the only way in which the Fund can be effective, the success of Community policy measurable and apparent to European citizens and its beneficial effect detectable, and that is the only way in which disparities can be eliminated. This has been an explicit objective right from the time of the Rome Treaty. Unfortunately, as the Commission's report states, this objective has not yet been reached.

Nevertheless, it is with some satisfaction that we note that 185 000 jobs have been created or maintained in the Community through the use of the Fund. It is also worth noting that the regulation contains provisions designed to safeguard the supplementary nature of the Regional Fund making its use, for example, conditional on the presentation of Member States' programmes.

Other requirements are currently being argued out in the consultation procedure, but serious doubts continually arise as to whether the supplementary and additional nature of the Fund is always maintained and secured. There are doubts whether the Fund's resources are used to supplement national aid in the same way in all Member States, and it is only this that really has any sense. It is precisely this problem that is raised in the questions, particularly in paragraphs 1 and 2. A reply from the Commission to these questions will at least make the position clear and may also provide basis for introducing the necessary improvements to the regulation.

One question, however — it is referred to in paragraph 3 — needs clarifying and settling more than the others. It asks that the supplementary nature of the

¹ OJ L 73, 21. 3. 1975.

Fuchs

Fund should also be made clear in the budgetary behaviour of the Member States. In some Member States, Germany for example, the resources allotted to the individual Member States from the Community's Regional Fund are shown purely as general contributions to the budget and not as supplementary funds to those appropriations whose purpose is to improve economic conditions in the weaker regions. In that case how can their supplementary and complementary effect be recognized? The suspicion could arise that the operation is nothing more than a book transfer and that, so to speak, a kind of railway station with goods sidings set up. It is precisely this impression, however, that must be prevented. It must be clear in the national budgets, too, that these funds are a contribution from the Community's Regional Fund. It is only then that it can be made really clear that the supplementary funds used are from the Regional Fund. For this reason the regulation on the Regional Fund should, in the opinion of the questioner, be changed to require that resources allocated from the Regional Fund are used in the appropriations in Member States' budgets to supplement those items whose purpose is to improve the regional economic structure.

That is the content of the third question. A motion for a resolution has also been tabled inviting the Commission to take action along these lines. This is the object of the oral question and the motion for a resolution: greater clarity, greater uniformity, and positive safeguarding of the supplementary principle specifically in the field referred to. I am convinced that if the regulation is amended in this way the Regional Fund will prove more effective. This will bring us nearer the object of eliminating economic imbalances in the Community and this, ladies and gentlemen, should be our common goal.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, on behalf of the Commission, I should like to thank Mr Fuchs, Mr Brugger, Mr Starke, Mr Noè and Mr McDonald for tabling this question mainly because it enables us to say how much we share, and feel grateful for, the concern which Parliament has always evinced about questions relating to regional policy. The Commission fully realizes that regional policy must be complementary and additional to the policy of individual Member States and that discussion on making the effects of the Community policy in this sector more transparent must be taken a step further.

With regard to paragraphs 1 and 2 of the question, I should merely like to say that, of course, a distinction must be drawn between vertical and horizontal complementarity. Vertical complementarity, that is to say, the aggregate of national and Community contri-

butions to one and the same investment project, is, in the nature of things, limited by the Fund Regulation to investments in industrial, handicraft or service activities. The Member States have, of course, been left free to decide whether the contribution from the Fund should be added to the aid granted to a particular investment by the public authorities or whether the latter should receive it in part repayment. So far, the Member States have opted for the second alternative. It should, however, be noted that, in the case of infrastructure investments, the contribution from the Fund is, in the majority of cases, transferred wholly or in part to the local or regional development; all the Member States have declared themselves to be in agreement with this and have made certain provisions to this effect, on which I need not dwell since they are sufficiently well known.

With regard to paragraph 3, which, in my view, is the key paragraph of the question, I should like to remind the questioner that Article 19 of the draft regulation amending Regulation No 724/75 lays down that the Member States shall adopt appropriate measures to show clearly, and in the manner required by the national accounting system, the sums received from the Fund, especially in the case of the national budget and the budgets of public bodies. The article further provides that, at the request of the Commission, the Member States shall inform it of the use to which the amounts received from the Fund have been put. I trust the questioner will agree that a rule along these lines will, as we hope, ensure the transparency referred to in the question.

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

Mr Noè. — (I) Mr President, the comments of Mr Fuchs and the detailed answer given by Vice-President Natali enable me to be extremely brief.

I should merely like to express the Christian-Democratic Group's agreement with the statements made both by Mr Fuchs and, in his capacity as rapporteur on regional policy, by Lord Bruce, who is absent today in London dealing with the same subject.

We are all agreed on the question of a transparency which requires that the use made of the amounts paid by the Community through the Regional Fund shall be clearly shown in the national budgets. I must emphasize, as I did in my report, the need to go further and ensure that the programmes submitted for particular regions are kept to and that amounts earmarked for a particular region, on the basis of a particular programme, are not while remaining part of regional policy, then used for another region or at least for another programme. This is necessary not only on grounds of what might be called sound administrative practice but also because the fact that the programmes must be adhered to in a given region

Noé

represents a step towards serious planning and progression from mere management of the Regional Fund to a genuine regional policy, an objective which was referred to by Vice-President Natali and which this Parliament has always cherished.

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

Mr Jung. — (*D*) Mr President, ladies and gentlemen, in its annual report for 1977 on the Regional Fund, the Commission refers to a number of positive aspects, in particular the creation or maintenance of 185 000 jobs through the use of resources from the Regional Fund; on the other hand, it expresses its regret that the scale of regional imbalances in the Community has barely altered, and it is precisely this fact that has always caused and will continue to cause the European Parliament to argue for an increase in the resources of the Regional Fund — and for an increase worthy of the name, for this is the only way an effective regional policy is possible.

But this aside, if we find that there is no certainty that the resources from the Regional Fund are in fact used as a supplementary and complementary contribution to national and regional economic policy, then the questions this raises are of the utmost political importance, because any obscurity or doubt in this connection are likely to bring the Community's whole regional policy under suspicion, if not actually into discredit. All the European Parliament's regional policy efforts would then run the risk of not taken seriously. The removal of these obscurities and doubts must now become an urgent and important task for the Council.

My group hopes and expects that the Commission will answer the third question, regarding the amendment of Regulation 724/75, of 18 March 1975, in the affirmative. What Mr Natali has just said — that Article 19 already ensures transparency — may be right. In my opinion, the Commission should look into this matter once again and propose a satisfactory solution to Parliament before the direct elections, because, ladies and gentlemen, it should be clear that we have to sort things out with our constituents prior to direct elections and give them answers to the critical questions they put. If, in fact, it is true that resources from the Regional Fund are not used in a supplementary role but simply absorbed in national budgets, then naturally and unfailingly there must be doubt the efficiency of this European Community and this Parliament. For these reasons, I hope that the Commission will take another, and a careful, look at this question.

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

Mr Mascagni. — (*I*) Mr President, the question put down by Mr Fuchs and others once more draws atten-

tion to an issue which is constantly and repeatedly submitted for consideration by this Parliament. The problem of the use of the allocations from the Regional Fund to supplement national action (in addition to it, therefore, and not wholly or partly in place of national appropriations for regional purposes) is that of complementarity. No one can deny that there is reason for concern. To resort to what one can call disguising the true state of affairs, instead of spelling it out clearly, is something which is not to be tolerated. There is no escaping the fact that this whole question must, in reality, be tackled and resolved within a much wider framework of general action in the matter of regional policy so as to make that policy deserve its title. I mean a regional policy which ceases to be regarded as an act of benevolence or charity to the poor by those who are better off.

So long as interpretations, ideas and attitudes of that kind persist or tend to persist, we shall, in 20 or 30 years' time, find ourselves making the same speeches on complementarity, the contribution, the coordination of national quotas, and so on. We should begin by trying to recognize that, given the present difference in level and economic structure between the various regions of the Community, it is impossible to make unifying policies work or make any solid, lasting or effective progress on Economic and Monetary Union, which is the subject of plenty of talk but little action. We should begin by a clear and unequivocal declaration that the Community budget is in flagrant contrast with the present situation and the needs of a Community with an internal crisis which has its counterpart in changed conditions in the world at large. We should take to heart the clear warning given us in the McDonald report that only 0.7 % of the Community's gross product goes into the Community budget, whilst an average of 45 % goes into the national budgets.

We should take to heart the statement that it is nonsense to think that we can have a regional policy with such a budget; we should then appreciate that it is nothing but a baseless claim by people who want to deceive themselves, regardless of the consequences, and who conceive Europe as a cosy and entertaining hobby. We must appreciate, in all its significance, the fact that if there is no real transfer of means and resources from one area of the Community to another in order to build up, step by step, the conditions for a better balance (accompanied, of course, by great dedication and a massive effort on the part of the weaker states), if there is no economic policy, no comprehensive plan of this kind, we shall never get beyond pure theory. Similarly, we must be in no doubt that a plan of this kind is a plan to the advantage and benefit of all, because if we are not convinced of that we shall never make any progress.

So, Mr President, in my view, our basic task is to make a major effort to effect, not only a substantial increase

Macagni

in our budget and, as a result, in the Regional Fund, but also a gradual transfer of the initiative in connection with regional policy from a national to a Community level at which important decisions are made. The fight for the off-quota section and for the overtaking of national quotas points in the right direction, and this is the path we must follow. Eventually, even the much-discussed question of complementarity and the problem of the shifts and strategems which individual States can practise in order to substitute instead of adding will cease to exist, to the relief of all who, today, seem to me to be aware of certain shortcomings but are unable to grasp the size of the terrible gaps that have to be filled.

in the Community, and I know that there are huge imbalances. Last month we had the opportunity of visiting Greenland. Although that country has received very generous aid *per capita* from this Fund, the imbalances there are so enormous that I am convinced that they need very special treatment on every level. The Danish Government has done a marvellous job, but much still remains to be done. We have got to keep these imbalances constantly before our minds. I think the gap is getting wider when, in fact, it should be narrowing. I therefore hope that the Commission will, at the earliest possible opportunity, introduce an amendment to ensure that at least the funds presently earmarked and being spent are seen to be spent, by the public and, more especially, by those who will go to the polls in six or eight months' time.

President. — I call Mr Mc Donald.

Mr McDonald. — Mr President, I'd just like to make one point in support of Mr Fuchs and those of us who have submitted this question. I should like Parliament to consider the question: how many of the 185 000 people whom the Commission tell us have been provided with jobs are aware of the fact that the Community has contributed to the provision of the work in which they are gainfully employed? I should submit: very few. I would hope that the Commission would be able to design a new regulation. I think it is necessary to ensure that the organizations or projects or factories that qualify for grant aid from the Regional Fund receive aid at a bonus rate 10 or 15 % higher in the peripheral areas than job creating projects would receive if they were only benefiting from national resources.

The problem in my own country is quite ridiculous. Two months ago, we read in the press that several million pounds had been allocated to factories that had been erected 18 months and two years ago, and were already open and going strong. How can you expect the public to relate to aid flowing from the Community if they don't see positive results? Indeed some of the factory owners were expecting to get a bonus grant because their grants were already paid. Industrial Development Authority, statutory authority established to boost and provide work in the underdeveloped areas of the country, only received one budget allocation per year. It gets no special heading in the Regional Fund. Considerable funds are flowing into the country, but nobody can put their finger on them and say that their job has been facilitated by funds flowing from the Community.

I would like to thank the Commissioner for his sympathetic approach. I take it that he accepts the point we have made. I think we all will agree that the present administration of the Fund by the national governments is certainly unsatisfactory. I have been perhaps fortunate enough to have visited most of the regions

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (1) Mr President, obviously my reply dealt with the questions which were put to me. The specific reply I want to give Mr Mascagni is that I do not think this is the occasion for a wide-ranging debate on the problems of regional policy. Parliament has already dealt with these subjects, and the financial aspect, which is the most important, is dealt with under the conciliation procedure.

The question asks the Commission to make a proposal. We have already submitted a proposal in the sense that, as stated in my reply, the regulation amending the basic regulation on the Fund (which has not yet been adopted, pending conciliation with Parliament) already contains an article, Article 19, which has been approved by the Council, and in that article we propose what you ask us to propose, Mr Fuchs. We can, therefore, regard the question as an endorsement of what we have submitted, but we cannot give consideration to the request in it since it has, to a certain extent, been anticipated.

President. — I have received from Mr Fuchs and Mr Klepsch, on behalf of the Christian-Democratic Group (EPP), a motion for a resolution (Doc. 380/78), with a request for an immediate vote pursuant to Rule 47 (5) of the Rules of Procedure, to wind up the debate on this oral question.

According to normal procedure, Parliament should decide on this request at the beginning of the next part-session. However, since the next part-session is to be devoted exclusively to the budget, this decision on an immediate vote could not be taken until 13 November 1978. I therefore propose that we refer this motion for a resolution to the appropriate committee, asking it to report in time to allow Parliament to take a decision at the November part-session.

President

I call Mr Fuchs.

Mr Fuchs. — (D) Mr President, I can agree with this procedure.

President. Are there any objections?

That is agreed.

The debate is closed.

*9. Safety and health in the steel industry
and the mines*

President. The next item is the report (Doc. 327/78) drawn up by Mr Ellis, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

sixth, seventh, eighth and ninth reports of the Steel Industry Safety and Health Commission, and the twelfth, thirteenth and fourteenth reports of the Mines Safety and Health Commission.

The rapporteur has stated that he does not wish to introduce his report orally.

I call Mrs Squarzialupi to speak on behalf of the Communist and Allies Group.

Mrs Squarzialupi. — (I) Mr President, we support Mr Ellis's report, in particular because of the way in which it emphasizes the need to enable the bodies responsible for safety and health in the steel industry and in the mines to do their work properly. On this depend the lives and welfare of thousands of workers who earn their living in the heaviest, most dangerous and most unhealthy production areas. I should like to point out that a large proportion of these workers, especially the miners, who are scattered about in the various Member States, are Italians and bear the marks on their bodies of a life spent in surroundings which are unhealthy, hazardous and insecure.

I should also like to remind you of the information given yesterday by Mr Porcu on the expectation of life of steel workers, which is that one in two die before reaching retirement age, according to the employers' own figures. It is up to the Commission, therefore, to see to the efficiency of these two health and safety organizations in full knowledge of the magnitude of the problem, which affects men whose contribution to society is to do the heaviest and most dangerous work. The invitation, embodied in the report, to devote more time and attention to health questions, especially the problem of dust, must be accepted as a political and social duty, because more and more people are being killed by dust. This calls for preventive measures to be put into operation, an idea which as a result of the first and only meeting of Health Ministers, is now part of Community policy as well as that of the Member States.

The statistical data, prepared no doubt with great pains by the Safety and Health Commissions for the

Steel Industry and for Mines, should cease to be mere evidence of the state of affairs and should be springboards for action to reduce those figures year by year until they disappear and we achieve the correct balance between industrial production and people's health.

In connection with the proposal that a colloquy with the steel industry safety and health authorities should be organized next year, the view has been expressed in some quarters, including the Italian Government, that the colloquy should take place in the more distant future, in view of the process of restructuration which will be carried out in the Community's steel industry during the next few years. We believe, however, that while restructuration must undoubtedly deal with the economic problems and the problems of employment, it must at the same time take account of the effects which production in this industry has on the safety and health of the workers and on the preservation of the environment. There can be no redistribution of resources unless its ultimate objectives include not only production, revenue and employment but also the well-being of those who work in these industries and healthy surroundings for them, so as to improve the quality of life for all concerned.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, the Commission would like to thank the rapporteur, Parliament and the Committee on the Environment, Public Health and Consumer Protection for the interest they show in the work of the two organizations and for the constructive views expressed concerning them. I assure Mrs Squarzialupi, whose contribution to the debate was very helpful, that the Commission is conscious of the human and social factors to which the steel industry's safety and health commission must pay attention in its work, and we shall devote ourselves to enabling both these commissions to do their work effectually.

With regard to paragraph 5 of the resolution, asking for a colloquy of the Steel Industry Safety and Health Commission to be arranged for 1979, I should like to inform you that a date has been fixed for the meeting of this body: it will be held in Luxembourg on 8 and 9 November 1978. We propose to invite those representatives from Parliament who may be interested to attend.

As regards paragraph 9 of the resolution, which calls on this body to report, in its next annual report, on the various studies carried out or being carried out, I can give an assurance that in an early report the Commission will not fail to refer to the various studies being carried out, in particular those on the value of the figures on accidents. On behalf of the Commission, I assure you that we attach great importance to

Natali

these studies, which will constitute the foundation of a better prevention policy for this sector in the future.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — as it stands — at the end of the sitting.

The debate is closed.

10. Regulation on the carriage of goods by road

President. — The next item is the report (Doc. 321/78) drawn up by Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the

proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States.

I call Mr Seefeld.

Mr Seefeld, deputy rapporteur. — (D) Mr President, ladies and gentlemen, Mr Albers apologizes for his absence; unfortunately he cannot be here this morning. I have therefore agreed to make a few comments on his report.

The report was unanimously approved by the Committee on Regional Policy, Regional Planning and Transport, and those who serve on that committee know that the subject is by no means new. If I had to give it a title I could say 'Every year it comes again', because as Mr Albers has said in his report, our committee in the European Parliament has had to give its views on the regulation governing Community authorizations no fewer than seven times. On behalf of all the members who serve on the committee, may I say how disappointed we are about the way in which the proposals of the European Parliament have been treated in the past. I would recall that, already last year, this House protested energetically at the way in which Community quota questions were treated in the Council of Ministers. Our words were sharp but it was to no purpose, for the Council of Ministers took no account of our proposal when it came to deal with the whole question.

In his report, Mr Albers comes to a number of conclusions, which are set down in the motion for a resolution, and he points out that we in the responsible committee consider that it is essential for the Community quota to be doubled for 1979. At this point I would like to quote from the report. Mr Albers says that, given the widespread use made of Community authorizations in recent years and the increased demand for transport between the Member States resulting from the growth in trade within the Community, we can only come to the conclusion that the 20 % increase proposed by the Commission cannot be agreed. We are therefore critical of the Commission in our motion for a resolution and deplore the

fact that the Commission has not proposed that the Community quota be doubled for the following calendar year — as it did in 1975 and 1977 — but has limited the 1979 increase to 20 %.

Mr President, ladies and gentlemen, it would be going too far if I were to cover every detail. I would refer those who are interested to Mr Albers' report and in particular to that section of his explanatory statement in which he deals with the way the Community quota system came into being and developed. I am very grateful that he has given such a clear explanation of the whole problem in his report so that those who want to delve more deeply into the subject and become a little more knowledgeable about it can do so.

In our motion for a resolution, we make the point that what is now proposed, in particular the Council's attitude, is unacceptable. For this reason we have proposed a new regulation in which we make it clear, first of all, that we still want the Community quota to be doubled for 1979. Next we say that whenever in the future, through lack of agreement in the Council, no solution can be arrived at for revising the Community quota, we want the number of authorizations to be automatically increased by 25 % each time if the Council has not reached a decision by the end of November of the preceding year. The intention here is to bring greater pressure to bear on the Council to find answers and make better proposals.

Mr President, if I may, I would like to let these few comments suffice. I would refer once again to the fact that the motion for a resolution put before you today presented no problems in committee but was approved by the members of all groups. Therefore all that is left for me to do, on behalf of Mr Albers, is to ask you to vote for his report.

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

Mr Fuchs. — (D) Mr President, ladies and gentlemen, on behalf of the Christian-Democratic Group, I would like to thank Mr Albers for this very clear and crisp report.

We too, are very disappointed at the extremely restrictive attitude of the Council in this question, which, nevertheless, ought to be a part of our common transport policy.

When you think that the 20 % increase for 1978 does not even cover the increase in traffic, that the Community quota is equivalent to only 3 % of the total volume of traffic, that the authorizations granted have in fact been very intensively used and have therefore shown themselves to be necessary, and that the Commission's present proposal for a 20 % increase does not even keep pace with development, then I feel we cannot fail to agree that there should be a 100 % increase and that, if the Council has not

Fuchs

shown itself to be capable of action by November in any year then the quota should be increased automatically by a further 25 %, a request already made once before by the Commission.

Perhaps a quotation from the responsible Commissioner may throw particular light on the situation. On 17 November 1977, Mr Burke himself said that for three years — 1975, 1976 and 1977 — the extent of the Community quota remained unchanged whereas trade between the Member States increased by more than 30 %. That is say, the share of trade covered by the common transport policy, the Community quota, regrettably decreased so that we not only made no progress, but in fact backpedalled.

On the other hand, I must add that we should beware of simplifying things. We should be wrong simply to disregard the objections made by the governments of some Member States and by the representatives of trade associations. We should treat their concern with the seriousness it deserves. But they — the governments and the representatives of trade associations — should on their side consider that it is precisely through an increase in the Community quota that a much needed pressure may be exerted for the purpose of harmonizing social requirements and competitive conditions and also harmonizing taxes on road haulage.

I would like to stress particularly that it is only if resolute progress is made in the harmonization of these very matters that an increase of the quota to a really significant extent can, in the long run, be justified and carried through, and this, in the end, is what counts. Only then will the reluctant attitude of certain Member States be overcome.

I would once again stress the fact that the Christian-Democratic Group considers it would be wrong to do absolutely nothing because of these thoroughly understandable objections, since an attitude of this kind brings the whole transport policy to a standstill, a phenomenon which — unfortunately — we repeatedly witness. And because this is the way things are done, we cannot boast of any progress.

Here, I feel, only one thing will help, and that is to set aside understandable objections and really take a step forwards, not forgetting to follow with the other foot — I am thinking of the harmonization of conditions — so that we recover our balance in preparation for a further step forward. This is the method we should use. In my view, the proposal put forward by the Committee for Regional Policy, Regional Planning and Transport is a step in the right direction, and I would therefore ask that the whole Parliament voice this view.

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

Mr Jung. — (*D*) Mr President, ladies and gentlemen, Mr Seefeld introduced the problem with the Christmas

carol 'Every year it comes again'. I would like to support this and repeat what Mr Fuchs has just said, which is that doubling the quota — as was again asked for unanimously by the committee and in Parliament — would exert effective pressure in the direction of harmonizing the terms of competition.

I feel that really, Mr Fuchs, the reverse would be right, because, normally speaking, any logically-thinking man looking into this subject must surely assume that the bureaucracy is in a position to create first of all those terms of competition that would make complete liberalization possible in this matter. We are all in favour of that and therefore I would like to say, somewhat differently from the speakers who have preceded me, that I have to agree with the general trend of this proposal because it is a step in the direction of removing bilateral quotas and also in the direction that we all want — namely, an increase in Community authorizations. But for me the real question is whether this is already the time for such decisions, and here I believe that what Mr Fuchs has just said is important. We must once again look for new ways of finally obliging those who are responsible to create the necessary conditions so that such decisions can be converted into reality. It would have been possible long ago to make a start on harmonization: I know how difficult this business is, and that nothing is being done in this regard.

We all know, ladies and gentlemen, that the road network in Europe is overloaded. This applies to an even greater extent in the so-called transit countries. Those of us who have spoken here are members of the German Bundestag, and the Federal Republic is one such transit country. For that reason alone it would be a good thing to begin discussions on how to utilize fully the capacity of other transport facilities, particularly the railways, of course, say by promoting combined transport, including the piggyback system, because the infrastructure problems that already exist and are in prospect in Europe compel us, if not to prevent, then at least to control unlimited growth in heavy road-freight traffic.

Nor should we forget the environmental problems that arise in this connection. We all know that broad sections of the population are increasingly up in arms about the damage caused to the landscape by road-building and are demanding protection from noise, exhaust gas, and so on.

The very important point I made earlier, which also plays a part here and, at least today, argues against any increase in the Community quota, is the lack of harmonization of the terms of competition within the road-haulage industry in the various Member States and also between the various modes of transport. Here the main lack is, again, that of effective Community regulations for the technical, physical and social fields,

Jung

and yet these are vital prerequisites for the measures proposed by the Commission for increasing the Community quota.

To sum up, therefore, I would like to say that it is certainly reasonable to support the general trend of the Commission's proposal, but it would be better to have what we all jointly demand, namely, the doubling of the quota each year so that full liberalization is more quickly attained. The proposal can thus be regarded as a step in the direction of this ideal state. It is a pity that the necessary conditions for this are still absent.

I would therefore at this juncture make another appeal to the Council and to those who bear direct responsibility, at last to make some progress in the other field, namely, the harmonization of the terms of competition, so that we may approach the ideal as quickly as possible and really push home our request for the quota to be doubled the next time.

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

Mr Nyborg. — (DK) Mr President, I am sorry that Mr Albers cannot be with us at the Friday Club. Not because I think Mr Seefeld has presented the report badly — he did it admirably — but because this week in Strasbourg has been quite an Albers festival, and it is therefore a pity that he is not here for the end.

(Laughter)

I am glad that many of our German colleagues have taken the floor in this debate, and I shall explain why later.

Three percent of all international road transport in the Community is effected on the basis of Community authorizations, and we can all agree that there far too few of them. We must therefore follow the path advocated by Mr Albers in his report and supported by my colleagues here. The Commission proposal, which recommends a 20 % increase in the number of authorizations, suggests that the Commission has become completely dispirited, perhaps out of a misguided sense of what it can get the Council to agree to by way of increased authorizations. The Group of European Progressive Democrats therefore supports the proposal to double the Community quota for 1979.

As has just been said, the main purpose of a road transport policy should continue to be complete liberalization of the carriage of goods by road, and the sooner the better.

Even though we double the quota for 1979 we must not forget that quotas — at Community level and in bilateral agreements — create an unacceptable and unnecessary amount of paperwork for carriers and are an enormous waste of time. But until the carriage of goods by road is completely liberalized, the Group of

European Progressive Democrats has nothing against taking the use made of Community authorizations as the basis for granting additional authorizations in the future. A utilization rate based on tons transported per kilometer would be a realistic criterium, since it would show how great the need is for more transport authorizations.

In view of the unemployment situation, we must control cost increases if we are to remain competitive on the world market. It is therefore very peculiar that the Council is not more flexible and cooperative as regards the transport sector.

What is most surprising, however, is that West Germany the country normally most economic-minded and reluctant to increase costs in order to control inflation is the one that is putting most obstacles in the way of a sound and rational development in the transport of goods by road. It is therefore up to you, my dear German colleagues, to put pressure on your government to get things running more smoothly.

In view of the Council's slowness and reluctance to increase the Community quota of transport authorizations, it is very much to the point that the report proposes an automatic increase of 25 % if the Council fails to take a decision.

On behalf of the Group of European Progressive Democrats, I therefore recommend adoption of the motion for a resolution, which represents a step towards liberalization of the transport market.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, I am very sorry to strike a discordant note in this cosy little sitting of ours, but even though there are only a few of us here it is very probably a good thing to hear a different opinion. I must say that Mr Albers' excellent report describes very clearly and fully the prehistory, development and many advantages of the Community quota. Mr Seefeld, taking the rapporteur's place with great competence, amplified the written report and the Members who have spoken have each added their contribution to the motion for a resolution before us.

I certainly cannot dwell on every single point, but I would like to explain the reasons for the Commission's somewhat timid approach — criticized in the report and referred to particularly in this debate — in its proposals for increasing the Community quota for 1979.

For 1978, the Community quota was, as you know, 2 835 authorizations. For 1979, we propose an increase of 20 %, and I must say that this percentage was arrived at taking into account growth in trade and the use made of Community authorizations.

Natali

The point has been made that the Commission had proposed an increase of 100 % for the last two years, and even that provoked allegations of timidity and inconsistency. I would therefore like to explain that, in refraining from proposing a 100 % increase this year, we took into account the unofficial position of the various Member States with regard to a new increase in the quota and also the fact that the Commission itself recently submitted a proposal to the Council for a regulation regarding capacity adjustment for road freight transport for hire or reward within the Member States.

This regulation proposed that the system of bilateral agreements currently in force be regulated and adapted to developments in trade and to the requirements of Community integration on the basis of uniform criteria.

I would also like to point out that, as far as the use of Community authorizations is concerned, the Commission is planning shortly to propose measures to the Council giving the Member States the right to convert part of their Community authorizations valid for one year into a certain number of Community authorizations of limited duration.

Next, there is the proposal to the effect that there should be an automatic 25 % increase in the volume of the Community quota should the Council not have taken a decision by a certain date. It is recalled that a similar provision was asked for by the Commission, or rather was put forward by the Commission in an earlier proposal. It is also recalled that the Council turned this proposal down. We have not reintroduced it because the present regulation would put the Council under the obligation of deciding every year on any increase in the volume of the Community quota, and this is an obligation that did not exist in the earlier rules.

On page 15 of the report, the rapporteur says he can understand the attitude of the Commission, although he then goes on to say that this Assembly cannot agree with it. I would like to appeal to your understanding. I believe that it is realized — in the end — that the timidity for which the Commission is criticized has its object, and that is to put an end to the bargaining that happens regularly in the Council whenever an increase in the Community quota is under discussion. This time, by presenting a proposal based on real data, the Commission hopes that the Council will approve the proposal without this kind of bargaining.

Lastly, I hope that circumstances will be such as to enable us soon to put forward proposals, with good prospects of success, designed to increase the Community quota to a level corresponding to 20 years of the Common Market.

These, Mr President and ladies and gentlemen, are the reasons why the Commission, whilst understanding

the concerns of the rapporteur and Members of Parliament, hopes that its proposal will have your approval in the terms in which the Commission has formulated it.

President. — I call Mr Nyborg.

Mr Nyborg. (DK) Mr President, I know that unfortunately we are not allowed to reopen a debate, but I would just like to say that I have seldom heard anything as incoherent, unconvincing and weak from the Commission as on this occasion.

I do not understand how the Commission has had the courage to put forward such a miserable proposal and give such a poor explanation as this without first consulting the parliamentary committee responsible, which, year after year, has called for liberalization or at least a doubling of transport authorizations.

It is beyond me!

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — as it stands — at the end of the sitting.

The debate is closed.

11. *Regulation on transport by rail, road and inland waterway*

President. — The next item is the report without debate (Doc. 322/78) drawn up by Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the

proposal from the Commission to the Council for a regulation amending

— Regulation (EEC) No 1191/69, on action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway, and

— Regulation (EEC) No 1107/70, on the granting of aids for transport by rail, road and inland waterway.

I note that no one wishes to speak. The motion for a resolution will be put to the vote — as it stands — at the end of the sitting.

12. *The sentencing of Tunisian trade-unionists*

President. — The next item is the motion for a resolution (Doc. 379/78) tabled by Mr Sieglerschmidt, Mr Lezzi, Mr Ajello, Mr Holst and Lord Kennet, on behalf of the Socialist Group by Mr Bertrand, Mr Bersani and Mr Jahn, on behalf of the Christian-Democratic Group (EPP); and by Mr Bordu and Mr Sandri, on behalf of the Communist and Allies Group, on the sentencing of Tunisian trade-unionists.

I call Mr Amadei.

Mr Amadei. — (I) Mr President, ladies and gentlemen, the grave events in Tunisia are known to all, because they have been condemned by the democ-

Amadei

raphic press throughout the world and follow with disgust by the whole of public opinion. I do not therefore feel that, at this hour, there is any cause to waste the time of this Assembly — which Mr Nyborg has called the Friday Club by describing those events in detail.

I would just like to recall that a strike organized in Tunis has, according to the official figures, resulted in 40 dead, 325 injured, 30 trade-unionists imprisoned and 10 years of hard labour for the organizers. The object of the motion for a resolution is that the rulers of Tunisia should understand that you cannot arrest, torture, condemn and kill people in any civilized country for political reasons. It is time that international pressure, appeals from the trade-union and political organizations of democratic Europe, and action by the International Federation of Journalists, which has 86 000 members, have achieved some result: the demand for the death penalty for all the accused has been withdrawn by the Minister for Public Affairs.

But that is not enough.

Trade-union freedom, the freedom of association and the freedom of the press must be safeguarded in Tunisia. We have to demand that the accused be afforded the guarantees provided by the Constitution and the code of penal procedure. In addition, we must denounce and condemn the torture that resulted in one of the accused having a leg paralysed and another all his teeth torn out during interrogation. It seems to me that the cost of being a trade-unionist in Tunisia is a little too high.

Tunisia is a country that says it allows trade-union freedom, but it is not prepared to tolerate the consequences of that freedom. Those who think they can put an end to social conflicts by recourse to arms and imprisoning trade-unionists are wrong. I do not know whether the old, tired and sick Bourghiba, prisoner in the Palace of Carthage, is aware of the accusations levelled at the Government by Habib Achour, leader of the General Union of Tunisian Workers, sentenced the other night, after 12 hours of council debate, to 10 years hard labour. After claiming he had even been prevented from being defended by his lawyers. Habib Achour reminded Bourghiba, his comrade-in-arms, that the colonialists has behaved better to him when he had appeared in court as an old militant fighting for the cause of Tunisian independence.

I do not know, Mr President, whether Boughiba knows this, but if his illness allows him to live a little longer, we will certainly one day find out that the sentence of 10 years' hard labour has helped to make Habib Achour the best loved and most popular personality in Tunisia and the figurehead of all the malcontents.

This is why we ask the Ministers for Foreign Affairs, meeting in political cooperation, to take all the neces-

ary diplomatic steps to secure the immediate release of Achour and Ghorbal, secretary of the General Union of Tunisian Workers in Sfax, and the release of all the imprisoned trade-unionists. If Bourghiba does not do this, then that means that a dictatorship is now installed in Tunisia and that there is no turning back.

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

Mr Sandri. — (*I*) Mr President, since I fully support what Mr Amadei, the preceding speaker, has said, I do not propose to speak, but declare that my Group will vote in favour of this motion for a resolution.

President. — I call Mr Porcu.

Mr Porcu. — (*F*) Mr President, once again we are faced with a case of violation of human rights. The sentence passed by the judges of the Court of State Security in Tunis does not put an end to the scandal of the arbitrary imprisonment of the leaders of the General Union of Tunisian Workers, who have been given heavy sentences just because of their desire to represent the democratic aspirations of their people. We know that Habib Achour, General Secretary of the UGTT, and the other trade-unionists sentenced in Tunis have filed an appeal. The Court of State Security is to give its verdict within seven days, and this time-limit gives its full significance to the request for an approval of urgent debate. As we had occasion to say yesterday on another, there can be no exception when it comes to defending human rights. Habib Achour and his innocent friends must be released immediately. This is why, on behalf of my group, I ask Parliament to approve the motion for a resolution.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (*I*) Mr President, the ICFTU and the ETUC have repeatedly drawn the Commission's attention to the prosecutions in Tunisia, firstly at the end of August and, more recently, early in October, when the death penalty was demanded during the case against the 30 trade-unionists. The Commission told the CES how concerned it was about this serious situation. During an official visit to Tunis on 22 and 23 September, Mr Cheysson spoke personally and on behalf of the Commission to Prime Minister Nuira at a private meeting with him. At the time, Mr Cheysson referred to the profound impression and surprise caused in Europe in so far as, up to then, trade-unionists had been free to play their part in Tunisia and that this country, in the view of many Europeans, could be quoted as a model of democracy.

The Prime Minister stressed the independence of the judiciary and stated his determination to see that the matter was treated in just and fair conditions and in normal open court. He also said he hoped for a

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lenient verdict. Whilst deploring the exceptional legal procedures that were used, the Commission does observe that, in fact, the verdict was more lenient than might have been feared. It is not up to the Commission to transmit the resolution of the European Parliament officially to the Tunisian authorities, but the European Parliament may be sure that the Commission will draw on its content in the many personal contacts it maintains with Tunis.

President. — I note that one else wishes to speak. The motion for a resolution will be put to the vote — as it stands — at the end of the sitting.

The debate is closed.

13. *Stateless money*

President. — The next item is the Oral Question, without debate (Doc. 341/78), by Mr Van Aerssen and Mr Aigner to the Commission :

Subject : Stateless money

The President of the US Federal Reserve Board recently expressed his concern at the 'existence of stateless money', a concern which is shared by many monetary experts in Europe. The danger which the 'Euro-market monetary merry-go-round' and the high amounts of money involved, is that it might undermine the mechanisms of national monetary policy and also jeopardize a harmonized European monetary policy.

1. Does the Commission share the view that instruments must be developed to enable the central banks to exercise some control over the growth of this market ?
2. Does the Commission support the demand that the Eurobanks should be obliged to maintain minimum reserves against liabilities and claims ?
3. Should there not be coordinated cooperation between the central banks of the Member States and other major countries ?
4. In what ways is the Commission supporting efforts of individual national banks to submit 'stateless money' to the rule of modern monetary policy by means of voluntary agreements and arrangements ?

I call Mr van Aerssen.

Mr van Aerssen. — (D) Mr President, ladies and gentlemen, it is not the intention of the questioner to mount a major debate on this question : we merely want to receive a first and brief reply from the Commission on one of the most difficult subjects of modern monetary policy. We know the kind of sums that are involved in these markets and we know how this money can be used to speculate against currencies. We also know that the weakness of the dollar in recent months also has something to do with the money movements on these markets. We feel that, alongside the intensive discussion on the subject of economic and monetary union in the European Communities, a very careful watch should also be kept on this market.

Our question to the Commission is firstly, therefore : does the Commission share our view and concern ? Is it analysing the problems ? Secondly : is it prepared to look into things in the ways suggested by the questions that are put ? We know that we do not have any patent cures for these problems at the moment, but we want to know whether the Commission is ready, with us, to extend the instruments of modern monetary policy to these markets in order to take into account the misgivings that have also been expressed by Mr Miller, President of the Schatzbank.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, the existence of the increased amount of stateless money stems, among other things, from the free movement of capital and the return to external convertibility of the currencies of industrialized countries. This had led to an unprecedented growth in trade, a subject that has already been fully discussed and on which there is no cause to dwell further.

The Euro-markets, from this standpoint, have made a noteworthy contribution in recent years towards financing the deficit in the balance of payments of the developing and oil-importing countries. The Community itself has had recourse to these markets for Community loans, and a number of governments and central banks deposit a substantial proportion of their reserves with them.

It is certainly desirable, Mr Aerssen — and here I am replying to your first question — to try to bring about greater control by the central banks of what happens on the Euro-markets whilst guaranteeing in satisfactory conditions the financing of world trade and the recycling of capital. The Commission feels that it is wise, particularly from the standpoint of bank control, to support forces whose purpose is to prevent the banks assuming risks on their own which could threaten their solvency and the interests of their depositors. The usefulness of establishing minimum reserves for banks' external debits and credits should be measured against these principles. In addition, to be effective, such measures would have to be applied in all countries where there are major financial centres operating in Euro-currencies.

Coordinated cooperation between the central banks of the Member States and other major countries is necessary to limit the dangers to which individual banks may expose themselves because of their international transactions. The Commission is glad to be able to state that such cooperation, both among central banks and among the authorities concerned with bank control, is already being built up both inside the Community and on a broader international scale, more particularly in the Group of Ten.

The Commission intends to promote and facilitate cooperation within the Community through the coor-

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dination of legislation regarding bank control. Lastly, the Commission feels that the main task for modern monetary policy is to fight against monetary erosion by keeping a tight rein on internal credit and the money supply in order to re-establish internal and external equilibrium. It views with favour efforts to promote and coordinate the use of instruments to maintain confidence in the money markets and in credit.

From this standpoint, the exchange of information on international risks between banks and their control authorities on the one hand and among the various control authorities on the others is of vital importance. This exchange of information can be facilitated by coordinated action on the part of the Member States or by appropriate specific agreements pending the advent of such general coordination.

President. — This item is concluded.

14. *Votes*

President. — The next item comprises the votes on motions for resolutions on which the debate has closed.

We shall begin with the motion for a resolution contained in the *Damseaux report (Doc. 344/78): Seventh report on competition policy.*

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, I have Amendment No 2 by Mr Spinelli, rewording this paragraph as follows :

1. Reaffirms that competition policy plays a fundamental part in the proper functioning of the market, but that it must be placed within the framework of an overall Community economic policy designed to overcome the crisis, promote harmonious regional development and limit the excessive powers of large undertakings in dominant positions ;

The opinion given by the rapporteur yesterday was unfavourable.

I put the amendment to the vote.

Amendment No 2 is rejected.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

I put paragraphs 2 to 7 to the vote.

Paragraphs 2 to 7 are adopted.

On paragraph 8, I have Amendment No 1 by Mr Nyborg, calling for the deletion of the words :

- ... and calls on the Commission to submit to it proposals for a new procedure by 30 June 1979 at the latest.

I put the amendment to the vote.

Amendment No 1 is adopted.

I put paragraph 8, thus amended, to the vote.

Paragraph 8, thus amended, is adopted.

I put paragraphs 9 to 13 to the vote.

Paragraphs 9 to 13 are adopted.

On paragraph 14, I have Amendment No 3 by Mr Spinelli, calling for the following to be added at the end of this paragraph :

14. ... with which they have to deal, considering them in the light of the general economic objectives of the Community ;

The opinion given by the rapporteur yesterday was neither for nor against.

I put the amendment to the vote.

Amendment No 3 is adopted.

I put paragraph 14, thus amended, to the vote.

Paragraph 14, thus amended, is adopted.

I put paragraphs 15 and 16 to the vote.

Paragraphs 15 and 16 are adopted.

On paragraph 17, I have Amendment No 4, by Mr Spinelli, calling for this paragraph to read as follows :

17. Recalls that multinational companies must pursue their activities within the framework of rules which, while avoiding discrimination against them, make them subject to obligations and controls to eliminate the possibility of abuses arising from their very nature as multinational companies ;

The opinion given by the rapporteur yesterday was unfavourable.

I put the amendment to the vote.

Amendment No 4 is rejected.

I put paragraph 17 to the vote.

Paragraph 17 is adopted.

I put paragraphs 18 to 20 to the vote.

Paragraphs 18 to 20 are adopted.

On paragraph 21, I have Amendment No 5, by Mr Spinelli, rewording this paragraph as follows :

21. Calls upon the Commission to submit urgently a proposal for a regulation based on Article 235 of the EEC-Treaty, on the subject of 'crisis cartels', laying down the circumstances and forms in which they are admissible and empowering the Commission to authorize them, lay down conditions and time-limits and dissolve them ;

The opinion given yesterday by the rapporteur was unfavourable.

I put the amendment to the vote.

Amendment No 5 is rejected.

I put paragraph 21 to the vote.

Paragraph 21 is adopted.

I put paragraph 22 to the vote.

Paragraph 22 is adopted.

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

President

The resolution is adopted.¹

President. — I put to the vote the *motion for a resolution (Doc. 319/78) tabled by Mr Blumenfeld and others: Air-traffic control.*

The resolution is adopted.¹

President. — I put to the vote the motion for a resolution contained in the *Ibrügger report (Doc. 348/78): Decision on the maintenance of standards on merchant ships.*

The resolution is adopted.¹

President. — I put to the vote the motion for a resolution contained in the *Ellis report (Doc. 327/78): Safety and health in the steel industry and the mines.*

The resolution is adopted.¹

President. — I put to the vote the motion for a resolution contained in the *Albers report (Doc. 321/78): Regulation on the carriage of goods by road.*

The resolution adopted.¹

President. — I put to the vote the motion for a resolution contained in the *Albers report (322/78): Regulation on transport by rail, road and inland waterway.*

The resolution is adopted.¹

President. — I put to the vote the *motion for a resolution tabled by Mr Sieglerschmidt and others (Doc. 379/78): Sentencing of Tunisian trade-unionists*¹

The resolution is adopted.

15. Dates and agenda for the next part-session

President. — There are no further items on the agenda. I thank the representatives of the Council and the Commission for their contributions to our proceedings.

The enlarged Bureau has proposed that Parliament should hold its next part-session from 23 to 25 October 1978 in Luxembourg.

Are there any objections?

That is agreed.

At its meeting of 12 October 1978, the enlarged Bureau drew up the following agenda for that part-session:

Monday, 23 October 1978, 5.30 p.m. to 10.15 p.m.

- Introduction of the report by Mr Ripamonti on behalf of the Committee on Budgets on Sections I, II, IV and V of the draft general budget for 1979,

— Introduction of the report by Mr Bangemann on behalf of the Committee on Budgets on the draft general budget of the European Communities for 1979

— Debate on the draft general budget for 1979

Tuesday, 24 October 1978, 9.00 a.m. to 1.00 p.m. and 2.30 p.m. to 6.00 p.m.

— Continuation of budget debate

Wednesday, 25 October 1978, 9.30 a.m.

— Introduction and discussion of the supplementary reports by the Committee on Budgets

10.00 a.m.

— Vote on the motion for a resolution contained in the Yeats report on the amendment of the Rules of Procedure of the European Parliament

— Votes on

— Sections I, II, IV and V of the draft general budget for 1979

— Draft amendments concerning appropriations in the Commission section of the draft budget

— Proposed modifications concerning appropriations in the Commission section of the draft budget

— the motions for resolutions contained in the Ripamonti and Bangemann report drawn up on behalf of the Committee on Budgets.

Are there any objections?

The agenda for the next part-session is agreed.

16. Organization of the budget debate

President. — At the same meeting, the enlarged Bureau decided, pursuant to Rule 28 of the Rules of Procedure, to allocate speaking-time in the debate on the budget as follows:

Total length of debate:	12 hours 30 minutes
Council and Commission:	75 minutes
General Rapporteur:	90 minutes
Rapporteur on Parliament's budget:	15 minutes
Draftsmen of opinions:	80 minutes
Socialist Group:	150 minutes
Christian-Democratic Group (EPP):	125 minutes
Liberal and Democratic Group:	60 minutes
European Conservative Group:	50 minutes
Communist and Allies Group:	50 minutes
Group of European Progressive Democrats:	45 minutes
Non-attached Members:	10 minutes

I would remind the House that, for adoption, proposed modifications must receive a majority of the votes cast and draft amendments must receive the votes of a majority of the current Members of Parliament.

¹ OJ C 261 of 6. 11. 1978.

President

Pursuant to Rule 54 (2) of the Rules of Procedure, the motion for a resolution contained in the report by Mr Yeats, on the amendment of Parliament's Rules of Procedure, requires the votes of a majority of the current Members of Parliament.

17. Approval of the minutes

President. — Pursuant to Rule 17 (2) of the Rules of Procedure, I am required to submit to Parliament for

its approval the minutes of proceedings of this sitting, which were compiled during the sitting.

Are there any comments?

18. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 11.15 a.m.)

