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Contents

Monday, 12 May 1975	1
Resumption of the session, p. 1 — Apologies, p. 1 — Authorization to draw up reports, p. 1 — Documents received, p. 2 — Statement by the President on transfers of appropriations within the 1975 budget, p. 4 — Decision on urgency of a debate and inclusion in the agenda, p. 4 — Order of business, p. 5 — Decision on urgency, p. 7 — Allocation of speaking-time, p. 7 — Amendment of the Statute of the European Investment Bank, p. 7 — Carrying forward of appropriations from the financial year 1974 to the financial year 1975, p. 10 — Agenda for the next sitting, p. 13.	
Tuesday, 13 May 1975	14
Approval of the minutes, p. 15 — Eleventh Report of the Mines Safety and Health Commission and Fifth Report of the Steel Industry Safety and Health Commission, p. 15 — Decision on interventions by the Social Fund for structural adjustment measures, p. 21 — Tabling of a motion for a resolution and reference to committee, p. 30 — Decision on the programme of pilot schemes to combat poverty, p. 32 — 1975 Information Programme, p. 34 — Directive on the pollution of water for bathing, p. 46 — Future rôle of Eurocontrol, p. 53 — Agenda for the next sitting, p. 57.	
Wednesday, 14 May 1975	58
Approval of the minutes, p. 60 — Documents received, p. 60 — Question Time, p. 61 — Council statement on the Lomé Convention, p. 68 — EEC-Israel Agreement, p. 69 — Welcome to Greek delegation, p. 78 — Oral Question with debate: General situation in the Mediterranean and the Middle East, p. 78 — Oral Questions with debate: Composition of the Consumers' Consultative Committee, p. 92 — Agenda for the next sitting, p. 98 — Formal sitting, p. 99 — Annex, p. 105.	

(Continued overleaf)

NOTE TO READER

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

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

(Continued)

Thursday, 15 May 1975 109

Approval of the minutes, p. 110 — Documents received, p. 110 — Presentation of a petition, p. 111 — Oral Question with debate: Economic discrimination against EEC nationals and firms by the countries of the Arab League, p. 111 — Regulation on the supply of milk fats as food aid, p. 118 — Oral Question with debate: Measures to aid the car industry—Oral Question with debate: Restructuring programme for the motor-vehicle production industry, p. 119 — Communication on problems of nuclear safety, and draft Council resolution, p. 131 — Directive on the commencement and conduct of the business of credit institutions, p. 140 — Decision empowering the Commission to issue Euratom loans, p. 147 — Regulations on Community tariff quotas for bulls, cows and heifers of certain mountain breeds, p. 155 — Decision on the establishment by Norway of trawler-free zones, p. 155 — Regulation on a Community tariff quota for apricot pulp from Israel, p. 158 — Regulations on farmyard poultry, ovalbumin and lactalbumin, slaughtered pigs and the scale for grading pig carcasses, p. 159 — Regulation on certain products processed from potatoes, p. 160 — Dates for the next part-session, p. 161 — Adjournment of the session, p. 161 — Approval of the minutes, p. 161.

Resolutions adopted at sittings of 12 to 15 May 1975 appear in the Official Journal of the European Communities C 128 of 9.6.1975.

SITTING OF MONDAY, 12 MAY 1975

Contents

<p>1. Resumption of session 1</p> <p>2. Apologies for absence 1</p> <p>3. Authorization to draw up reports 1</p> <p>4. Documents received 2</p> <p>5. Statement by the President on transfers of appropriations within the 1975 budget 4</p> <p>6. Decision on urgency of a debate and inclusion in the agenda: Mr Noè; Mr Seefeld; Mr Noè 4</p> <p>7. Order of business: Mr Scott-Hopkins; Mr Klepsch; Mr Laban; Mr Durieux, on behalf of the Liberal and Allies Group; Mr Kirk .. 5</p> <p>8. Decision on urgent procédure 7</p> <p>9. Allocation of speaking time 7</p> <p>10. Amendment of the Statute of the European Investment Bank — Debate on a report drawn up by Mr Gerlach on behalf of the Committee on Budgets (Doc. 502/74):</p>	<p>1</p> <p>1</p> <p>1</p> <p>2</p> <p>4</p> <p>4</p> <p>5</p> <p>7</p> <p>7</p> <p></p>	<p>Mr Gerlach, rapporteur 7</p> <p>Mr Cousté, on behalf of the Group of European Progressive Democrats; Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities; Mr Gerlach 8</p> <p>Consideration of the proposal for an amendment: Amendment to Article 4: Mr Gerlach 9</p> <p>Amendment to Article 7 10</p> <p>Adoption of resolution 10</p> <p>11. Carrying forward of appropriations from the financial year 1974 to the financial year 1975 — Debate on a report drawn up by Mr Shaw on behalf of the Committee on Budgets (Doc. 80/75): Mr Shaw, rapporteur 10</p> <p>Mr Giraud; Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities 12</p> <p>Adoption of resolution 13</p> <p>12. Agenda for next sitting 13</p>
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IN THE CHAIR: MR SPÉNALE

President

(The sitting was opened at 5.40 p.m.)

President. — The sitting is open.

1. Resumption of session

President. — I declare resumed the session of the European Parliament adjourned on 30 April 1975.

2. Apologies for absence

President. — Mr Baas and Mr Calewaert regret their inability to attend this part-session.

3. Authorization to draw up reports

President. — Pursuant to Rule 38 of the Rules of Procedure, I have authorized various committees at their own request to draw up the following reports:

President— *Committee on Economic and Monetary Affairs:*

Report on raw material supplies in the Community;

Asked for their opinions: Committee on External Economic Relations and Committee on Development and Cooperation.

— *Report on energy prices and the competitiveness of European industry;*

Asked for its opinion: Committee on Energy, Research and Technology.

— *Report on the customs union and achievement of the internal market;*

Asked for their opinions: Committee on Budgets and Committee on External Economic Relations.

— *Committee on Regional Policy and Transport:*

Report on the installation of safety windcreens in motor vehicles;

Asked for their opinions: Committee on Economic and Monetary Affairs and Committee on Public Health and the Environment.

— *Committee on Public Health and the Environment:*

Report on those sections of the Eighth General Report of the Commission on the activities of the European Communities falling within the committee's terms of reference.

— *Committee on Energy, Research and Technology:*

Report on the Communication from the Commission on guidelines for the electricity sector of the Community.

— *Committee on Cultural Affairs and Youth:*

Report on the information memorandum of the Commission of the European Communities on the allocation of grants to universities under Article 410 of the budget;

Asked for its opinion: Committee on Budgets.

— *Committee on External Economic Relations:*

Report on relations between the EEC and Iran;

Interim report on the Agreement between the European Community and the State of Israel;

Asked for their opinions for the final report: Political Affairs Committee, Committee on Agriculture and Associations Committee.

Supplementary report on the Community's position with regard to the forthcoming GATT multilateral trade negotiations;

Asked for their opinions: Committee on Agriculture, Committee on Economic and Monetary Affairs and Committee on Development and Cooperation.

— *Committee on Development and Cooperation:*

Report on the Communication from the Commission to the Council on the future development of the European Communities' generalized tariff preferences;

Asked for their opinions: Committee on External Economic Relations and Committee on Economic and Monetary Affairs.

Moreover the Bureau, pursuant to Rule 50 (1) of the Rules of Procedure and having regard to the report prepared by the Secretary-General, has decided to consult the Committee on Budgets on the first preliminary draft of the estimates of the European Parliament for 1976.

4. Documents received

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

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

— the proposal from the Commission of the European Communities to the Council for a decision on intervention by the European Social Fund to encourage structural adjustment measures (Doc. 73/75).

This document has been referred to the Committee on Social Affairs and Employment;

— the proposal from the Commission of the European Communities to the Council for a decision concerning the programme of pilot schemes and studies to combat poverty (Doc. 76/75).

This document has been referred to the Committee on Social Affairs and Employment;

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

I. a regulation opening, allocating and providing for the administration of a Community tariff quota for the products falling within subheading 22.09 C I of the Common Customs Tariff, originating in the ACP states

II. a regulation relating to the arrangements applicable to certain agricultural and

President

processed agricultural products originating in the African, Caribbean and Pacific States (or in the Overseas Countries and Territories)

(Doc. 81/75).

This document has been referred to the Committee on Development and Cooperation as the committee responsible and to the Committee on Agriculture and the Committee on External Economic Relations for their opinions;

- the proposal from the Commission of the European Communities to the Council for a decision on measures against foot-and-mouth disease (Doc. 82/75).

This document has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Public Health and the Environment and the Committee on Budgets for their opinions;

- the proposal from the Commission of the European Communities to the Council for a decision on common and coordinated research programmes in the fields of animal leucoses, live-stock effluence, beef production and plant protein production (Doc. 86/75).

This document has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Public Health and the Environment and the Committee on Budgets for their opinions;

- the proposal from the Commission of the European Communities to the Council for a regulation on the conclusion of the additional protocol to the Agreement establishing an Association between the European Economic Community and Greece consequent on the accession of new Member States to the Community (Doc. 87/75).

This document has been referred to the Associations Committee as the committee responsible and to the Committee on External Economic Relations for its opinion;

- (b) a motion for a resolution, tabled by Mr Fellermaier on behalf of the Socialist Group, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the future role of Euro-control (Doc. 83/75);

(c) the following oral questions:

- oral questions by Mr Normanton, Mr Bordu, Mr Hougardy, Mr Fellermaier, Mr Leenhardt, Mr Durieux, Mr Cousté, Mr Radoux, Mr Broeksz, Mr Krall, Mr McDonald, Mr Scott-Hopkins, Mr Kirk, Mr Howell, Lord Bethell,

Mr Dykes, Mrs Kellett-Bowman, Lord St. Oswald and Mr Osborn to the Commission, pursuant to Rule 47A of the Rules of Procedure, for Question Time on 14 May 1975 (Doc. 84/75).

- oral question with debate by Mr Durand, Mr Durieux, Mr Premoli, Mr Emile Muller and Mr Pianta to the Commission on the situation on the Community beef and veal market (Doc. 85/75);

(d) from the committees, the following reports:

- report by Mr Alfred Bertrand on behalf of the Committee on Social Affairs and Employment on the proposal from the Commission of the European Communities to the Council (Doc. 73/75) for a decision on intervention by the European Social Fund to encourage structural adjustment measures (Doc. 74/75);

- report by Mr Pierre Bourdelles on behalf of the Committee on Agriculture on the proposals from the Commission of the European Communities to the Council (Doc. 531/74) for

I. a regulation on the production and marketing of eggs for hatching and of farmyard poultry chicks

II. a regulation on the common system of trade for ovalbumin and lactoalbumin

III. a regulation fixing the basic price and the standard quality for slaughtered pigs for the period from 1 November 1974 to 31 October 1975

IV. a regulation determining the Community scale for grading pig carcasses

(Doc. 75/75);

- supplementary report by Mr Willi Dondelinger on behalf of the Committee on Social Affairs and Employment on the proposals from the Commission of the European Communities to the Council (Doc. 76/75) for a decision concerning the programme of pilot schemes and studies to combat poverty (Doc. 77/75);

- report by Mrs Elisabeth Orth on behalf of the Committee on Public Health and the Environment on the Eleventh Report of the Mines Safety and Health Commission and the Fifth Report of the Steel Industry Safety and Health Commission (Doc. 78/75);

- report by Mr Linus Memmel on behalf of the Committee on Energy, Research and Technology on the proposal from the Commission of the European Communities to the

President

Council (Doc. 480/74) for a decision empowering the Commission to issue Euratom loans with a view to a Community contribution towards the financing of nuclear power stations (Doc. 79/75);

- report by Mr Michael Shaw on behalf of the Committee on Budgets on the initial list of requests to carry forward appropriations from the financial year 1974 to the financial year 1975 (appropriations not carried forward automatically) (Doc. 80/75).

5. Statement by the President on transfers of appropriations within the 1975 budget

President. — I have informed the Council of the European Communities that in spite of certain reservations, the Committee on Budgets has delivered a favourable opinion on three proposals for the transfer of appropriations from one chapter to another in Section III—Commission—of the general budget of the European Communities for the financial year 1975 (Doc. 39/75).

6. Decision on urgency of a debate and inclusion in the agenda

President. — I have received from Mr Fellermaier, on behalf of the Socialist Group, a motion for a resolution on the future role of Eurocontrol, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure.

I consult Parliament on the adoption of urgent procedure.

I call Mr Noè.

Mr Noè. — (I) Mr President, at its last meeting the Committee on Regional Policy and Transport looked at this problem only from a very general point of view and did not discuss the matter in any depth. Such a discussion has not been possible up until now because, to give an example, when I turned to IATA in Geneva for information, I was informed that they could not give it to me and that I should have asked Montreal. I would therefore like to ask the House to refer the matter back to committee for further consideration.

President. — I call Mr Seefeld.

Mr Seefeld. — (D) Mr Noè is very right to point out that the matter had not been gone into in depth until now, so that it is all the more important that we have urgent procedure, for the following reason:

On 14 May, the same week as this part-session, there will be a meeting in Brussels of the Eurocontrol Standing Committee, which will reach a decision on the basis of a progress report. We are all very concerned that the decision on that date might go against Eurocontrol. The European Parliament should therefore, Mr President, do all it can to appeal to the ministers to prevent the sacrifice of such a progressive and European-directed institution as Eurocontrol.

We could proceed as follows, Mr Noè: Parliament agrees here and now to adopt a resolution. Subsequently, we can deal with a whole series of details together in the Committee on Regional Policy and Transport.

Mr President, my group is extremely concerned that there may be a decision against Eurocontrol on 14 May. In our capacity as European Parliament we should all speak out today or tomorrow, and certainly before 14 May, in favour of Eurocontrol.

(Applause)

President. — I call Mr Noè.

Mr Noè. — (I) Mr President, I can accept the idea of a general resolution in which we would show our general interest in the matter, but I am opposed to any move on our part to make a detailed judgment of the case. I think I am one of the few people to have visited Eurocontrol two years ago when the report on air navigation was being discussed. But the matter was dealt with at the time only very cursorily. I therefore agree to a general declaration but not to a detailed statement of position which would be based on insufficient information. We can however adopt the compromise put forward by my honourable friend Mr Seefeld just now for a general declaration of our concern for this matter, so as not to ignore it, and in the meantime we can undertake to consider the problem in more depth at the committee's next meeting in two weeks time.

President. — Mr Noè and Mr Seefeld seem to agree, so I consult Parliament on the adoption of urgent procedure.

Are there any objections?

The adoption of urgent procedure is agreed.

In accordance with the author's request, I propose entering this item at the end of the agenda for tomorrow, Tuesday.

Are there any objections?

That is agreed.

7. Order of business

President. — May I point out that the agenda for this part-session was adopted at the end of the sitting of 30 April 1975.

However, since they were not adopted in committee, the reports by Mr Aigner on the ECSC Auditor's report for 1973 and the report by Mr Jahn on an inventory of sources of information on the environment have been withdrawn from the agenda.

Moreover, during the last part-session, Mr Durand and others tabled an oral question with debate to the Commission of the European Communities on the situation on the Community beef and veal market with request that it be included in the agenda of this part-session.

Are there any objections?

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Admittedly, the subject of beef is always important and Parliament should take great interest in any matter that affects beef farmers. However, we had a full debate on this subject on the last day of the part-session in Luxembourg. Therefore, it seems strange that the matter should be raised again now, when, so far as I know, nothing particularly new on the subject of beef has occurred in the last ten days. I cannot see the urgency or, indeed, the need for this question to be raised again now.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, on behalf of the Committee on External Economic Relations, I should like to announce two further reports.

The first relates to the matter just dealt with. That is, the Baas report on bulls, cows and heifers of certain mountain breeds, which was referred back to committee the last time. I should like to ask to have this report entered on Thursday's agenda. That will perhaps simplify the discussion of the point just raised.

We also propose including an interim report on the trade agreement with Israel on the Wednesday agenda.

These are the two proposals I wish to submit on behalf of the Committee on External Economic Relations.

President. — I call Mr Laban.

Mr Laban. — (NL) On behalf of the Socialist Group may I firmly support the view of Mr

Scott-Hopkins on behalf of the European Conservative Group, namely that the beef situation should not be discussed yet again at this part-session.

President. — I propose to enter the debate on the trade agreement with Israel on the agenda for Wednesday, 14 May, immediately after the end of Question Time.

Mr Klepsch has requested that the report by Mr Baas on certain bulls, cows and heifers of certain mountain breeds be entered on the agenda for Thursday. I propose putting it before Mr Knud Thomsen's report, i.e. when the Commissioner responsible is present.

With regard to the oral question tabled by Mr Durand, Mr Durieux and others on the situation on the Community beef and veal market, I ask the Liberal and Allies Group whether, in view of the objections raised by Mr Scott-Hopkins and Mr Laban, they wish to maintain or withdraw the question.

I call Mr Durieux.

Mr Durieux. — (F) Mr President, this question was put down by the Liberal and Allies Group before the debate by urgent procedure was requested by the Group of European Progressive Democrats at the last part-session in Luxembourg.

As a matter of principle I think this question should be maintained and considered, as the enlarged Bureau had proposed, either before or after Mr Baas' report.

President. — I call Mr Kirk.

Mr Kirk. — I am puzzled by Mr Durieux's reference to the enlarged Bureau. So far as I am aware, no such meeting has taken place. There was a meeting of chairmen of political groups, at which I understand the subject was discussed. Frankly, it would waste the time of this Assembly to discuss once again the subject of beef when that very subject was discussed only ten days ago, simply because one group has tabled the question before another group and the other group has taken action under the urgent procedure formula to discuss the matter. I am not a member of either group and therefore I can speak with frankness, but our agenda will take us right up to midnight on Thursday in any event. To go through the beef question all over again, unless there is some new problem which Mr Durieux wishes to raise, would be masochistic to a degree which I do not believe even this Parliament is prepared to be.

President. — I put to the vote the request to enter this item on the agenda.

The request is rejected.

Finally, in view of the short time since the previous part-session, may I point out that the Commission of the European Communities will not make a statement this time on the action taken on the opinions and proposals of the European Parliament.

The agenda is therefore as follows:

This afternoon:

Since not much time had elapsed since the previous part-session, it was decided that the Commission would not deliver a statement on action taken on the opinions of Parliament.

- Report by Mr Gerlach on the amendment of the Statute of the European Investment Bank;
- Report by Mr Shaw on the carrying forward of appropriations from the 1974 to the 1975 financial year.

Tuesday, 13 May 1975

9.00 a.m. and 3.00 p.m.:

- Report by Mrs Orth on the Eleventh Report of the Mines Safety and Health Commission and the Fifth Report of the Steel Industry Safety and Health Commission;
- Report by Mr Alfred Bertrand on the Social Fund (intervention for structural adjustment measures);
- Supplementary report by Mr Dondelinger on the programme of studies to combat poverty;
- Report by Mr Petersen on the information programme for 1975;
- Report by Mr Premoli on the pollution of water for bathing;
- Motion for a resolution tabled by the Socialist Group on the future role of Eurocontrol.

Wednesday, 14 May 1975

11.00 a.m. and 3.00 p.m. to 5.00 p.m.:

- Question Time;
- Interim report on the Agreement with Israel;
- Oral question by the Political Affairs Committee to the Conference of Foreign Ministers

of the Member States on the situation in the Mediterranean and the Middle East;

— Joint debate on

- the oral question with debate by Mr Jahn and others to the Commission on the composition of the Consumers' Consultative Committee and
- the oral question with debate by Mr Jahn and others to the Council on the same subject;

5.30 p.m.:

Formal sitting

in commemoration of the 25th Anniversary of President Schuman's speech.

Thursday, 15 and possibly Friday, 16 May 1975

9.00 a.m. and 3.00 p.m.:

- Oral question with debate by the Socialist Group on economic discrimination against EEC nationals and firms by the countries of the Arab League;
- Report on the supply of milk fats as food aid;
- Joint debate on
 - the oral question by the Group of European Progressive Democrats to the Commission on measures to aid the car industry and
 - the oral question by the Communist and Allies Group on the restructuring of the motor vehicle production sector;
- Report by Mr Willi Muller on problems of nuclear safety;
- Report by Mr Scholten on the activities of credit institutions;
- Report by Mr Memmel on the issue of Euratom loans to finance nuclear power stations;
- Report by Mr Baas on Community tariff quotas for cattle of certain mountain breeds;
- Report by Mr Thomsen on the establishment by Norway of fishing zones;
- Report on apricot imports from Israel;
- Report by Mr Bourdelles on farmyard poultry, ovalbumin, slaughtered pigs, etc.;
- Report by Mr Früh on the market organization for dehydrated fodder.

8. Decision on urgent procedure

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

Are there any objections?

The adoption of urgent procedure is agreed.

9. Allocation of speaking time

President. — May I remind you that at the final sitting of the last part-session it was decided to allocate speaking time for this part-session as follows:

Reports:

- 15 minutes for the rapporteur and one speaker for each political group;
- 10 minutes for other speakers;
- 5 minutes for speakers on amendments.

Oral questions with debate:

- 10 minutes for the author of the question;
- 5 minutes for other speakers.

10. Amendment of the Statute of the European Investment Bank

President. — The next item is a debate on the report drawn up by Mr Gerlach on behalf of the Committee on Budgets on the proposal for the amendment of the Statute of the European Investment Bank (Doc. 502/74).

I call Mr Gerlach.

Mr Gerlach, rapporteur. — (D) Mr President, honourable Members. The Committee on Budgets has instructed me to explain the motion for a resolution before you. In view of the importance of the material and the need to present it with accuracy, I must ask you to allow me to make an exception in this case and read from notes.

The Netherlands Government, whose finance minister is currently chairman of the Board of Governors of the European Investment Bank, has submitted a proposal for the amendment of the Statute of the Bank.

The definition of the unit of account is laid down in the present Statute of the European Investment Bank.

The proposed amendment to the Statute will empower the Board of Governors, on proposals from the Management Committee to alter the definition of the unit of account and the method used to convert amounts expressed in units of account into national currencies and vice versa.

The preamble to the amendment of the Statute, drawn up by a group of European Investment Bank experts, sets out the following reasons for the proposal:

- 'considering that the definition of the unit of account and the methods for converting this unit and the currencies of the Member States... are no longer entirely in keeping with the circumstances of international monetary relations;
- considering that the future evolution of the international monetary system cannot be foreseen... and that consequently rather than laying down immediately a new definition of the unit of account in the Statute of the Bank, it is desirable to give the Bank the means to adapt itself to changes where necessary...;
- considering that... it would be appropriate to give the Governors of the Bank powers to modify, if necessary, the definition of the unit of account and the methods for converting the unit of account and the various currencies.'

The provisions of the present Statute of the European Investment Bank relating to the unit of account and its conversion into national currencies are based on the Bretton Woods agreement on the International Monetary Fund, which introduced the system of an official price for gold and convertible currencies.

Developments in international monetary relations have increasingly undermined the Bretton Woods agreement. For this reason practically no currency can today be defined in terms of gold let alone converted. The International Monetary Fund official parities have long since ceased to correspond to reality.

The definition of the unit of account as laid down in the Statute corresponds to the Special Drawing Rights introduced by the International Monetary Fund in 1968. But the Special Drawing Rights did not survive monetary developments unscathed either, and they too had to be re-defined—with the approval of the European Community—in June 1974.

Since then a basket of sixteen different currencies with different weightings has been used. Article 4 (2) of the Statute of the European Investment Bank requires the Bank to confirm that the balance sheet reflects the position of the Bank in respect of its assets and liabilities.

Gerlach

It seems obvious that this requirement cannot be met with unrealistic exchange rates. This applies in particular to:

- the value of paid up capital (at present 20% of 2.025 thousand million u.a.; Article 4(1) and Article 5(1) of the Statute,
- the value of capital subscribed and not paid up, which guarantees the Bank's lending commitments (Article 5(2)).

This places the Bank in an untenable situation which, on 18 March 1975, led the Board of Governors to seek a solution which would make it possible, pending the amendment of the Statute to observe the requirements of the Statute and maintain the competitiveness of the Bank.

During discussion of the proposal by the Committee on Budgets, the question arose as to whether the exact definition of the unit of account in Article 4 of the Statute should simply be deleted instead of adding the amendment proposed by the Board of Governors.

The representatives of the Bank opposed the deletion for the following reasons, which the committee eventually accepted:

Until the Board of Governors has made the appropriate decision, following the entry into force of the amendment to the Statute, the present wording of the second sub-paragraph of Article 4(1) of the Statute must be retained, although it was made *de facto* inapplicable by the decision of the Board of Governors of 18 March 1975.

Having regard to the fact that the above-mentioned article could no longer be applied in the sense intended by its authors, the Board of Governors decided, pending the entry into force of the amendment to the Statute, to define the unit of account as follows:

The unit of account shall be defined as the sum of the following amounts in the national currencies of the nine Member States:

DM	0.828	Guilders	0.286
£ Sterling	0.0885	Bfrs	3.66
FF	1.15	Lfrs	0.14
Lire	109	Dkr	0.217
		Irish £	0.00759

The composition of this basket of currencies was so fixed that as of 28 July 1974 its value would equal that of the International Monetary Fund Special Drawing Right. This SDR had at that time the same fine gold content as the EIB unit of account.

During the transition period, that is until there has been a decision by the Board of Governors

on the definition of the unit of account following the entry into force of the proposed amendment to the Statute, the present text of the Statute, based on fine gold content, provides for a smooth transition, by way of the fine gold content of the unit of Special Drawing Right, to the definition based on the basket of currencies as of 28 June 1974, which would have been interrupted by the proposed deletion.

When the new definition of the unit of account has been laid down by the Board of Governors in accordance with the amended version of the Statute—their decision has the effect of amending the Statute—the new definition of the unit of account will be incorporated in the Statute of the EIB in place of the present value in fine gold.

The definition of the unit of account was laid down in the Statute of the Bank on the assumption that the Bretton Woods system would provide a satisfactory long-term basis for calculation—as was in fact the case until recently. Present developments in the monetary situation however, make it clear that the old system is no longer functioning and a new system based on agreement in the manner of Bretton Woods, is not practicable.

For this reason the Committee on Budgets recommends adoption of the Netherlands Government's proposal for the amendment of the Statute of the European Investment Bank.
(Applause)

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

Mr Cousté. — (F) Mr President, as the rapporteur has just reminded us, this concerns amendment of the Statute of the European Investment Bank.

I have asked to speak, because we must make sure—this is the main point and I am sure Mr Gerlach agrees—that new provisions do not create if not distrust, at least uncertainty in the minds of creditors. This is why I have tabled an amendment to Articles 4 and 7, which I should like to explain.

In Article 4 it is clearly stated and provided, too, in the resolution that 'The Board of Governors, acting unanimously on a proposal from the Board of Directors, may alter the definition of the unit of account.' The purpose of my amendment is to add the words: 'and after consulting the Commission and the Monetary Committee.' Article 7 is concerned with another problem which is also very important: altering the methods of converting sums expres-

Cousté

sed in units of account into national currencies and vice versa. The amendment I propose to this Article would again make it necessary to consult the Commission and the Monetary Committee beforehand.

The purpose is to avoid arousing fears among the Bank's creditors about a procedure allowing it to alter autonomously the definition of the unit of account or the method of converting from units of account into national currencies or vice versa. In other words, it is necessary to clarify the position so that the policy governing the relations between the Bank and the external world reflects the cohesion of the Community, that is to say, of its Institutions, the Commission and the Monetary Committee.

I am grateful to Mr Horst Gerlach for the clarity with which he has introduced this very technical matter and to the House for listening to me. I hope it will approve my amendment.

(Applause)

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — *(I)* Mr President, the Commission probably ought not to speak on a matter which only concerns it in part, even if in a very important part, because, as Mr Gerlach pointed out, the Council asked for opinions both from the Commission and from Parliament, and these two opinions do not necessarily need to conflict with one another.

Nevertheless, this is an important matter, and I would like to thank Mr Cousté for having brought it up; however, if I am properly informed, this point was already raised in committee and on that occasion Mr Gerlach proposed an amendment very similar in content to that proposed by Mr Cousté today; that amendment was then withdrawn.

The Commission considers this problem to be of fundamental importance. We consider that the Bank should carry out its activities independently, and I do not think that anyone at the Bank has ever had grounds for accusing the Commission of interfering in its activities or not leaving it the autonomy to which it is entitled. On the other hand it is also true that the Bank's activities take place in a Community framework and, although each has his own responsibilities, they should all be directed towards a single goal, towards the greater benefit of Europe.

Now, if under Article 4 and Article 7 (but I put most stress on Article 4, which concerns the unit of account) the Bank is to be free to decide—if only on a proposal of the Board of Governors, in which case it is then the governors

who decide—without hearing the Commission and the Monetary Committee, both of which take daily decisions on questions concerning the unit of account (since currency fluctuations require daily adjustment), then I must point out that the Commission cannot, without failing in its duties, accept the principle that the Bank should be free to decide completely independently and without at least having awaited the Commission's opinion.

Mr President, that is why I asked to speak and I should like to ask the House to consider this situation, and at the same time to ask Mr Gerlach to reconsider his point of view and to retain the amendment which he tabled, so that in the overall assessment of these fundamentally important problems there should not be differences in the positions of the Commission and Parliament, but agreement, an agreement clearly based on a rule of the Statute.

President. — I consult the House as to whether Mr Cousté's amendments, which have not been printed and distributed in the official languages, should be dealt with.

I call Mr Gerlach.

Mr Gerlach. — *(D)* Mr President! An exceptional situation can be dealt with by making exceptional use of the Rules. The decision must be reached very quickly because the Investment Bank is dependent on it.

President. — Are there any objections to considering these amendments?

That is agreed.

We shall now consider the proposal for amendment.

On Article 4 I have Amendment No 1 tabled by Mr Cousté to paragraph 1, subparagraph 2. It is worded as follows:

Add the following to this subparagraph:

'The Board of Governors, acting unanimously on a proposal from the Board of Directors and after consulting the Commission and the Monetary Committee, may alter the definition of the unit of account.'

The author of the amendment has already spoken, so I call the rapporteur.

Mr Gerlach, rapporteur. — *(D)* I should like to make clear why, after careful consideration, I withdrew the proposal for an amendment I introduced in committee and which Mr Cousté has taken over.

In the first place it is not the function of the Monetary Committee to give an opinion on a

Gerlach

change in the definition of the unit of account, because its terms of reference are strictly defined in Article 105(2). It has two closely described functions, which enable it to achieve its aims. One of these is the promotion of co-ordination, but not coordination as such. It can therefore be taken that coordination is the responsibility of another authority, to wit, the Council so that a hearing by the Monetary Committee is superfluous.

Secondly, the Commission has a representative on the Management Committee, who can put forward its opinion.

Thirdly, in view of the speed of developments in the world currency markets, it is a matter of urgency for the European Investment Bank to be able to make quick decisions as an institution, and this too is a matter of confidence, Mr Cousté. It cannot do this if it is first required to hear the views of the Monetary Committee and the opinion of the Commission.

For these reasons I therefore ask the Assembly to reject Mr Cousté's proposal for an amendment just as it was rejected in committee.

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

Amendment No 1 is rejected.

On Article 7 I have Amendment No 2 by Mr Cousté to paragraph 4. It is worded as follows:

Add the following to this paragraph:

'Furthermore it may, deciding unanimously on a proposal from the Board of Directors *and after consulting the Commission and the Monetary Committee*, alter the method of converting sums expressed in units of account into national currencies and vice versa.'

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

11. *Carrying forward of appropriations from the financial year 1974 to the financial year 1975*

President. — The next item is a debate on the report drawn up by Mr Shaw on behalf of the Committee on Budgets on the initial list of requests to carry forward appropriations from the financial year 1974 to the financial year 1975 (appropriations not carried forward automatically) — (Doc. 80/75).

I call Mr Shaw.

Mr Shaw, rapporteur. — The documents that we are now discussing are Doc. 40/75 giving the initial list of requests and Doc. 80/75 which is the report of the Committee on Budgets which I have the honour to present.

Under Article 6(2) of the Financial Regulation, Parliament is consulted by the Council in regard to the portion of appropriations still unused at 31 December, in this case 31 December 1974.

The appropriations in question relate to the supply of goods and services only, because appropriations relating to remuneration and allowances of members of the institutions and of personnel may not be carried forward. The carry-forward arrangement is part of the budgetary procedure of the Communities and it becomes effective following the Commission's request unless the Council, acting by a qualified majority and after consulting Parliament, decides to turn down the request.

Last year when a similar request came before the European Parliament for consideration, this House adopted a resolution which noted the justification for the carrying forward of these appropriations and approved the request, but asked that for the future greater detail of information be supplied.

I am happy to say that the Commission have provided us with a greater wealth of material on this occasion and I congratulate them on the detail that they have given to us which has made our work very much easier.

Their request was considered by the Committee on Budgets at its meeting of 29 April. The committee was satisfied as to the urgency and the appropriateness of the request which, incidentally, I would have Parliament note is an initial request—I gather one more is likely.

The carry-forward arrangement for the current expenditure does not exist in all Member States. Those states, for example the United Kingdom and Ireland, which adhere strictly to the annual principle in their budgets and seek to ensure that the budget for the year shows the full extent of the expenditure envisaged for the year, do not apply this system. In the case of other states, for instance, Germany and France, the carry-forward arrangement can apply.

In the context of the European Communities, one could object to large-scale carry-forwards because they take away from budgetary transparency. In effect, if we look at this year for example, for 1975 the true extent of Community expenditure will not be the total of the budget we adopted last December together with the supplementary budget that may be added.

¹ OJ C 128 of 9. 6. 1975.

Shaw

The carry-forward before us will make it possible for up to a further 228 million units of account to be spent. This state of affairs can reflect to some extent bad estimation. It can also reveal delay by the Council in implementing certain measures needed to make the 1974 budget fully operational.

A serious consideration for Parliament is that carry-forwards can operate to erode the role of this House. Taking a couple of examples from the lists of requests before us, we notice, for instance, that the situation in regard to the Social Fund is particularly difficult. In the 1974 budget, a sum of 98¾ mu.a. was made available for expenditure under Article 4 of the reformed European Social Fund. Of this amount 47½ mu.a. was committed, leaving a balance of about 51¼ mu.a. which the Commission now asks to be allowed to carry forward because of the volume of applications.

The Commission intends to lay a draft 'anti-crisis' regulation before the Council in the near future and the carry-forward will be needed to meet such 'anti-crisis' measures. It will be necessary for the Council to examine these requests at an early date and to clear the way for their being utilized, because the carry-forward provision is valid for one year only.

I might mention here that when the 1975 budget was being examined the Committee on Budgets and Parliament expressed keen interest in the social provisions. In the preliminary draft budget the Commission sought an appropriation of 280 mu.a. for Article 510. This was cut to 210 mu.a. by the Council in its draft budget, and Parliament put forward an amendment to restore 35 mu.a. and adverted to the possibility of carry-forwards being utilized. The budget as adopted contained a provision of 245 mu.a. at Article 510. Parliament can now give a favourable opinion on the carry-forwards in this area.

Some of the carry-forwards arise because of the failure of Member States to comply with deadlines as regards the submission of applications. This delay is to be regretted because of the cost which it entails for the Community. The total of the carry-forwards we are considering comes to about 1/4 billion—American billion—u.a. This sum would be a sizeable supplementary budget on its own. Moreover, a further list of unknown size is promised by the Commission.

Apart from the dogma reservations we may have about the carry-forward procedure, this sheer size might of itself call the arrangement seriously into question if it were to be repeated next year. Therefore, in the resolution the Committee on Budgets indicates the need for the 'exceptional character' to be preserved.

At this point I would like to take up a matter of special concern to the Committee on Budgets. The Financial Regulation requires the Commission to put forward its lists of requests by 1 May and also lays down a rather strict deadline within which the Council should react. The month suggested in the regulation seems to us to be too short and one would not baulk at a delay of, say, two months. However, last year Parliament gave its views in July on the carry-forwards list, but Council did not consider the carry-forwards in regard to the social sphere until September. As well as being in conflict with the Financial Regulation, this is too late or very nearly too late for the Commission to react and to put procedures in motion before the end of the year.

Stalling or delaying action by the Council on carry-forwards could represent a threat to Parliament's budgetary powers. Let us take the case of an amendment effected by Parliament on the 1975 budget within its scope for manoeuvre. If that authorisation is not acted on in 1975, and if a carry-forward request were prepared by the Commission before 1 May 1976 and given a favourable opinion by this House, but Council delayed its consideration until very late in the year, the Commission might be unable to use the appropriations in 1976 either. This would be tantamount to the Council acting in a way which would lead to the annulment of the appropriations.

I do not want to over-dramatize this aspect. However, we must be watchful and ensure that, during the year, budgetary practices do not occur which, though less 'spectacular' than those relating to the adoption of the annual budget, would be contrary to the will of Parliament. This illustrates the considerations motivating the Committee on Budgets in the third paragraph of the resolution now before us.

The Committee on Budgets noted also that the Commission of the European Communities submitted this initial list to the Council by letter dated 19 March 1975. However, the document was not transmitted to the European Parliament until a few weeks later. It reached our offices on 14 April 1975 with a covering letter dated 11 April 1975. It seems to me that this delay is far too long and that the Council should in future ensure that relatively routine transmissions of this nature should take place with the utmost expedition. It was, indeed, the view of the Committee on Budgets that the President of this Parliament should bring the unsatisfactory situation as regards delays to the attention of the Council.

Shaw

I believe that we should avail ourselves of the opportunity presented by the next revision of the Financial Regulation to go into the question of carry-forwards. Nobody who has studied the details contained in this list of requests can doubt the complexity of the problem and the need to preserve reasonable flexibility; yet from its detailed examination of the matter your committee is greatly alive to possible abuse of such a system, the need for continuous and close scrutiny of its use; and, above all, it insists on the prompt implementation of budgetary policy so as to reduce the need for such a system to a minimum.

Finally, while these remarks are to a certain extent of a generally critical nature, I conclude by saying that the Committee on Budgets was convinced of the justification for these carry-forwards in the particular circumstances of this year. I therefore recommend the resolution to the House.

(Applause)

President. — I call Mr Giraud.

Mr Giraud. — *(F)* Mr President, speaking on my own behalf and although I am anything but an expert on budgetary matters, I should like to say that, while I fully appreciate the rapporteur's position with regard to principles, my long experience of French parliamentary assemblies bids me point out to him that, if the carry-forward arrangement did not exist for such cases, the Executive would be able at any time to act against the wishes of Parliament: it would only need to delay the decisions long enough and this would be another way of evading Parliament's control.

Although what the rapporteur says on principles may be true—and the example of the United Kingdom proves that it is possible to do without carry-forwards—my experience in the French Assembly inclines me to the view that it is desirable for such appropriations, to give Parliament and particularly its Committee on Budgets the chance to concern itself with the carry-forwards. If this door were to be closed, it would be as bad, I think, as making too much use of the system.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — *(I)* Mr President, honourable Members, I should like to thank Mr Shaw for his detailed report, to which I have nothing to add since the points he has made are already dealt with fully in the motion for a resolution. Moreover, the

detailed information on which he bases his report was supplied in large measure by the Commission.

I should like merely to emphasize that the request for this report was made by us on 19 March, and despite this it was three weeks before the Council was able to forward it to Parliament; even if this period is not excessive, it has meant that the matter has only come up for discussion in the House today. The second list too, forwarded afterwards—in April—will, I think, be debated shortly.

I am glad to note that the European Parliament recognizes the usefulness of these carry-forwards and I should like to thank Mr Giraud for what, with his wide parliamentary experience, he said. The actual problem, as it was outlined both by the rapporteur and, in more detail, by Mr Giraud, can be summarized like this: whenever appropriations which have not been used for obvious and clearly defined reasons (as we have had occasion to note in committee), are not carried forward, they would fall under the statute of limitations and the Council would have no difficulty—just like a national government—in blocking certain policies.

It will probably be necessary in future, too, despite the Commission's goodwill, to have recourse to this practice, particularly with regard to the new guidelines which have emerged in this last year in connection with the Council's budget policy. When the Council decides that for some new policy it will be necessary to take a decision in the course of the year and if this policy comes up, for example, in the second half of the year, there are two possibilities. Either the Council decides immediately, and thus, since it does not have the automatic right to use the funds, it has to ask for a carry-forward. There would be nothing unusual in this happening.

It could happen, however, that the Council does not take an immediate decision. In this case the budgetary procedure would progress normally and this would give rise to a further loss of time because the utilization of the appropriations would have to wait for the new budget, only becoming available when the whole budgetary procedure has been completed.

On behalf of the Commission I should like to confirm that we will do all in our power to avoid the necessity of using this carry-forward procedure and that it will in fact be restricted to exceptional cases, in which event Parliament's opinion will be asked. I do not, however, believe that it will be possible to entirely dispense with this practice.

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

The resolution is adopted.¹

12. Agenda for next sitting

President. — The next sitting will be held tomorrow, Tuesday, 13 May 1975, with the following agenda:

9.00 a.m. and 3.00 p.m.:

— Report by Mrs Orth on the Eleventh Report of the Mines Safety and Health Commission;

— Report by Mr Alfred Bertrand on intervention by the Social Fund for structural adjustment measures;

— Supplementary report by Mr Dondelinger on the programme to combat poverty;

— Report by Mr Petersen on the 1975 information programme;

— Report by Mr Premoli on the pollution of water for bathing;

— Motion for a resolution of the Socialist Group on the future role of Eurocontrol.

The sitting is closed.

(The sitting was closed at 6.30 p.m.)

¹ OJ C 128 of 9. 6. 1975.

SITTING OF TUESDAY, 13 MAY 1975

Contents

<p>1. Approval of the minutes 15</p>	
<p>2. Eleventh Report of the Mines Safety and Health Commission and Fifth Report of the Steel Industry Safety and Health Commission — Debate on a report drawn up by Mrs Orth on behalf of the Committee on Public Health and the Environment (Doc. No 78/75):</p> <p style="padding-left: 20px;">Mrs Orth, rapporteur 15</p> <p style="padding-left: 20px;">Mr Ansart, on behalf of the Communist and Allies Group; Mr Schwabe; Mr Hillery, Vice-President of the Commission of the European Communities; Mrs Orth 17</p> <p style="padding-left: 20px;">Adoption of the resolution 21</p>	<p><i>Allies Group; Mr Scott-Hopkins, on behalf of the European Conservative Group; Mr Laudrin, on behalf of the Group of European Progressive Democrats; Mr Durieux, on behalf of the Liberal and Allies Group 30</i></p>
<p>3. Decision on interventions by the Social Fund for structural adjustment measures — Debate on a report drawn up by Mr Alfred Bertrand on behalf of the Committee on Social Affairs and Employment (Doc. No 74/75):</p> <p style="padding-left: 20px;">Mr Alfred Bertrand, rapporteur 21</p> <p style="padding-left: 20px;">Mr Härzschel, on behalf of the Christian-Democratic Group; Mr Adams, on behalf of the Socialist Group; Mr Laudrin, on behalf of the Group of European Progressive Democrats; Mr Marras, on behalf of the Communist and Allies Group; Mr Girardin; Mr Liogier; Mr Hillery, Vice-President of the Commission of the European Communities 23</p> <p style="padding-left: 20px;">Adoption of the resolution 30</p>	<p>5. Decision on the programme of pilot schemes and studies to combat poverty — Debate on a report drawn up by Mr Dondelinger on behalf of the Committee on Social Affairs and Employment (Doc. No 77/75):</p> <p style="padding-left: 20px;">Mr Dondelinger, rapporteur 32</p> <p style="padding-left: 20px;">Lady Elles, on behalf of the European Conservative Group; Mr Marras, on behalf of the Communist and Allies Group; Mr Hillery, Vice-President of the Commission of the European Communities; Mr Radoux 32</p> <p style="padding-left: 20px;">Adoption of the resolution 34</p>
<p>4. Tabling of a motion for a resolution and reference to committee (Doc. No 90/75):</p> <p style="padding-left: 20px;">Mr Radoux, on behalf of the Socialist Group; Mr Santer, on behalf of the Christian-Democratic Group; Mr Bordu, on behalf of the Communist and</p>	<p>6. Information programme for 1975 — Debate on a report drawn up by Mr Helveg Petersen on behalf of the Committee on Cultural Affairs and Youth (Doc. No 45/75):</p> <p style="padding-left: 20px;">Mr Helveg Petersen, rapporteur 34</p> <p style="padding-left: 20px;">Mr Klepsch, on behalf of the Christian-Democratic Group; Mr Broeksz, on behalf of the Socialist Group; Mr Corrie, on behalf of the European Conservative Group; Mrs Caretoni Romagnoli, on behalf of the Communist and Allies Group; Mr Schuijt; Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities; Mr Broeksz; Mr Scarascia Mugnozza; Mr Helveg Petersen 37</p> <p style="padding-left: 20px;">Adoption of the resolution 46</p>
<p>Mr Radoux, on behalf of the Socialist Group; Mr Santer, on behalf of the Christian-Democratic Group; Mr Bordu, on behalf of the Communist and</p>	<p>7. Directive on the pollution of water for bathing — Debate on a report drawn</p>

<i>up by Mr Premoli on behalf of the Committee on Public Health and the Environment (Doc. No 53/75):</i>		<i>Mr Spicer; Mr De Clercq; Mr Scarascia Mugnozza</i>	52
<i>Mr De Clercq, deputizing for the rapporteur</i>	46	<i>Adoption of the resolution</i>	53
<i>Sir Derek Walker-Smith, on behalf of the European Conservative Group; Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities</i>	47	8. <i>Future rôle of Eurocontrol — Debate on the motion for a resolution tabled by Mr Fellermaier, on behalf of the Socialist Group (Doc. No 83/75):</i>	
<i>Consideration of the proposal for a directive:</i>		<i>Mr Seefeld; Mr Notenboom, on behalf of the Christian-Democratic Group; Mr Osborn, on behalf of the European Conservative Group; Mr Noè; Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities</i>	53
<i>Amendment to Article 1:</i>		<i>Consideration of the motion for a resolution:</i>	
<i>Lord Bethell; Mr De Clercq; Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities; Sir Derek Walker-Smith; Mr Scarascia Mugnozza</i>	49	<i>Amendment to paragraph 2:</i>	
<i>Procedural motion:</i>		<i>Mr Seefeld</i>	57
<i>Mr Kirk; Mr Giraud</i>	52	<i>Adoption of the resolution</i>	57
<i>Amendment to paragraph 2:</i>		9. <i>Agenda for the next sitting</i>	57

IN THE CHAIR: MR BEHRENDT

Vice-President

*(The sitting was opened at 9.00 a.m.)***President.** — The sitting is open.1. *Approval of the minutes***President.** — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. *Eleventh Report of the Mines Safety and Health Commission and Fifth Report of the Steel Industry Safety and Health Commission***President.** — The next item is the debate on the report drawn up by Mrs Orth on behalf of the Committee on Public Health and the Environment on the Eleventh Report of the Mines Safety and Health Commission and the Fifth Report of the Steel Industry Safety and Health Commission (Doc. 78/75).

I call Mrs Orth.

Mrs Orth, rapporteur. — (D) Mr President, ladies and gentlemen, the two reports on which the European Parliament is to vote today are concerned with the safety and health of underground mine workers and workers in the steel industry.

Both reports contain detailed statistics on the number of fatal accidents as well as accidents resulting in varying periods of absence from work, and they draw certain conclusions from them. Thus it can be noted, for example, that accident frequency increases with rising production and higher turnover of labour, but falls if production is more or less steady and workers stay in the same jobs for a longer period.

Both reports show—and this is the positive aspect—that the number of fatal accidents is decreasing. However, no reasons are given for this.

Both commissions have a number of working parties to examine particularly urgent questions. However, several working parties of both commissions could not meet owing to lack of secretariat staff. The Commission should see to it that a remedy is found, since the problems to be dealt with by these working parties are also very important.

The committee stage required several sittings, which means that it lasted for several months,

Orth

with the result that today's consideration by Parliament is, in fact, long overdue. The committee received the two reports in November 1974.

The reports themselves contain studies undertaken in 1973 and are partly based on 1972 figures, so that they can hardly be said to be up to date. Also, for obvious reasons, the figures and background material for the United Kingdom are incomplete. Therefore I should like particularly to stress that questions put by the committee in connection with the present reports have been partly answered on the basis of subsequent activities by the Commission and the various working parties. But the committee's opinion could, and still can, only refer to the reports as submitted. The question therefore arose as to what approach should be taken to these reports.

The committee feels its first duty is towards people and their health. That is why we adopted a very critical approach in dealing with this particular aspect of the report. There is no need to conceal the fact that this led to some vigorous disagreement with the representatives of the Commission. The Fifth Report of the Steel Industry Safety and Health Commission was felt not to cover enough ground and to contain many omissions, while devoting a great deal of space to unimportant matters.

The representatives of the Commission did, however, demonstrate that the activities were, and are, far greater than can be seen from the report and noted by the interested reader. It must also be said that not all the publications produced by the working parties or the Commission and of interest to those who work in and are responsible for this sector actually reach all these persons, and therefore the summary report could well have been given greater depth and content. This applies particularly to the Fifth Report of the Steel Industry Safety and Health Commission, as the Eleventh Report of the Mines Safety and Health Commission is indeed much more detailed and gives even the layman who is not necessarily familiar with the material a better insight into all the problems involved and the questions asked and work done by the individual working parties.

A factor which is partly responsible for this is surely also the different composition of the two commissions. The Steel Industry Safety and Health Commission is composed of representatives of the ministries of the various Member States who are able to convert the results of their joint deliberations directly into laws or regulations in their countries, while the Mines Safety and Health Commission is composed—on a voluntary basis—of representatives of manage-

ment, labour and safety officers who can only pass on their results in the form of recommendations.

The major part of our electrical energy is now obtained—and in the future will probably be increasingly so—from coal. Coal is a secure source of energy for the Community, in contrast to oil, all our requirements of which will, at least for some years, probably have to be imported.

Despite all known safety measures and improvements in research, coal mining is still fraught with dangers which will never be completely eliminated. A firedamp explosion, a rock burst or an inrush of water can happen at any time, causing fatal accidents or at any rate accidents with serious injuries. I need only remind you of the terrible disaster in the Liévin mine.

Underground coal mining and steelmaking must surely be among the most unpleasant and danger-fraught occupations there are. Now and again, when we switch on the electric light in the evening, open our refrigerators or—for the men—plug in our electric razors we should reflect that we owe these conveniences to the men who day after day do difficult and unhealthy work many hundreds of metres below ground in almost tropical temperatures and in conditions that are almost unimaginable for the layman. That is why all our efforts must be directed towards achieving—and that is also one of this committee's tasks—every possible improvement in conditions for these men, so that they have the feeling and indeed the certainty that everything is being done to make their difficult work easier.

This is why—and I should like to state it expressly here—in paragraph 5 of my motion for a resolution, which the committee approved, I included a sentence to the effect that financial considerations should on no account be allowed to influence decisions and that priority should be given to the safety and health of the workers.

My colleague, Mr Springorum, has asked me to delete this second part of paragraph 5. May I ask Parliament to agree to this? Mr Springorum, other delegates and I feel that this goes without saying for all firms and that health and safety naturally have priority over any financial considerations.

I should like therefore to ask Parliament to insert a full stop after 'concerned' in paragraph 5 of the motion for a resolution and to delete the second half of the sentence.

(Applause)

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

Mr Ansart. — (F) Mr President, ladies and gentlemen, Mrs Orth was quite right to use the opportunity offered by this report to raise in Parliament the serious question of health and safety in mines and the iron and steel industry. She has reminded us that occupational information is urgently required if we are to limit the number of industrial accidents. Too many inexperienced workers, especially in mines, run the constant risk of fatal accidents owing to their lack of training and their inadequate adaptation to a milieu, be it coal mine or steelworks, in which difficult working conditions and hazards mean that more than anywhere else safety regulations must be strictly observed and in particular that rigorous preventive measures should be taken. Hence the important rôle of health and safety committees and the need to take the fullest possible account of their observations and criticisms.

I am the deputy for a region which is frequently plunged into mourning as a result of fatal industrial accidents. At the Usinor-Dunkerque works in northern France, where 10 000 workers are employed, there have been 76 fatal accidents. Last year the workers went on strike for several weeks demanding that proper safety measures should at last be taken after a disaster in which several of their comrades lost their lives.

Similarly in December, at Liévin in the Pas-de-Calais, 41 miners were victims of a firedamp explosion, leaving 130 fatherless children. A colleague of mine in France has just submitted to the National Assembly a proposal to set up a parliamentary committee of inquiry into industrial accidents and occupational diseases. The figures he produced to support his proposal reveal the seriousness of a situation which we might without exaggeration call a national disaster. In 1973 there were 1 137 840 accidents causing stoppages of work, and 115 563 serious accidents, 12 406 of them fatal. During the year 2.9 million working days were lost owing to temporary incapacity. In France, a worker dies every 50 minutes as a result of an accident. The number of days lost on account of temporary incapacity during the year 1973 corresponds in fact to the closure for a year of 15 factories employing 1 000 workers each.

In the face of such figures the situation can hardly be ascribed to misfortune, for there is sometimes a tendency—and I observed it again after the Liévin disaster—to put these disasters and accidents down to sheer bad luck. We must face up to the fact, which an inquiry on the subject has clearly shown, that these accidents are directly related to the rhythms of work imposed, productivity being calculated right to the margins of what is reasonable, with the

result that it becomes impossible to guarantee the safety of the workers who cast the steel or extract the coal. It is worth noting, for example, that the productivity of the coal field in the Nord and Pas-de-Calais departments has expanded considerably, rising from 985 kg per man-day to 2 865 kg. Twenty years ago 29 hours were required to produce a ton of steel. At the modern Usinor plant at Dunkirk which I mentioned earlier only 4 hours are now required, despite the fact that the proportion of wages in the total financial product has dropped by 36% in the last three years. In Europe steel is now in the hands of a few big trusts whose power has increased enormously and at tremendous speed. While this power has been growing, however, so has the toil of the workers, which has now become, in the words of a leading modern economist 'the human appendix of the steel-making machine'.

The same applies in the mines, where there was a considerable increase in accidents at the very moment when coal was abandoned in favour of oil and the oil tycoons. As a result of this policy, which was in any case economic madness, safety regulations and research in this field were neglected, productivity requirements took priority over safety, and competitiveness in too many cases pushed research, accident prevention and the improvement of technical and scientific equipment into the background. Firedamp is still causing too many deaths at a time when modern science and technology should have made it a thing of the past.

It is therefore not possible to talk about safety in mines and steelworks without mentioning this scramble for profits which too often sacrifices men to the cold, inhuman concepts of productivity and return on capital invested. Profits have reached incredible proportions: tens of thousands of French francs per worker each year. It will therefore not be possible to achieve an appreciable decrease in the number of industrial accidents without reducing rhythms of work which are in flagrant contradiction to safety measures and the work of the health and safety committees. One of the unions' major demands is that the work of the health and safety committees should be fully recognized, that the fullest possible account should be taken of their opinions, that it should be forbidden to work in places considered dangerous by these committees and their delegates and that each fatal accident should be considered a major disaster requiring detailed investigation to prevent it from occurring again.

The Committee on Social Affairs and Employment should, it seems to me, obtain for the Nine the figures I have quoted here for France, and

Ansart

communicate them to Parliament. It should also recommend the essential study of the powers and machinery of verification and intervention by workers' representatives and organizations. It should undertake a study to discover in what way legislation and regulations relating to the prevention of, protection against and compensation for accidents should now be extended. Finally, it should recommend a study of methods and rhythms of work, the types of remuneration which incite workers to disregard safety regulations, and the extent to which health and safety committees are able to play their full part.

Mr President, the issue raised today in Mrs Orth's report is of major importance; Parliament should recognize it as such and take the necessary action.

Workers are attaching increasingly greater importance to working and living conditions and the environment. Parliament should urge the Commission to find the material means, especially staff, to carry out a serious study with a view to universalizing and harmonizing the various methods used in the countries of the European Community.

Mrs Orth has done so today, and I compliment her on her achievement.

(Applause)

President. — I call Mr Schwabe.

Mr Schwabe. — (D) I am extremely pleased that this vital issue is at last being raised and that the attention of the public and of those concerned is being drawn to the fact that we in the European Parliament are tackling these questions of industrial safety.

The reason why I asked to speak is as follows. At the 1958 world exhibition in Brussels the European Coal and Steel Community contrived, in exemplary fashion I believe, to demonstrate on the ground floor of a special pavilion close to the Atomium, its own work, its bodies, its Assembly and many other things, and to explain to people what this Community was about.

I mention this today because at that time I deliberately took many groups of young people to this pavilion and showed them the excellent exhibition which had been set up in the basement of the devices used in the Community to improve safety in mining. I believe that it was this juxtaposition of political consultation and practical work which regularly contributed at that time to reinforcing in peoples' minds the idea of the European Community. This was an instance of greater Community solidarity, increased safety and more goodwill which all could see and understand.

In connection with the various references, in particular in paragraph 4, to the need to decide in what way information campaigns should be pursued, I think it would perhaps be a good idea to use such practical methods to demonstrate to people things which we are discussing here at the highest political, intellectual, philosophical and constitutional level and which they find perhaps very difficult to understand.

(Applause)

President. — I call Mr Hillery.

Mr Hillery, Vice-President of the Commission of the European Communities. — I thank Mrs Orth for her presentation to Parliament of the two reports. I am aware—I do not know whether Parliament is—of her personal activity in visiting coal mines to ensure that she herself had a personal knowledge of the conditions of work. This is clear evidence of a very marked personal interest, and I compliment her on it.

On 8 April 1975 the Commission adopted the guidelines for a Community programme on industrial safety, hygiene and health. This contains a series of objectives for the various bodies participating in this sphere. Among those bodies there are two—the new Advisory Committee and the Mines Safety and Health Commission—which will have a particularly important part to play since they are tripartite. They bring together the representatives of government and the two sides of industry, and are specially qualified with regard to the campaign to reduce occupational hazards and the measures of prevention clearly specified and recognized by the Council.

A study of the reports of these two bodies will be of particular interest to Parliament in the future. At present the discussion on the agenda concerns activities carried out in 1973 by the competent Community authorities for the two sectors of the ECSC, the coal mining and iron and steel industry.

In this connection, it should be noted that the review of the situation in the Eleventh Report of the Mines Safety and Health Commission and the Fifth Report of the General Commission contain information on only one aspect of the Community's activities dealing with the ECSC industries.

To obtain a more complete picture, it should be recalled that the Community is carrying out a very energetic programme, particularly in research, to improve industrial health and safety in the mines and the iron and steel industry. The following sums have been allocated in these spheres: 1.76 mu.a. in 1972; 3.11 mu.a. in 1973,

Hillery

and 8.58 mu.a. in 1974. Health protection takes first place in this context.

The point of view of the Commission does not on all matters coincide with the point of view of the committee as expressed in the resolution. First, the objective of health and safety was not forgotten in the work of the two bodies as referred to in paragraph 3 of the motion for a resolution. In 1973, specifications to be required for excavation and demolition machinery to reduce dust formation were prepared by the Mines Safety and Health Commission and later adopted. Secondly, questions of industrial health and safety are studied simultaneously in the General Commission by separate working bodies. The health aspect is predominant in the terms of reference given to the working parties on 'Health—Electric Furnaces' and 'Health—rolling mills' set up in 1974.

The training—paragraph 4 of the resolution—of workers is certainly a worthwhile objective for the Community, but neither the Mines Safety and Health Commission nor the General Commission has direct responsibility in training. Responsibility for training devolves on the educational institutions and to some extent on industry, trade unions and national authorities concerned with health and safety. The Community can and does provide assistance for the various bodies concerned, financial aid for safety in mining campaigns and help in organizing publicity days on questions of safety.

Thirdly, both in the Mines Safety and Health Commission and the General Commission the terms of reference laid down for working parties emphasize the humanitarian aspects of the problem and not the financial side as referred to in paragraph 5 of the resolution. Furthermore, both sides of industry participate in the discussions.

With regard to mine accident statistics and the questions raised in this connection in the explanatory statement, I wish to make it clear that statistics cannot be used to determine the causes of accidents. At the most, a list can be made of some of the known circumstances, for example, falls of material, transport, the place where the accident occurred and a few other general data.

The frequency of fatal accidents in mines is lower in the United Kingdom. This is accounted for by the more regular formation of the deposits which makes it possible to use automatic pit props—walking supports—at 90% of the work faces compared with 50% on the Continent, and also by the continuity in employment of the workers.

The frequency of accidents leading to a three-day stoppage of work, or more, is the same in

the United Kingdom as on the Continent. The frequency of minor accidents cannot be compared. An analytical study of mining accidents could provide a wealth of information on working conditions, but a statistical study would not be of much use.

In paragraph 8 of the explanatory statement your committee asked for information on the use of firedamp detectors. The census of the number of these machines in use has not yet been completed. However, some information is already available. Portable firedamp detectors are widespread on the continent but less so in the United Kingdom, where some 7 000 are in use compared with 54 000 naked flame lamps. The Commission has noted the other comments concerning the activities of the Mines Safety and Health Commission.

With regard to the iron and steel industry, your committee asks, in paragraph 9, for more details of the working parties. This information will be given, but it should be noted that the subject of the Fifth Report is the activity of the General Commission itself. In this context, the terms of reference given to the working parties and the progress of the work they are doing may be referred to, but I do not think it would be advisable to intervene in the execution of their tasks.

Since 1972 the Secretariat has been making considerable efforts to make the results of its work more widely known. The Parliament's resolution of January 1974, on the Fourth Report, paid tribute to these efforts, which have since been kept up. Consequently, it could be considered that the criticism expressed in paragraph 11 is too severe on the Secretariat. In fact, the distribution of the material to enterprises, educational institutions and national administrations is, I believe, satisfactory. Dissemination of the reports in trade union circles could still be improved, and for this the Secretariat is seeking the collaboration of trade union organizations.

The programme of activity of the General Commission for 1974/76 (paragraph 12) was adopted in March 1974 on the basis of preparatory work carried out in 1973. This programme will be incorporated in the next report.

Finally, it does not seem to me that the study of psychological and sociological factors in industry would be appropriate at present for the General Commission, since there exists a joint committee on working conditions in the iron and steel industry, whose normal field of work includes these questions, and also because research on these factors is in progress and further research will be undertaken under the 'Ergonomics and Readaptation' research pro-

Hillery

gramme. Should new data emerge, appropriate initiatives can be taken on the basis of specific documents.

To sum up, Mr President, the report contains many suggestions which could give rise to a lengthy exchange of views. It would be advisable now to refer them to the Mines Safety and Health Commission and the General Commission themselves, which will be informed of them at their next meeting and will take account of them as far as possible. The whole of the European Commission's present policy is based on experience acquired in the General Commission and in the Mines Safety and Health Commission. The Commission, therefore, is closely concerned with developing the activity of these two bodies.

The Commission wonders, in particular, whether the promotion of appropriate research and studies, for which provision is made in the ECSC Treaty, would not facilitate and strengthen this activity. A programme of research on certain technical problems of safety, especially in mines, could be proposed during the coming year.

(Applause)

President. — I call Mrs Orth.

Mrs Orth, rapporteur. — (D) Mr President, I am afraid Mr Hillery's remarks cannot be allowed to pass entirely without comment. They are indeed simply a condensed version of the statements made by the Commission in our many meetings together.

When, as rapporteur, I tackled the two reports, two possibilities were open to me. I could either take account of the statements and opinions expressed in earlier reports, or—and this is what I did—confine myself to the two latest reports and base my own report exclusively on what is to be found in them, and nothing else. These reports, however, make no mention of the question of health protection, for example; hence my remark.

I should like to quote what Mr Adams said on the First Report of the Steel Industry Safety and Health Commission, viz.:

'To this end dust, smoke, fumes and gases must be prevented and controlled in the iron and steel industry. No-one will seriously contend that workers' health is not affected by air pollution of this kind. It is in this field above all that the Steel Industry Safety and Health Commission can do valuable work by putting forward proposals for the practical application of the results of investigations and studies carried out pursuant to Article 55 of the ECSC Treaty.'

In the Fifth Report, however, there is no mention of this problem. Hence the criticism which

I, in my personal capacity, direct at the report and for which I take full responsibility.

When we say that we would like to see a study made of the influence of proper worker training on safety, since proper training contributes to making people safer in their working environment, we are, I think, stating the obvious. Of course, the Community cannot strictly speaking enact training regulations for the individual states. However, Mr Hillery, perhaps you will permit me to quote the introduction to the minutes of the information meeting of the Steel Industry Safety and Health Commission, in which there is the following note:

'The Commission of the European Communities and its departments are not responsible for any use which may be made of the following information.'

This document contains the results achieved by the individual working parties and their members. The Commission, however, dissociates itself from this. It says that although these are the results of its work, should anyone make use of them and find that things do not turn out as expected, the Commission is in no way responsible. There seems to me to be a contradiction between the immense, untiring efforts put into this work, which is intended as information for those responsible for matters of safety, and this attempt by the Commission to dissociate itself from the results of the work.

I regret to say, Mr Hillery, that this is what made me very critical of the two reports. I tried to emphasize earlier that we received the assurance from your representatives that several projects had in the meantime been developed and improved and additional subjects had been added to those already being investigated. I would also stress once more that I kept strictly to the texts of the reports and tried, as far as possible, to be technically accurate. This is obviously not possible in such a short time for someone who has never worked either in a mine or in the iron and steel industry. I believe, however, that it is not always necessary to call in an expert; it is also possible for an impartial outsider to investigate matters and perhaps to be more critical than someone who, by reason of his technical knowledge, is much more familiar with the subjects and hence does not consider it necessary to explain them in such detail.

Your criticisms are valid and I fully accept them, but in my defence I would say that the reasons for what may appear to the Commission to be a rather one-sided report are that, firstly, I am not an expert and, secondly, I confined myself strictly to the reports actually available.

President. — Does anyone else wish to speak?

The general debate is closed.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

3. Decision on intervention by the Social Fund to encourage structural adjustment measures

President. — The next item is the debate on the report drawn up by Mr Bertrand on behalf of the Committee on Social Affairs and Employment on the proposal from the Commission of the European Communities to the Council for a decision on intervention by the Social Fund to encourage structural adjustment measures (Doc. 74/75).

I call Mr Alfred Bertrand.

Mr Alfred Bertrand, rapporteur. — (NL) Mr President, I should first of all like to inform Parliament of the unusual way in which this report came into being. The draft decision on the extension of the European Social Fund was submitted to the Council by the Commission on 16 April. The Committee on Social Affairs and Employment had adopted the present motion for a resolution by 23 April. On 29 April the Council requested the European Parliament to give an opinion; yesterday Parliament referred this task to the Committee on Social Affairs and Employment, and today we are already debating the motion for a resolution. This clearly indicates that this motion has come about under unusual circumstances and also that Parliament can, if necessary, work very quickly.

Why did the Committee on Social Affairs and Employment work so quickly?

It did so because it shares the Commission's view that intervention by the European Social Fund to encourage structural adjustment measures is so urgent that every effort must be made to permit the Council to reach a decision on this matter on 16 July of this year. The measures can then be introduced before the summer recess, as the decision would come into effect five days after publication in the Official Journal.

We are at present faced with a serious economic recession and a fall in employment. The problems are no longer merely of a short-term economic nature, but are also structural and call for structural measures. This is why the Committee on Social Affairs and Employment ap-

proves the Commission's proposal in general terms, in spite of the fact that it regards this move as inadequate to cope with the present problem.

In the communiqué of the December Paris Summit Conference we read, with respect to the economic situation that the Heads of Government had called for vigorous and coordinated action at Community level, supported, if necessary, by ample use of the European Social Fund, to deal with the problem of employment with due regard to the problems of the regions and the categories of workers most affected by employment difficulties.

This was the decision of the European Summit Conference and is the background against which the Commission took the initiative of submitting to the Council for its approval a proposal concerning intervention by the Social Fund to encourage structural adjustment measures. The proposal contains a number of limited measures to promote activities designed to improve employment and geographical mobility of persons seeking stable employment in a field requiring relevant training of the workers because of developments or structural adjustments.

The proposal is based on the idea of an intervention by the Social Fund for the readjustment and vocational training of workers wishing to move into a number of sectors which at present appear to have a promising economic future.

According to the proposal the activities must aim at three objectives, firstly the development of activities linked to the restructuring of the energy sector, secondly the stimulation of sectors or activities connected with priority Community needs—I am thinking of public transport, and in Belgium, for example, of day-nurseries and hospitals, i.e. those elements which will become an urgent necessity for the future development of our Community—and thirdly the structural adjustment and diversification or conversion of sectors—and I should like to stress this point—and branches of industry struggling with structural problems which seriously affect employment.

This is the meaning of Article 3 of the decision, which says that priority will be given to projects carried out in the regions most severely hit by employment problems and that these projects would involve persons working in sectors or branches of industries faced with serious employment problems of a structural nature. If we examine which sectors these are we find that they are the motor industry, the building industry, some sections of the chemical industry, and the textile industry. These sectors in particular should be considered for structural

¹ OJ No C 128 of 9. 6. 1975.

Alfred Bertrand

readjustment, and the opportunity for vocational training in these sectors should be provided by assistance from the Fund.

Finally—and I feel this is important—there are the persons under 25, unemployed women and women seeking employment. These are the three categories of workers who should be eligible for benefits from the European Social Fund.

I think that we can give our full support to the Commission's initiative in this field.

We should like, however, to mention a number of objections and observations. We feel that the proposal is inadequate to cope with the current problems facing the Community. The present number of unemployed is over 4 million and the trend towards unemployment is still increasing, since there is at present little light on the economic horizon indicating a possible change to an upward trend.

We are still going through a period of serious recession. There are already 4 million unemployed, and the funds proposed by the Commission for tackling this problem are completely inadequate and cannot have any real effect on the opportunities for vocational training or readjustment in the sectors and branches of industry I have mentioned.

The Commission has not, in fact, requested any supplementary appropriations for the 1975 budget in its proposal. In our view between 25 000 and 30 000 persons could be eligible for vocational training of this kind in 1975. All the Commission is asking is that the 25 million units of account which were not used under Article 4 of the Council's decision setting up the Social Fund should be carried forward from 1974 to 1975 and used for the new scheme. Two hundred million units of account have been requested for the operations under Article 4 in 1976, since the proposal for a decision only provides for activities over a period of two years, i.e. 1975 and 1976. If the decision is adopted it can be expected to help 80 000 to 100 000 people in 1976.

We regret that the Commission has absolutely no authority to apply Article 4 of the decision on the European Social Fund in favour of the workers affected. The Commission can make a goodwill proposal by saying directly to the representatives of the Member States, 'Gentlemen, if you evolve programmes to retrain a number of unemployed persons from the motor or building industry who so desire for the energy sector and submit these programmes to us, we are prepared to bear 50% of the cost.' That is all the Commission can propose. The Member States themselves must take the initiative of applying for the assistance of the European Social Fund. On the one hand we regret this, but on the other hand it is the responsibility

of the Member States vis-à-vis their own unemployed whether or not they take advantage of the financial means offered by the Fund to enable a number of their nationals to be retrained or receive vocational training for another sector of industry. We deeply regret this state of affairs, but we feel that the Commission has shown its good will.

We also regret that an unemployed person who applies for a retraining course thereby demonstrating his readiness to change to another sector of industry, receives no financial support whatsoever during the retraining period, which lasts, on average, five months and usually costs something in the order of 2 500 u.a.

During this retraining period he receives unemployment benefits, in accordance with the regulations in force in the various Member States, but he receives no additional remuneration to compensate for the difference between his previous income and his unemployment pay. We regret that the Commission has not provided any remedy to this situation. We feel that these appropriations could have been entered under item 3052 in the 1975 budget.

Owing to the limited time available and the speed with which the entire motion for a resolution had to be discussed in order that it could be submitted to this House for approval today, the Committee on Social Affairs and Employment has had no opportunity to examine the problems of the Community employment programme more thoroughly.

We feel that the resumed activities of the Standing Committee on Employment, the tripartite conference which has taken place in the meantime, and the continued discussion with labour and management conducted by the Commission must lead—and this is our great wish—to a development of a complete programme aimed at a common employment policy. A programme of this kind should be drawn up as soon as possible.

The Commission must not stop at this single, limited proposal, which we regard as a first step towards the use of the European Social Fund as an instrument for a common employment policy. It is important that this first step should be made, but we regard it as a mere beginning.

We hope that the Commission will draw up a complete programme for a policy aimed at increasing the level of employment, raising incomes and combating inflation. If it does so, it can rely on our full support.

We therefore urge Parliament to adopt this motion for a resolution.

(Applause)

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

Mr Härzschel. — (D) Mr President, ladies and gentlemen. On behalf of the Christian Democratic Group I should like to welcome the Commission's proposal. We regard it as an initial step towards a common employment policy for the Community.

Following the Paris Summit Conference the Commission took the initiative of submitting proposals designed to improve the employment situation. We all know that in the present situation the safeguarding of jobs and the creation of new secure jobs following structural adjustments and in weak areas are a priority concern, especially of economic policy. A rapidly changing economy and industry also calls for increased mobility of labour, i.e. we must become flexible and recognize changes in individual areas of the economy in good time. We must cope with these changes by preparing the workers for the new situation and making it possible for them to change over rapidly.

The proposal primarily serves this end, albeit within a limited framework. The rapporteur, Mr Bertrand, made this clear. We regard it as a model, an attempt to set something in motion. Of course we realize that limiting the measures to specific regions and structural problems will in itself give rise to certain difficulties. What is lacking is an overall view of the employment situation and the possibilities of a common employment policy. This proposal provides for limited efforts but these efforts must ultimately lead to a common employment policy.

In connection with the development of the economy, too, I feel we must also realize that no effective employment policy is possible in the absence of an economic policy. It is also unclear upon what criteria the specific development measures are to be based. I think the fields in which the measures will be primarily concentrated should be clarified, since the limited financial resources available mean that we must establish priorities and divert these funds to the areas where the need is greatest. This can of course only take place through joint consultation with the employment authorities in the individual countries, but we have, nevertheless, a certain influence and a duty to ensure that the funds are used in areas where they are most necessary. These funds should be concentrated in specific areas and not just frittered away.

If we welcome the use of the Social Fund for this purpose another question which arises is the extent to which other measures will be affected if the volume of funds is not simultane-

ously increased. We join the rapporteur in feeling that the available funds would be far from adequate if these proposals were in fact put into practice.

There would be nothing worse than to arouse great hopes which we could not then fulfil owing to lack of funds. We therefore urge the Commission to assist by applying for additional funds for 1975. This could take the form of a supplementary budget.

Another priority, however, is that the Council should carry forward the 52 million units of account which were not used last year to 1975, so that the available funds could at least be slightly increased.

We shall also have to consider the question of the actual effectiveness of such aid. This is a question which I have already brought up in connection with other problems, i.e. to what extent can Parliament gauge the effectiveness of funds engaged. Parliament should have greater powers to check this. The Social Report certainly always covers this, but as it is naturally limited to general statements we are in no positions to judge whether the funds available have in fact been used as efficiently as they should be. We therefore feel that the question of how Parliament can keep a check on the efficiency of measures taken should be considered. The nature of the aid, and the use to which it is put, should be made clearer to the public. I often get the impression that the public does not really know what is happening with these funds.

If we make retraining the central issue, we are, of course, immediately faced with the question of the extent to which economic policy and employment policy work in conjunction. We cannot therefore avoid utilizing the Regional Fund, since I am convinced that the measures under discussion here can only be effective if we also provide the necessary funds in the economic field to provide jobs. In other words, it is not enough just to retrain, we must also provide jobs, and, moreover, jobs with real prospects. I should therefore like to urge the Council once more to bring the Regional Fund into operation as soon as possible so that these two measures—i.e. the placing of workers and the creation of jobs—can be carried out jointly. This is the only way in which a real and lasting effect may be achieved. If the Council does not do this I fear that the goodwill shown here today will not lead to the results we all wish to see.

Finally, I should nevertheless like to thank the Commission for its initiative. I think the Commission has opened up a path towards a future

Härzschel

common employment policy. This path must, of course, be followed systematically, and we hope that this initial attempt will be successful and function as a stepping stone to greater things.

The Christian Democratic Group supports this proposal and the motion for a resolution.

(Applause)

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

Mr Adams. — *(D)* Mr President, ladies and gentlemen. I should first of all like to thank the rapporteur on behalf of the Socialist Group for his short but very valuable report. We also thank the Committee on Social Affairs and Employment for dealing with this Commission proposal so swiftly and efficiently.

Mr President, ladies and gentlemen, in view of the fact that there are 4 million persons out of work or on short time this is clearly an extremely urgent problem calling for rapid action. We share the Commission's view that apart from any other possibilities the Social Fund represents a Community instrument for the necessary adjustment of supply and demand in employment as part of restructuring processes.

We fully realize that necessary structural adjustments inevitably demand increased mobility of manpower both for the establishment of industry in development areas and for internal adjustments within particular sectors. We also feel, however,—and this is one of the reasons why we will support the motion for a resolution—that not only should we consider the objective of full employment in the immediate context but that this new use of the Social Fund should also contribute to ensuring freedom of choice in respect of job and place of work.

This freedom is not enjoyed by those workers who are unable to choose between various training and employment possibilities at a reasonable distance from their homes. If such possibilities do not exist, great mobility is, in our view, of no use at all to the worker. We therefore also support the committee in its view that the measures proposed should be concentrated not just on a few specific branches of industry, but extended to cover all branches of industry and the economy with real prospects for the future.

We of course welcome the proposal that particular priority should be given to measures designed to assist workers under 25 and women. This problem was clearly brought out in the question regarding unemployment among young people tabled by my Group. In the debate on the equality of women in professional life my

friend Mr Glinne explained our view that unemployment amongst women should be eliminated and described what we regard as suitable means of achieving this objective.

We share the view contained in paragraph 4 of the motion for a resolution tabled by the committee. We too feel that the available funds are inadequate. They are in fact a mere drop in the ocean. We therefore agree with the rapporteur when he says that the Commission has not taken any particular initiative, especially as the Heads of Governments at the Summit appeared very receptive to the idea of enlarging the Social Fund.

Mr President, ladies and gentlemen. I should also like to make the following observation on behalf of my Group. A whole series of funds providing financial assistance to Member States, has been created. All these funds have different names, but they all ultimately serve the same end, i.e. they are designed to improve the employment situation within the Community. Firstly there is the ECSC Treaty, secondly the Social Fund, though this has not, of course, so far been used for structural adjustment measures—this is what is at present under discussion—thirdly the Regional Fund which has just been brought to life—Mr Härzschel spoke of this too—and fourthly the EAGGF with its restructuring and hill-farming programmes.

We therefore feel there is a danger that these various funds may be applied independently without account being taken of the others. This can only result in mis-directed investments which will not lead to improvement in the employment situation. We therefore ask the Commission whether any coordination of these programmes is planned. Have any methods been developed whereby faulty planning of this kind may be avoided in advance? We should be grateful for a clear answer to these questions.

The Socialist Group will, however, support the motion for a resolution.

(Applause)

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

Mr Laudrin. — *(F)* Mr President, ladies and gentlemen, in accordance with suggestions made at the Paris Summit Conference, the Commission has proposed to the Council that the provisions of Article 4 of the decision setting up the European Social Fund should be extended to the unemployed, who currently present a major challenge to our society, which must help these people to find steady employment or acquire

Laudrin

new qualifications, or indeed increase their job mobility.

Article 4 of the European Social Fund concerns migrant workers, workers in the textile sector and workers leaving agriculture. But who today would disagree that it is indispensable to extend its field of application to the very serious problem of unemployment in the Member States? Mr Bertrand reminded us a few minutes ago that we already have over four million unemployed in the Community. The aim of the present proposal is to extend the scope of the Social Fund, especially in the field of nuclear energy or oil, in the field of Community priorities (of which we were also reminded by Mr Bertrand) i.e. health, the environment and transport, and in those sectors with structural problems such as the car industry, the textile industry, the chemical industry and building.

We would be well advised to concentrate our attention on the specific problems of the employment of women and young people and to limit our efforts as far as possible to the regions most seriously affected by the crisis.

Mr Bertrand is sceptical about the effectiveness of the measures envisaged and about their restrictiveness. Paragraph 4 and 5 of his motion for a resolution are very clear: no supplementary budgetary appropriation has been proposed for 1975, and it would be advisable to make provision for other measures and supplementary appropriations. The motion also regrets that no income support for the unemployed during retraining is proposed. The committee thus expresses serious reservations which, on this point, we can only endorse.

But perhaps we ought also to express our regret at the haste with which the Committee on Social Affairs and Employment was obliged to discuss this matter, as on April 23, with very few members present, it had to nominate a rapporteur and examine the text immediately. This problem would have deserved our closer attention, if we had been given the chance. That is why, and I would like to emphasize this on behalf of our Group, all these problems of unemployment which merit the attention of the whole House and in particular of the competent committee should be more carefully considered.

I would like to draw the rapporteur's attention to three points. The proposal does not envisage a real drive to combat unemployment, it simply provides for the retraining of certain categories of workers. Why not aim at a more positive policy by encouraging certain stable industries which can create new jobs? This policy should be applied in agreement with the appropriate regions and making use of the greater resources

available from the Community and the European Investment Bank.

It is not simply a question of combatting the existing anomalies: we must also promote certain sectors which ought to be encouraged.

It is obviously useful to help young persons looking for work; they may be more mobile and more adaptable than others. Even so, I would like to ask Mr Bertrand whether preferential treatment should not be given to older workers, who, in addition to being unable to leave their regions or their homes, must also face the sad problem of advancing age.

In the same way, the problem of married women who have to take care of children ought to be considered. They should not necessarily take precedence over their unemployed husbands. A system of assistance specifically tailored to mothers' needs should enable women to remain at home, for we must avoid the anomaly of providing the women with work while the husband remains unemployed.

Finally, we consider that the proposal is restrictive in its list of possible sectors. Can we really expect a car worker to adapt easily to searching for oil in the North Sea?

The problem is obviously very complex, but we regret that the study which has been submitted to us, as Mr Bertrand has emphasized, has not enabled the Committee on Social Affairs and Employment to carry out a thorough examination. When I consider the number of those present—I was absent myself—I find that we have not given enough thought to this serious problem of unemployment. I would therefore ask Mr Bertrand if, in one way or another, we should not come back to it later.

For ourselves, we would like the Community to intervene more actively in the sectors threatened, by means of a better coordination of the efforts of the Regional Fund, of the Coal and Steel Fund, of the European Investment Bank, and by means of its own funds, in agreement with each of the Member States. For, as Mr Härzschel pointed out earlier, there is such a lack of progress in this field at European level that we fully understand that the fight must be primarily conducted by the Member States themselves, each of which is today attempting to combat this dreadful scourge. We share Mr Bertrand's regrets and emphasize that we must collaborate fully at Community level with the Member States in order finally to find a solution which will allow this modern affliction to be tackled effectively.

We shall, of course, vote for your motion, Mr Bertrand. We have always had full confidence

Laudrin

in your chairmanship of the committee. We wholeheartedly approve of paragraphs 4 and 5 which point out the shortcomings of the Commission. Let us hope that when the Commission answers it will offer some better prospects for the fight against unemployment and the solutions that must be provided.

(Applause)

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

Mr Marras. — *(I)* Unlike Mr Laudrin, we shall vote against this motion for a resolution, not because we lack faith in the chairman of the Committee on Social Affairs and Employment, Mr Bertrand, for whom we have always had the highest regard and esteem, but because we note a profound contradiction. There is an inconsistency between, on the one hand, the severe and detailed criticisms that Mr Bertrand himself, in committee, and today in this House, has levelled against the employment policy of the Community organizations and, on the other, the favourable vote which he asks us to give the Commission's proposal.

A glance at the text of the motion for a resolution submitted to us by Mr Bertrand reveals how full of justified criticisms of the Commission it is. The proposal was at first considered inadequate; this adjective was later toned down to 'insufficient', but the fact nevertheless remains that the Committee on Social Affairs and Employment—whose views Mr Bertrand has excellently reflected—has shown itself entirely dissatisfied as regards the situation developing within the Community in respect of what is at present the most pressing of all our problems.

The decision to approve this document has probably been dictated by pragmatic considerations, which often figure in the speeches of certain Members for whom, in short, something is always better than nothing.

Parliament should in fact adopt a more dialectical attitude to the executive organs of the Community. Everyone seems agreed on this point and even the spokesman for the Christian Democratic Group has declared that this document offers no hint of a comprehensive programme in matters of employment policy. We all agreed — and we emphasized this in the explanatory statement—that an organic framework of measures against unemployment is lacking, and that this is a vital problem. Our geographical area, which 15 months ago had less than 2 million unemployed has today well over 5 million, and is well on the way to having 6 million, probably by this coming summer.

We must recognize that this is the major problem facing us and that it is on this more than on anything else that the real capacity of the European Community to become an organization relevant to the great mass of workers will be judged.

Some amendments presented by our Group, such as the one asking the Commission to submit a set of organic measures and the one calling for a document on unemployment benefits, included as a token entry in the 1975 budget, have to some degree improved the Commission's text. Even so, this is not enough to warrant our voting in favour, as what we proposed was to refer it to the Commission, with Parliament's approval, in order to illustrate that this document is insufficient and inadequate and that we have been waiting for a long time for an organic programme of measures to combat unemployment.

Now, after the accusations, after the attacks—some of them very bitter—levelled against the responsible members of the Commission during the course of the meeting which the committee devoted to the examination of this document, we today find on our desks a Commission document entitled in French—I do not have the Italian text—'Travaux en matière d'emploi'. I doubt whether Mr Bertrand has had the time to go through it, as he, too, probably received it only this morning; but if he studies this document, which is meant to be a reply to our criticisms, he will realize that it is even more disappointing than the proposal we are now debating. Once again, it merely speaks of preparing papers, *dossiers*, studies, documents, and does not propose a single concrete measure.

All the more reason then for voting against, not so much against the text of the resolution as against Community policy—or rather, lack of policy—on employment. No complete and comprehensive programme, or means for implementing it have been provided, no response has been forthcoming to the request for participation and consultation of the social partners with a view to evolving such a policy. The Community organs still seem to be relying on the traditional market forces, believing perhaps that the calm follows the storm and that—as some irresponsible prophets have claimed—the second half of 1975 will see us emerging from the gloom of the economic and employment crisis.

And yet, Mr Bertrand and other colleagues have reminded us that the crisis Europe is going through is not cyclical but structural, and that there is no way out without fundamental measures in the economic, financial and social fields, which will pave the way towards a new type of society completely different from the one we have known in the past.

Marras

The Social Fund itself, Mr Hillery, ought in our opinion to be reconsidered. It was conceived by the Community in a period of economic boom, when we were sailing before the wind and only a few sectors needed re-adapting and reorganizing. Today the structure, regulations and even the very provisions of the Social Fund seem to us to be out of date, and we consider it essential to reconsider and redesign it to meet our present requirements.

In view of all this, and although we share the criticisms contained in many parts of the motion for a resolution, we cannot approve this proposal in its entirety as it does not appear to be sufficient to deal with the serious employment problems afflicting the Community.

(Applause)

President. — I call Mr Girardin.

Mr Girardin. — *(I)* Mr President, ladies and gentlemen, I endorse the criticisms contained in Mr Bertrand's report as regards the Commission's proposal, based on Article 4 of the basic decision, for a new scheme for the Social Fund. As we have several times said in this Parliament, but especially in the Committee on Social Affairs and Employment, we can no longer accept—and we hope this will be the last time that, even with all due reservations and criticisms, this House is asked to approve it—a broadening of the field of application of the Social Fund, when there is no money to apply the proposed measures effectively and consistently.

This, to my mind, is fundamental and there should no longer be differences between the Commission, the Council and ourselves on this point, otherwise we shall be failing the workers, who expect concrete measures to deal with the parlous state of the whole European economy, and particularly the employment situation. The moment has come for an urgent examination of the entire employment problem in Europe, and just as there was a Mansholt plan for agriculture, so we would also like to see a Hillery plan, a Commission initiative on employment. We cannot continue with measures of limited scope like this one. The problem is serious—migrant workers are likely to be forced to return to their own countries—and if we wish to solve it, a comprehensive approach is necessary. Finally, if we want to present a convincing image as a social force and as a European institution, we must consider these problems seriously and not try to solve them with half-hearted measures like those proposed today.

Consequently, our vote is given on the understanding that we will not accept proposals of

this kind in future. It is in times of difficulty that the ability of political forces to cope is measured, not when the economy is running smoothly. Our 'yes' to the Commission is therefore tempered by the reservations and criticisms expressed in the report of our chairman, Mr Bertrand, and especially by our determination to accept no further measures aimed at solving the problem of employment in our Community unless they are organic and complete.

(Applause)

President. — I call Mr Liogier.

Mr Liogier. — *(F)* We welcome this first, still rather timid, step towards the retraining of personnel employed in industries at present encountering the greatest difficulties.

Of course, we would like swifter and more far-reaching action and, in particular, priority measures to assist the reorganization of those industries faced with structural rather than with cyclical problems.

A clear example from the region I represent in the French Parliament, but which certainly affects other regions of the Community as well, is the silk-throwing branch of the textile industry.

The installation of silk-throwing units in the large spinning-mills, combined with extraordinary technical progress—the machines which had a working speed of 5 000 or 6 000 r.p.m. a few years ago, now have a working speed of a million r.p.m. thanks to electronics—has resulted in the closure of hundreds of little mills employing between 10 and 50 people (there were hundreds in my region) making a highly-skilled and very efficient labour force, consisting especially of women, redundant. This labour force was all the more valuable as it came directly from agriculture and made it possible, in particular desolate agricultural areas where it was important, to maintain a minimum population, to keep up small family farms thanks to the quite substantial additional earnings. These mills, which still exist all along our valleys, generally used water power, a free and particularly interesting source of energy at a time when the problem of energy, as we are all aware, is becoming increasingly serious. Today the mills are silent.

It would therefore be advisable, alongside retraining schemes for workers, to reconvert such enterprises and thereby stem the flight from the land and restore a lost prosperity to the most under-privileged regions of the Community.

(Applause)

President. — I call Mr Hillery.

Mr Hillery, Vice-President of the Commission of the European Communities. — I should like warmly to thank the members of the Committee on Social Affairs and Employment and in particular its chairman, Mr Bertrand, who is at the same time rapporteur of this report before us. I should like to thank him, first, for having examined the proposal at very short notice so as to allow the Assembly today to deliberate and so make possible a Council decision before the holidays. I should like to thank him, too, for the quality of his report and the clear support given to the proposal.

I am aware that this action by the committee of this Parliament has brought forward a single item of Community policy on its own and so made it appear to be the only action of the Commission in face of the major concern of everybody at the present state of employment in the Community.

I must thank Mr Marras for reminding us again that the committee has already been told that this must not be seen as an action on its own but must be taken in the light of a document on work in the field of employment, containing three communications to the Council, which was sent at the same time as the Commission adopted its proposal on the use of Article 4.

I remind Parliament that the Commission submitted to the tripartite social conference in December last a document presenting an overall strategy for the study and control of employment trends in the present crisis. Parliament will remember too, that we have submitted proposals on certain aspects of employment to the Council—in particular, female employment and the employment problems of migrant workers. The Commission has, however, felt that the various actions which the Community is advancing have to be based on a coherent approach designed to improve and speed up the analysis of problems, to identify the areas where action by the Community should have priority and would be effective, and, lastly, to provide guidelines for the contents of proposals. This assumes work intensifying the efforts which have already been started to comprehend the employment market and its foreseeable tendencies and undertake action to coordinate national employment policies. This is the context of the document which contains the three communications, which has been delayed longer than the proposal on Article 4 for the reasons that the same urgency did not attend to it as to the Council decision and also because of translation problems.

The communication dealing with the coordination of national employment policies will be particularly important to this Parliament and it may answer the question raised as to when

Parliament will find it possible to discuss in the wider context the problems facing us. There is also the communication on employment forecasting which, again, should be an instrument to aid us in dealing with the problems of unemployment.

Finally, the communication on the research programme of the employment market sets out the orientation to govern the use of budgetary credits for 1975 in the field of research in the employment market. I say this because, in responding to the excellent observations made by the rapporteur, I would like to try to explain the place of the Social Fund in this action, a single action, in the context of the employment and unemployment situation facing the Community now. I would like also to reply to two more precise criticisms contained in the motion for a resolution.

The present proposal for a decision should not be seen as attempting by itself to provide a solution to the unemployment problems facing our countries at the moment. The role of the Social Fund is neither to finance unemployment nor to substitute for short or long-term employment policies. The resolution presented by the Committee on Social Affairs and Employment accurately states that the Commission has no powers of initiative in this field, not only because the Commission is not itself the promoter of projects benefiting from the aid of the Social Fund but also because, in the present state of the Community's development, the essential tools for intervention in and regulation of the employment market are not available to the Commission.

The Commission is particularly conscious of the need to develop a coordinated Community employment policy. This series, the latest series of proposals on different aspects of the employment problem, has placed before the Council practical suggestions designed to equip the Community to respond more quickly to adverse trends in employment by enabling it to identify areas for priority and effective action and, as we are already doing, further developing the coordination of national employment policies.

However, I repeat that the main responsibility does not lie with the Commission. What the proposed decision before Parliament today offers is the prospect of a better use of the possibilities of aid under Article 4 to help labour adapt to structural changes, the magnitude of which is highlighted by the recession in unemployment.

The Social Fund can in this way become an instrument of active employment policy to the extent that it succeeds in motivating and encouraging actions by the national authorities

Hillery

and other bodies to promote the employment and mobility of workers.

If there is a weakness, it should be seen not in the proposal for a decision for Social Fund action, but in the fact that economic recovery measures have not been taken or have been insufficiently taken at the same time as this proposal for the training of workers has been developed.

By inserting the Social Fund action within the vision of a specific common action such as is advocated in Article 4, our proposal had likewise to take into account a concern very clearly outlined in the final communiqué from the Paris summit. To take account of the unequal difficulties experienced by the regions and the various categories of workers, our proposal necessarily included the solution of problems linked to the identification, on the one hand, of sectors and categories of persons most seriously affected and, on the other hand, of activities likely to ensure the employment or re-employment of labour affected by structural adaptation measures.

Regarding the first problem, the Commission has complemented the first consultations, in particular with the Standing Committee on Employment, by an exchange of views at the structural level with the social partners.

Regarding the sectors of activities towards which it would help to facilitate the movement of workers, the Commission has deliberately limited its choice to activities able to guarantee stable employment on account of their capacity for growth and innovation.

A procedure is in hand within the Commission services with a view to fixing at short notice criteria likely to guide the application at an operational level of the three options retained in the proposal. The rapporteur referred to the desirability of widening this choice to all the sectors likely to offer work to the unemployed. The idea has a great appeal, but regardless of the doubt that such a solution does not offer all the desired assurances concerning the stability of jobs which would be available, it would run the risk of jeopardizing the specific nature of this action by allowing the use of Social Fund aids under Article 4 without distinguishing them from operations already eligible in the framework of Article 5.

It remains for me to reply to two critical observations made by the committee.

The first concerns the absence of proposals relating to income support guarantees to the unemployed during periods of reconversion. On this point the Commission has reflected on the

desirability of proposing such an aid to the Council, thus respecting the wish expressed on a number of occasions in the past by the Committee on Social Affairs and Employment.

This is an extremely important issue of considerable technical complexity and the Commission considered that it would require full examination by the Social Fund Advisory Committee. Since the proposal before you today is a proposition which in itself is complete in so far as Article 4 is concerned, it seemed to the Commission desirable to go ahead as quickly as possible to make it available rather than to link it with something which requires further study and consultation, which would delay matters.

That deals with the subject of incomes support. I trust that it is permitted, however, on this subject to remind Parliament of existing forms of aid and income maintenance. These already exist under the Social Fund aids. The one I wish to mention is A20, which allows payments of salary to trainees during the training programme. I personally attach a great deal of importance to the widespread use of this assistance, and its great possibilities should be the subject of closer examination.

My second remark is linked to the budgetary means aimed at realizing current proposals, and some speakers have mentioned insufficient action in this respect. The last few years show that it has not been easy for those seeking aid to put forward quickly substantial operations when a new area is opened under Article 4. It is therefore thought likely by those in the services concerned with experience of these matters that for the remaining four or five months of 1975 a budget of about 50 m.u.a. would be best. It is thought likely that this amount will be sufficient for this year. If, however, the Community were to accept the use of the Social Fund proposed in this measure there could be a rapid increase in the need for funds for next year. The Commission will propose a higher level to be used on the lines of the budget in Article 4 for next year. The Commission would be most grateful to Parliament for support when the time comes, in regard to the disposal by the fund of means appropriate to the needs.

I also wish to add that quality as well as quantity is an important criterion for the Commission and the use of the Social Fund in that type of area. This year we shall find that the amount available will be adequate and we hope that the projects put forward will be of such quality as to have a beneficial effect throughout the Community in relation to the problems of structural unemployment and the actions taken to deal with such unemployment.

Hillery

I wish to thank the members of the committee, the rapporteur, Mr Bertrand, and also Parliament for their help in this matter.

President. — Does anyone else wish to speak?

The debate is closed.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

4. *Tabling of a motion for a resolution and reference to committee*

President. — I have received from Mr Amendola, Mr Ansart, Mr Lemoine, Mr Bordu, Mr Sandri, Mr Hartog, Mr Leonardi, Mrs Iotti, Mrs Caretoni Romagnoli, Mrs Goutmann and Mr Fabbrini on behalf of the Communist and Allies Group a motion for a resolution on the commemoration of 8 May 1945 (Doc. 90/75).

Pursuant to Rule 14 of the Rules of Procedure, a request has been made for this motion for a resolution to be dealt with by urgent procedure.

Are there any objections to the request for urgent procedure?

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

Mr Radoux. — (*F*) Mr President, the motion tabled by the Communist and Allies Group has received very special attention from the Socialist Group.

This is a matter of major importance for the past, the present and the future. And because it is of such an exceptionally delicate nature we feel that it merits detailed consideration. We therefore think that urgent procedure is inappropriate and should not be granted.

(*Applause*)

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

Mr Santer. — (*F*) Mr President, I should like to say quite simply, on behalf of the Christian-Democratic Group, that we regard the motion tabled by the Communist and Allies Group as both irrelevant and untimely. This is a French decision and I do not see what right Parliament has to interfere in French domestic politics. Moreover, as a representative of a generation which is fortunate enough not to have experienced the war and its horrors, I see in the decision taken by the President of the French

Republic a clear desire to create the psychological climate necessary for a definitive reconciliation between Europeans. The background against which the French decision was made—the 25th anniversary of the declaration of Robert Schuman, which we shall be commemorating here tomorrow evening—was particularly well chosen for an affirmation of the solidarity of the type Robert Schuman wanted and on which his plan was based, the solidarity between European leaders and peoples which is an essential foundation of our European and Community policy.

Europe cannot be built on historical prejudices but on joint action, and this implies a readiness on all sides to remove once and for all any obstacles to unity.

For all these reasons, Mr President, I ask Parliament to reject the request for debate by urgent procedure tabled by the Communist and Allies Group.

(*Applause*)

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

Mr Bordu. — (*F*) Mr President, ladies and gentlemen, the opinions expressed just now by our Christian-Democratic colleague oblige me to intervene in this debate. We must all agree that the announcement by the French President that the events which led to the liberation of our peoples would no longer be commemorated on 8 May has aroused a great deal of controversy in France. I would add that this controversy has not been confined to France. Were I certain that this request for debate by urgent procedure would be rejected, I could give you a whole list of protests being raised even beyond our own frontiers.

The suggestion made by President Giscard d'Estaing to the Members of the European Council goes far beyond the confines of France. If this were not the case, it would have sufficed for the French President to take this decision for France without mentioning it to anyone and without first telephoning President Ford to tell him about it. The repercussions of the French decision go beyond the Nine and the proof of this is that a telephone call was made to the United States.

We feel that urgent procedure is warranted by the seriousness of the matter, which our colleagues stressed a few moments ago when they stated their opinions and attempted to discuss the merits of this motion.

The issue is clear: we must decide whether to delete from history the blood and suffering of

¹ OJ No C 128 of 9. 6. 1975.

Bordu

men and women which characterized the Second World War in its most dramatic and most painful moments. To abolish 8 May, is to reply blithely that we should. To accept the abolition of 8 May, is, let us face it, to admit here today that Mr Achenbach's statements which Parliament at one time felt bound to condemn, were right, it is, to speak frankly, to have the same concerns and the same prejudices.

It is by no means our intention to undermine the great idea of reconciliation between peoples...

Mr Alfred Bertrand. — (F) The debate hasn't started yet!

Mr Durieux. — (F) We are supposed to be discussing the urgency procedure!

President. — Please conclude now, Mr Bordu.

Mr Bordu. — (F) I shall close, Mr President, by saying that, however irritating certain Members may find this, the problem is whether we are going to fly in the face of the desires of millions of men, women and young people. Of course, we want this reconciliation and we are working to make it a reality, but at the same time we do not want to confuse the interests of our peoples, of democracy and of peace with the war which was fought against Nazism, because our young people and history, representing the people, must remember it.

(Applause from the extreme left)

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

Mr Scott-Hopkins. — Following Mr Bordu's speech, I can only say that his remarks were most inappropriate in the circumstances. I believe that the request for an urgent debate should not be supported by Parliament.

The European Conservative Group does not feel that this matter is worthy of a debate at this moment. In my country, as the House will know, we do not celebrate 8 May as a particular day to be remembered. We mark our day of mourning in November, commemorating the dead of the two great wars in Europe.

I believe that the motion for urgent procedure on this matter is inappropriate. It is something which, as Mr Radoux said, deserves deeper consideration. This is certainly not the right time to proceed in the way which has been suggested. We shall not support the demand for an urgent debate.

(Applause)

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

Mr Laudrin. — (F) Mr President, on behalf of my Group I should like to say to Mr Bordu that he has nothing to teach us on this subject. Indeed, some people belonging to the same generation as myself joined the resistance before certain others did.

As regards the urgent procedure, we do not consider it very useful to hold a debate on this question at the moment. Mr Scott-Hopkins has just informed us that the British do not celebrate 8 May, and the French President is quite at liberty to make a decision regarding France, but this does not prevent ex-servicemen who wish to do so from continuing to commemorate a victory in which they took part. I do not see why the European Parliament should discuss the expediency of particular types of ceremony today: this is not for us to decide.

(Applause)

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

Mr Durieux. — (F) Mr President, I should like to join the spokesmen for the various Groups in asking that the request for debate by urgent procedure of the motion for a resolution tabled by the Communist and Allies Group be rejected. I hear that the French Communist Group intends to debate this question today in the National Assembly. It is a strictly French affair and I do not see on what grounds the European Parliament should discuss it.

A great deal could be said about this issue. I personally was certainly too young at the time to join the resistance and I believe we must forgive certain things. But, most of all, at a time when in this very House we are about to celebrate the 25th anniversary of Robert Schuman's declaration the countries of Europe, which fought against each other during the last war and which are friends today, must turn their gaze towards the future. I believe that it is to the future that our young people should look. But this does not mean that the past should be forgotten! As major of my commune, I stood before the local war memorial on 8 May and took care to remind the young people of all those who fought and all those who died, but I told them that that belonged to the past and to history and that we must now turn our eyes resolutely towards the future construction of Europe.

I know there are still some open wounds, and I am in a good position to know this as there

Durieux

are some in my own family, but I feel we should all work together, for the sake of our young people, for a Europe built on a foundation of fraternity.

(Applause)

President. — Does anyone else wish to speak?

I put the adoption of urgent procedure to the vote.

The adoption of urgent procedure is rejected.

The motion for a resolution will be referred to the committee responsible.

5. *Decision on the programme of pilot schemes and studies to combat poverty*

President. — The next item on the agenda is a debate on the supplementary report drawn up by Mr Dondelinger on behalf of the Committee on Social Affairs and Employment on the proposal from the Commission of the European Communities to the Council for a decision concerning a programme of pilot schemes and studies to combat poverty (Doc. No 77/75).

I call Mr Dondelinger.

Mr Dondelinger, rapporteur. — (F) Mr President, ladies and gentlemen, at the part-session in Luxembourg on 10 April I submitted to you a report on the programme of pilot schemes and studies to combat poverty in the Member States of the Community. This report was adopted by Parliament.

You will no doubt remember that this programme was submitted in the form of a 'Communication from the Commission to the Council', which hardly facilitates its examination by Parliament and which is also scarcely consistent with the traditional legal instruments of the Treaty of Rome.

You will also remember that the Committee on Social Affairs and Employment attached special importance to this point and that on its behalf I pointed this out to Mr Hillery. During the debate on the scheme other speakers also raised the same objection.

I have great pleasure in informing you today that, as a result of our observations, the Commission has submitted a proposal for a decision on the matter to the Council.

First of all, therefore, on my own behalf and, I assume, on behalf of you all, I would like to thank the Commission and Mr Hillery in particular. Our criticisms have borne fruit and the programme concerned will be consistent with the

traditional legal instruments as provided for in the Treaty. On 29 April the Council decided to consult Parliament on this proposal for a decision. Given that it is the result of a unanimous desire of this House, I would ask you to adopt it.

At the same time, I would draw your attention to the fact that in the seven articles of the proposal for a Council decision the programme of pilot schemes and studies to combat poverty which we adopted has been somewhat condensed. In view of the fact that we discussed this programme at length on 10 April in Luxembourg—with the results with which you are familiar—there seems no need to resume the debate on the substance of the matter.

In order to avoid having to appoint a spokesman, and to save time my Group has requested me to inform you of its approval of this proposal for a decision.

I would therefore ask you to vote in favour of this proposal, which has been submitted as a consequence of the observations made in this House.

(Applause)

IN THE CHAIR: MR MARTENS

Vice-President

President. — I call Lady Elles to speak on behalf of the European Conservative Group.

Lady Elles. — I merely wish to say on behalf of the European Conservative Group that we welcome the resolution which was passed in the Committee on Social Affairs and Employment that the Council should make a decision on the issue and that money should be spent on a viable programme to combat poverty.

I also note with some pleasure that Article 1 of the draft decision gives a very wide remit to Member States to encourage voluntary organizations to put forward schemes. As I read it, voluntary organizations will now be able to initiate programmes of research themselves and make proposals to their Member States to get funds for this purpose.

Although poverty today is relative—I appreciate the definition in Article 2 of poverty in the Community—there is very considerable and increasing poverty. This is not only because of the very grave position as regards employment, but also because in some countries social security benefits are moving further and further away from the average wage packet. As the average wage packet has an effect on prices, inflation in

Lady Elles

all our countries, particularly—regrettably—in the United Kingdom, is getting out of control. This means that large areas of the population—there are 8 million people drawing the old-age pension in the United Kingdom, although, luckily, not all of them rely on it—are coming more and more into the category of relative poverty and need considerable help, not only in terms of financial aid; they must be adequately covered in the programme which must study effective means for helping these people, particularly in a period of inflation.

Another group of people I want to mention, and whom I hope will be considered when programmes are put forward, are those with families, and particularly poorer families, because it is in the poorer families that frustration, sacrifice and lack of food are causing great tragedy and sorrow, as evidenced by a considerable increase in the number of battered babies and children—again, I regret to say, in my country. I do not know if this is reflected in other Member States. I would think that the single area of battered babies and children would be worthy of funds being given in order that research may be conducted into the causes of this kind of symptom, which is undoubtedly a symptom arising from poverty, not only spiritual but material.

On behalf of my group I should like to say that we welcome this programme. Anything that can be done to relieve poverty, particularly in such a wealthy industrial area of the globe, is to be recommended and encouraged.

(Applause)

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

Mr Marras. — *(I)* Mr President, ladies and gentlemen, if we were to live up to our reputation of wanting things to go from bad to worse, we would ask the Council of Ministers to adopt this decision, which is the kind of thing that makes a laughing stock of the Community. We talk of programmes for helping the poor, and it might be thought that this was why we were earmarking a few million u.a. for this purpose through some recognized organization. Far from it—the sum earmarked for a programme of pilot schemes and studies aimed at relieving poverty will be used for feathering the nests of the persons who study the ways and means of combatting poverty. This is what the programme is all about.

In my own country nearly a million old people over 65 live on a state pension of about 40 u.a. After paying their rent, electricity and heating all they can afford is half a litre of milk and half a kilo of bread a day. The Community's

financial experts are being told to examine the problem of relieving all these aged paupers. After several years of research, and after wasting several hundred thousands of u.a., they will come to the conclusion that the state pension should be doubled, bringing it up to at least 80 u.a. Do we really have to pay these people for years to study this phenomenon and come to conclusions we are already aware of? For some time, the old people themselves have been saying that the way to combat their poverty is to double their pensions. So let us save the money these experts would cost!

Mr Bordu, during the previous debate, has already voiced our Group's complete disapproval of this proposal. As you will remember, Mr Dondelinger, we agreed in committee that poverty itself is an indefinable and out-of-date concept. In a society which ought to ensure everyone complete social protection and the right to work, we still think that this safeguard is a kind of alms, a charitable act, a choice made by others, rather than a right conferred on everyone by society and the law. This state of affairs cannot be tolerated.

In view of these general considerations and the specific points I made earlier, we can only confirm our complete disapproval of this proposal for a decision.

President. — I call Mr Hillery.

Mr Hillery, Vice-President of the Commission of European Communities. — A month ago I thanked Parliament for the warm and valuable support given to the Commission in regard to the programme of pilot schemes and studies to combat poverty. At that time we discussed the meaning of these schemes and the limits of what could be done at Community level in terms of direct aid to any particular groups. However, I think Parliament was fully agreed on the value of the pilot schemes and studies as a method of guiding us to understand better the problems of poverty and to arm the Member States and the Community better in dealing with poverty which now is widely accepted to exist in our rich Community. At the beginning of the life of this idea, many people did not accept that there was poverty in the Community. I thank Parliament for its warm and valuable support at that time.

The resolution which Parliament adopted then regretted that the programme was submitted in the form of a communication rather than a decision for the Council. At that time I was able to tell Parliament of the Commission's intention to put into effect the suggestions made by Parliament in this regard.

Hillery

On 18 April, just about a week after Parliament discussed the matter, the Commission sent the text of a draft decision to the Council. I stress that this draft decision is essentially a change in format in which the contents are for all practical purposes identical with the contents of the communication which was discussed here a month ago.

It is evident that when the launching phase is completed by the end of December 1976, a new situation will be created in which new political decisions will be necessary.

With this in mind, the Commission proposes, as you will see in Article 6, to submit to the Council and to the European Parliament a report on the activities concerning pilot schemes and studies promoted, carried out or assisted under this decision and to submit to the Council proposals for future initiatives.

The report of the Commission on its activities in this area must not be confused with the evaluation reports concerning the individual schemes and studies which have been foreseen in Article 3 of the draft decision. A period of less than two years would be far too short a time in which to produce worthwhile evaluation reports on a wide range of experimental social schemes.

I share Parliament's hope that the Council will approve the draft decision during its session in the month of June so as to permit an early start to work.

I also hope that the approval will be as wholehearted and generous as that of Parliament, so that we may together realize the full potential of this small but socially important programme which is directed towards improving the quality of life in the Community.

I wish to say again how glad I am to have the opportunity of thanking Mr Dondelinger for the excellent work he has done in producing the supplementary opinion now before Parliament, as well as his earlier work.

President. — I call Mr Radoux.

Mr Radoux. — (F) I would just like to say a few words about the report which Mr Hillery has just commented on.

I am doubtless not alone in thinking that the word 'poverty' is not the most appropriate. Certain states or certain categories of people may be shocked by this term. Some countries may feel that there is no longer any poverty within their frontiers. There are even people who would reject the word altogether. They feel

that, thanks to welfare legislation, there are now only less favoured persons.

I request, therefore, that in the future the term 'the poor' should be replaced by the expression 'the least favoured'.

President. — Does anyone else wish to speak?

The general debate is closed.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

6. Information Programme for 1975

President. — The next item is a debate on the report drawn up by Mr Helveg Peterson on behalf of the Committee on Cultural Affairs and Youth on the information programme for 1975 and the complementary information programme for 1975 (Doc. No 45/75).

I call Mr Helveg Petersen.

Mr Helveg Petersen, rapporteur. — (DK) Mr President, the information problem is a most important one for the Community. In this House we have often discussed the necessity for intensified efforts in this sphere. It is therefore gratifying when such an effort takes place, as is the case with the information programme for 1975 and the complementary information programme for 1975.

There are several new ideas and indeed a new, more vigorous tone. Underlying the whole programme is the view that the Commission must, as it were, increase its public. It will continue and even intensify its contacts with press, radio and television, but in addition it intends to use more direct methods of reaching the general public, and the Committee on Cultural Affairs and Youth feels that this is a sound approach.

Although the media usually provide accurate information on Community activities, there is also quite a tendency to highlight the shortcomings in the EEC's work—and there are certainly plenty of these! Concentrating on situations which reveal tensions within the Community—dramatic situations—can create, and has created, an impression that failure is part of the system. One need only think of the Community's organizational shambles.

Yet how does the Commission intend to reach a larger audience? The Commission's proposal refers to a large-scale public information campaign which will aim at showing the citizens of the Community that there is nothing distant or abstract about the Community idea, that the

¹ OJ No C 128 of 9. 6. 1975.

Helveg Petersen

Community is not a self-contained bureaucracy which, as the years go by, grows larger and larger without producing corresponding results.

There is a twofold challenge here: on the one hand, to prepare and implement Community projects in such a way that their relevance to the citizens is never lost sight of, and on the other hand, to ensure that the citizens are informed of what is happening.

Some time ago, this House considered a proposal on scientific information and documentation. Among other things, this dealt with ways in which all those concerned within the Community could profit from the available knowledge and experience in the scientific sphere, and Parliament strongly emphasized that this was not aimed so much at large concerns but rather at the many small individual establishments.

It is obvious that if reciprocal relationships of this type are achieved between the Community and all the small units within the Community—I am thinking not only of local circles, but also of small businesses—this would provide the best basis for understanding what the Community is doing. This will really be an information project of a practical and concrete type, which will have great impact.

An interesting feature of the Commission's proposals for reaching a wider audience is the idea of mobile exhibitions. Exhibitions illustrating significant developments in a lively and concrete way would certainly be a good idea. They could take various forms: there could be general exhibitions suitable for everyone and more specialized ones aimed at particular groups or dealing with particular topics. In his speech a short while ago Mr Schwabe suggested that public attention could be drawn to conditions in the mines by means of exhibitions illustrating what goes on there. It seems to me that there is a wide range of excellent possibilities for making use of ideas of this kind.

Perhaps while we are on the subject of exhibitions, it would prove useful if every Member State were to arrange an exhibition depicting the significant events in that country's history, its commercial structure and the main social and cultural aspects of national life. I think we need to look at these things from rather different angles from those we are accustomed to. We could therefore allow national exhibitions of this kind to travel through the various countries.

I am sure that if we make use of the right resources—and we ought to present some of the more unconventional aspects, such as the artistic point of view—it will be possible to provide a great stimulus to learning more about life in other countries. This is particularly important

with a view to the future development of the EEC, not least when—as is frequently the case—we speak of European union.

It is common knowledge that many persons living in our various countries have quite false impressions of other nations. In this connection, we should perhaps consider how the geography and history books describe—or have described—other nations. They contain a multitude of stereotyped attitudes which it is extremely difficult to get rid of.

It is therefore only natural that a great deal of attention should be paid to schools and universities and that interest should be taken in how textbooks and other educational materials for students and teachers are produced, how radio and television are used in schools, how teachers can cooperate and how exchange programmes can be arranged between the various countries.

A great deal can be gained by arranging for young people to visit one another and experience everyday life in other countries. It is not simply a matter of their attending seminars and meetings where specific topics are discussed—although these, too, are necessary. The most important thing is that young people should be given the opportunity to experience everyday life in another country, together with their contemporaries from whom they can learn.

It is therefore gratifying that the Commission is taking this idea up, as I know it has worked very successfully in some Member States. It will obviously be impossible to provide sufficient financial assistance for this kind of project; this is primarily the responsibility of the individual countries. However, the path may be smoothed by giving assistance to what we may call 'pilot' arrangements.

I cannot help thinking that tourism in general could be used a great deal more to further international understanding. Why, for example, should the Commission not encourage the tourist offices and travel agencies in the larger towns to provide information about facilities available to foreign visitors wishing to learn more about the country in question? At the very least, I think that this matter should be given due consideration. There are certainly some unexploited possibilities here.

May I just say that there is disagreement between Parliament and the Commission in regard to Parliament's proposal that a youth fund should be set up and made available to youth organizations for implementing information programmes. The Committee on Cultural Affairs and Youth regrets that the Commission was unable to adopt this proposal.

Helveg Petersen

In one section of its report, the Commission gives an account of how it plans to approach a series of various social groups. We in the Committee on Cultural Affairs and Youth feel that the examples given are excellent. I have already mentioned teachers and young people; the Commission's document also refers to trade unions, political circles and consumers. There could of course be other groups, and it seems to me that these examples have only been given as an indication.

As regards trade unions, it is stressed that they must be made better acquainted with the Community and its activities in the social field, in employment and in regional policy. This is considered necessary owing to the highly critical attitudes found in the trade unions. These certainly exist and it is therefore most important that every effort should be made to reach the local branches and not merely the central organizations.

The Commission intends to improve information to political circles and our committee is of course very happy about this. We all agree that the important thing is to reach the local political circles and constituency organizations. We often find that political groups visiting Parliament have only received very scant information through political channels.

We in the committee would stress the importance of ensuring that politicians are not swamped by excessive information. Here in Parliament we often feel that it is almost impossible to get through all the material we receive.

Next, Mr President, I should like to make a few comments on the Commission's proposal on audio-visual methods, on cooperation between Parliament and the Commission in information activities, and on publications in general.

As regards audio-visual methods, the Commission intends to make greater use of these facilities and we in Parliament have often had the same idea. It is obvious that it should be possible to arrange joint productions with television stations and supply them with filmed material.

Mr Aigner hoped that the Commission would be able to broadcast radio and television programmes from its own studios on a regular basis, for example, once a month. The committee felt this would be a good idea, but on the other hand we agreed that it would involve some difficult practical problems, and perhaps some problems of principle. It is obvious that audio-visual services of this kind cannot be operated properly without an adequate number of qualified staff. We have therefore stressed the necessity of giving this matter proper consideration in our motion for a resolution.

As regards the collaboration between the information services of Parliament and the Commission, we in the committee all agreed that there must be proper coordination. It is arguable whether two systems should in fact have been set up. This, however, is the case and we recommend that the Commission open negotiations with a view to reaching the best and most efficient cooperation.

The Commission stresses the fact that the proportion of the budget devoted to publications will be reduced. The committee can go along with this, but feels that such a reduction should only be made after careful consideration. Whatever happens, the Commission's monthly periodicals which are distributed to the Member States should certainly not suffer. I am referring to publications with a wide circulation which for many, not least the young, provide the first contact with the Community.

Finally, I should like to make a fundamental remark which concerns the entire information programme, its content and its form. It is absolutely vital that there should be no propaganda. Any suspicion of propaganda would only serve to reduce credibility.

We must concentrate on disseminating factual information on how things stand, i.e. on the Community's work in every sphere. The information should not be superficial or over-popularized, but should be presented in a form which makes it absorbing and striking. It is often felt that information about the Community is boring. With the help of professionals, journalists and experts in the audio-visual field, and by making use of unconventional equipment and methods, it must be possible to make information more lively.

It is important that the information offices in the various countries should be free to present material in their own way. The Commission and its Vice-President, Mr Scarascia Mugnozza, should be praised for allowing offices this freedom. It is necessary for many reasons, particularly as information requirements differ from country to country.

Finally, a word on information in third countries. Here I should like to say that the committee unanimously agrees on the importance and necessity of expansion, and this must keep pace with the increasing responsibility the Community must assume for overall development. It is important that we emphasize this point of view in the discussions which the information programme will encourage. Many of those who criticize the Community—not least the young people—do so because they assume that the Community is a closed, self-centred arrange-

Helveg Petersen

ment, a cartel—some would even say a conspiracy— of rich countries. In its approach, the Community must show that this is not the case and in our education and information programme we must ensure that prominence is given to ways and means of helping the Community to live up to its overall responsibility.

In conclusion, I call on Parliament to vote in favour of this motion for a resolution.

(Applause)

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

Mr Klepsch. — (D) Mr President, ladies and gentlemen, I should first like to thank the rapporteur for the excellent report he has presented as well as for his work on the motion for a resolution which—and I should like to stress this now—my Group fully supports. I should also like to thank the Commission; in my opinion, the information programme for 1975 and the complementary information programme for 1975 submitted to the Committee represent a great step forward in the direction that Parliament also so wholeheartedly desires.

As regards information policy, we are all aware of the fact that in choosing its objectives the Commission has to contend with the faltering interest in and lack of factual knowledge about the Community, its institutions and political affairs. If the programme submitted by the Commission is successfully implemented, I believe we stand a good chance of making a more discriminating use of the available information facilities.

I should also like to support everything the rapporteur, Mr Petersen, has said on behalf of the Committee with regard to the use of modern information methods. My Group strongly supports the Committee's view that success depends on the Commission's providing an adequate number of qualified staff so as to make the best possible use of the means of which it will avail itself.

This year's programme clearly satisfies an urgent need, despite the fact that far greater attention is being given to Europe this year owing to the abundance of political issues before us. I am referring here not only to the referendum in the United Kingdom but also to the general situation across the globe, particularly in the Mediterranean countries. In every corner of our continent, people are showing ever-increasing interest in the development of European union. It is, then, all the more regrettable that knowledge of our achievements and the way in which

our institutions work is not as extensive as it ought to be. I therefore feel that the Commission is quite right to set itself the task of reaching out to a wider audience and improving the way in which its work is presented. Our Committee also stressed this matter and I may say that my own Group gives its full approval.

As regards new methods, I wish to say that we are very happy that the Commission has dealt so carefully with the question of target groups to be given special attention in the information policy. Although, perhaps, I may be rather more sceptical than Mr Petersen, I should like to mention how very pleased I am that in particular more care is to be given to providing both leading local political groups and national parliaments more discriminately with the kind of information that they require and are able to absorb.

The scope and implications of much of what this House, the Commission and even the Council does, the positions they take up and the measures they adopt are not properly appreciated. Perhaps the information policy should also seek to emphasize point by point the various interests the European peoples have in the development of the Community.

Ladies and gentlemen, the Commission—and we ourselves, we discussed the issue in the Committee—must view this matter with all the clarity it deserves. The point is that the various information services of the Commission, Council and Parliament are to be better coordinated. Efforts vis-à-vis the target groups and the other measures contained in the information programme will be rendered far more efficient if the information facilities of the Parliament and the Commission's activities in this field are properly coordinated.

We fully agree that there should be more flexibility in the use of budgetary appropriations so as to allow more manoeuvrability in information policy. I should also emphasize that we support the Community's use of influential circles for work in third countries. We are happy to see that these centres have been clearly listed for appropriations and we feel that they have been well chosen.

Ladies and gentlemen, the report and motion for a resolution before the House coincide with what my Group hopes to achieve in this area. The most important thing is that the Commission should not only disseminate information in the Community but should also consider the effect of such information on the public and on the picture that the public has of the Community institutions.

Klepsch

With this in mind, I congratulate the Commission on the programme before us. I hope that it will prove to be as successful as it promises. My Group will vote in favour of the motion for a resolution.

(Applause)

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

Mr Broeksz. — (NL) Mr President, ladies and gentlemen, Mr Petersen has produced an excellent report on the information programme for 1975 and the complementary information programme for 1975 and has just given an excellent explanatory statement.

During the discussion in the Committee he said that he felt he could be optimistic about this information programme, and I must say that I shared this feeling. I now wonder, however, whether this optimism is still legitimate. The Committee discussed the programme shortly after the last Summit Conference in Paris. But is the optimism which we felt at that time still justified now that almost six months have elapsed? I shall return to this question later.

There are two matters under consideration here, i.e. the proposals themselves and the way in which they may be implemented, and also the results which we may expect from them.

Generally speaking our Group agrees with the rapporteur and Mr Klepsch on behalf of his Group in supporting the Commission's proposals. We also feel that we owe the Commissioner our thanks for the proposals put forward.

We fully support the Commission's statement on page 1 to the effect that it intends to rely more than in the past on public opinion and must meet it by explaining the Commission's purpose, informing it and associating it with the Commission's efforts. This is really excellent. It also says that the manner in which the information is disseminated must be more simple, more alive and more concrete. The Commission of the European Communities also intends to base this programme on the questions 'Europe — for whom?', 'Europe — why?' and 'Europe — how?' We fully support this idea too. The Commission intends to reach women, the trade unions, young people, teachers, politicians and consumers. This strikes us as a good selection. The complementary programme also contains many good ideas.

In general, therefore, our Group has no difficulty in accepting the programmes—provided they are carried out—even though the Parliamentary committee has a number of further wishes which are expressed in the Petersen

report. The question is, however, whether we are equally optimistic with regard to the actual implementation of the programme. In the 1975 programme the Commissioner said that 'the recent Paris Summit cleared a number of obstacles from our path and should enable a new start to be made for Europe'. Indeed it should, but as he goes on to say, 'a good deal becomes possible again, yet nothing has been definitely gained'. I must stress this last point once more. The Commission's information, after all, involves not just the Commission itself but the European Communities as a whole. Theoretically, the Commission can be functioning excellently while things are going badly for the Community—and let us not hide from ourselves the fact that all is not well with the Community.

Last year we considered the question whether the European public was sufficiently well acquainted with the European Community—both previous speakers also mentioned this problem. The situation improved appreciably with the accession of Denmark, Ireland and Great Britain, and the current issue of whether Great Britain will remain in the Community will contribute considerably to arousing interest amongst the public at large. What successes can the Community actually claim? Granted, the two Paris Summits were interesting and appeared to open up new possibilities. But what does all this actually mean in practice? All I can say is, 'precious little up to now'.

The European Parliament has been granted greater budgetary powers, but these have already been considerably eroded in connection with the Regional Fund. The only thing which can be described as a success is the Regional Fund itself. Parliament should be glad of this, it has worked hard enough to achieve it. I am not optimistic in other respects. One cannot be optimistic with regard to the second phase of the EMU, the monetary policy and the energy policy, to name but a few. The only successes appear to be in our relations with third countries—I need only mention the Lomé Convention.

Nationalism is probably stronger today than 25 years ago when Mr Schuman gave his address on the Monnet plan. The Community is in a state of stagnation. The success of the Community information programme and the Commission is still greatly dependent upon the success of the Community as such.

Our information programme will be directed at, inter alia, youth and the trade unions. Last year we in Parliament held a detailed debate on how we could associate youth in the work of the European Communities. The Commission had submitted a proposal, we had a number of

Broeksz

wishes, the Commission adopted some of these wishes—not all, but that is probably not always possible—and passed the matter on to the Council. But how long will it be before the Youth Forum actually comes into being? The proposal might remain with the Council for months or even years. Can the Commissioner tell us whether he has any idea of when this proposal will be adopted by the Council and put into practice?

We shall also turn to the trade unions—rightly so, I feel, and I am glad of this. I support the Commission's efforts in this respect. You will no doubt remember that workers' participation was mentioned in broad terms during the discussion of the third and fourth directives and in connection with the European Company. How long will it be, however, until the Council makes these things a reality? If this takes years, what will be the effect of the Commission's information programme on youth and the trade unions? We can only take a pessimistic view.

I should like to make myself quite clear: we cannot blame the Commission for this state of affairs. However, it makes the distribution of information more difficult, and it is salutary that we should realize this. Or course, even if the European Community is stagnating in some respects, the information process must continue. We agree on this point. We have discussed this in general terms with the Commissioner and have fortunately come to agreement on many questions. The information must, however, always be accurate and to the point.

Last Friday I had to speak at an information session on the European Parliament in Utrecht. Generally speaking one receives a certain amount of documentation for such sessions. I read a piece of 'European documentation' from 1974, concerning decision-making in the European institutions: the only name mentioned in it is that of the highest ranking official, not of the Commissioner. This document also contained the following passage concerning the European Parliament, 'the rôle assigned to the Parliament does not make this institution a front-rank protagonist in the decision-making process of the Community.'

We fully agree with this. We are no front-rank protagonists. The document goes on however to ask 'Is this situation not the same as or at least analogous to that in the majority of Member States?'

I must object to this. It is completely inaccurate. In all the Member States we as Members of Parliament have the right to establish the laws. In all countries we have full budgetary rights. I do not wish the Commission to instil into the

people of Europe the idea that the position of the European Parliament is approximately similar to that of the various national Parliaments.

I should like to ask the Commissioner to withdraw this passage as soon as possible and replace it by another.

This is one criticism which could be made here and now. To tell the truth, I do not read every information document I receive. The document I have just mentioned was one of the few I have read.

Of course, we are grateful to the Commissioner, and the Commission of the European Communities as a whole, for the document they have submitted to us and for the fact that the Commissioner has adopted a number of proposals made by Parliament last year. I am grateful for information for the general public and the consumers, e.g. on measures regarding food-stuffs, which should also be of interest to women. In saying this I am also thinking of the consideration given to the mass media. I readily support the remarks made on this subject, particularly with regard to video-cassettes.

We are grateful to the rapporteur as well as to the Commissioner. We should like to wish the latter success with his information programme, as he clearly understands its importance. We should particularly like to draw his attention to paragraph 9 of the Motion for a Resolution contained in the Petersen report, expressing the wish that the Commission should also concern itself with the impact of its information on the public and with the public image of the Community institutions. The two previous speakers also made this point. It is of great importance that one should know how the information is received.

(Applause)

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

Mr Corrie. — I support the report and resolution on behalf of the European Conservative Group.

I congratulate both the Commission and the rapporteur on the report. There is no doubt that it contains a lot of very useful information. However, there is also no doubt that we have failed in many ways to explain just how the Community works. Nothing breeds fear in people's hearts more than ignorance. This has been shown time and again at public meetings in the present referendum campaign in Britain. People know very little about Europe, they know very little about the Commission, they know very little about the Council and they know very little about this Parliament. Millions

Corrie

of people do not even know which countries are in the EEC Community. They want to know how it works more than they want to know what it does. If one asks an audience to name the nine countries, most people include Spain and Portugal on almost every occasion.

This shows how little people know about Europe. If people do not know this, how can they know the detailed make-up of how the Community works? Has not the time come when we should be consolidating our interests rather than spreading our wings to cover any other countries? Third countries are important, but surely we must get our own house in order first.

In this age of technology we have the equipment to reach the people by television and radio, newsprint, etc. We must also try a much more personal approach. We must try to show our children at an early age what Europe is all about and instil a feeling of unity and cooperation, so that we produce a new generation of European children who truly believe in the concept of Europe but at the same time retain their own cultural feelings.

We as Members of this Parliament are often accused of having high-flying, unrealistic ideas, but without the men of vision who worked to bring Europe together we would not all be here today. This is what we must try to make the people understand.

We must educate the people about the supreme importance of what we are all trying to do. Without the support and belief of the people of Europe in what we are doing, we cannot succeed in our efforts for a united Europe.

I suggest that this is, therefore, a very important document, and every effort should be made to carry out its suggestions.

Education is the lifeblood of succeeding generations. The governments of member nations must take the right decisions to dispense all the information available on all the aspects of Community life in the coming years. We must try to get as much flow of information between people of Member States as is possible so that people can see for themselves what is happening in other states and the old fears and superstitions can be swept away for ever.

Why not the exchange of complete school classes? Why not the exchange of employees at all levels? Why not the exchange of teachers within schools and within industry, and why not the exchange of industrial management to see how other people work within their industry? No one is too old or too young to learn how other nations live and work. The suggestions in the report are all well worth following up.

The idea of a mobile exhibition is an excellent one, but any exhibition put on must be of a simple nature that the general public can understand and absorb. It should also be appropriate to the area where it is set up, and the people running the exhibition must be in full command of all the facts.

I can assure you, Mr President, that after 5 June the people of Great Britain, and, I hope, the national government of that country, will at long last play their full part in Europe. Much work will have to be done to catch up on the lost years, but we will catch up. The adoption of the contents of this report and resolution will go a long way to help us to catch up.

(Applause)

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

Mrs Caretoni Romagnoli. — *(I)* Mr President, ladies and gentlemen, I should first like to thank the rapporteur for his comprehensive report, and the Commission whose programmes—compared with those of the past—are now better coordinated, clearer, more coherent and, I think, more progressive in principle. These are more straightforward, more accessible and certainly more suited to an information programme.

I must admit that I cannot myself give an opinion on the effects of the information policy; it is a very difficult thing to assess, to obtain an overall picture. The Commission is no doubt able to appreciate some of the effects but it is certainly very difficult for those of us living in our various countries to judge what is going on inside, and even this can only be done within certain limits. On the other hand, I agree with the remarks made by my colleague of the Conservative Group and believe that quite apart from any opinion with regard to effects, we are all convinced that much more needs to be done, particularly as Europe is going through a crucial period. This is indeed a time when everything could either work out for the best or for the worst and there is no doubt that the current role of information is of great importance.

The rapporteur said quite rightly that what we need is information not propaganda. I therefore feel that the Commission should tell us the truth however distasteful it may be. For example, I think we should be more open about the obstacles and limitations encountered by the Commission and Europe and about the political limitations, the weaknesses within the Commission and Europe which ought to be corrected; we should have the courage to spell out the difficulties at all times, for instance those stem-

Carettoni Romagnoli

ming from the Community's method of operation, and to point out, for example, the difficulties vis-à-vis the Council and those originating in the Member States; we should also be frank about our failures—as in some cases they really are.

We should try to explain exactly how things are; I feel that the people ought to know more about the background and development of the energy policy, what actually caused the Agency to be set up and the role and importance of the United States in this connection. We should not spread gossip (which arises even when we don't want it) but tell the truth with complete frankness.

For example, last winter it was rumoured that Italy was on its last legs. It was not. Italy is not dead—in fact it seems to me that things are starting to improve. In any case, we are certainly not dead. The journalists got hold of this story and made a great play of it. I think we should tell the truth even when things are going badly. Being quite frank and open affords us at least some partial protection with the serious media. Against gossip-mongers we have no protection at all.

Thus, it is not simply a matter of explaining the advantages but also—and this is what is lacking, and here I agree with my colleague of the European Conservative Group—of telling people quite frankly what disadvantages and possible sacrifices membership involves. Next, in regard to policy in general, I would say that there are not many alternatives, that there is only one in which to build Europe, even if it calls for sacrifices today, tomorrow we shall all be reaping the benefits.

Furthermore, I put great importance on some of the encouragements to unity we receive from countries such as Greece which insist on further progress in this direction. I say this because as a rule—and I don't think anyone can deny it—the younger generations we must always bear in mind refuse to accept one-sided information and this leads them to reject the entire picture they are offered.

A second observation, Mr President. Mr Petersen is right in maintaining that the citizen must know how to belong to the Community and must also know what it costs him and what the benefits are. Summarizing what I said earlier, I believe we should make the Community a kind of open house in which the decision-making processes can be viewed by all corners. These remarks are certainly not at all directed at the Commissioner responsible for information or even at the information sector in general, but rather at our decision-making system. The

secrecy of Council decisions is one of the basic problems. However, if we want to do something worthwhile, we must really think in terms of a kind of open house in which the citizen may follow step by step the reasons for taking certain decisions. I realize this is a matter of general policy, but if Europe is to have a face-lift this is the way to do it.

Finally, Mr President, I should like to make some general comments which I raised in the committee when we were discussing the report. In my opinion, parliamentary information is very important. Members of most parliaments are not well informed (I have in mind my own parliament but the same situation seems to exist everywhere else). Although they receive a great deal of correspondence, they are not in fact informed of what is going on in the Community, or even in the European Parliament to which in some respects they belong. I agree with the Commission's proposal to provide information sheets. If I may make a suggestion, I think it would be extremely useful for Members of this Parliament to receive such sheets every year on such topics as education policy, agricultural policy and so on. They would be essentially a kind of summary.

The information does exist and can be found but to do this requires some effort on the part of the parliamentarian. It would be a good idea to try and help him in this. In my opinion—I apologize to those who think otherwise—there are still too many publications and I am not as enthusiastic about them as the rapporteur seemed to be. They still seem to feature too much propaganda and sometimes even advertisement.

It must be realized that people are put off rather than attracted by this sort of thing. But on a lower level, so to speak, visits would seem to be a very good idea. It would be useful for people to be able to understand the workings of the bodies in which decisions are made and problems are studied. My own limited experience is of the European Parliament, but I would say that visits to the European Parliament—at least as far as my own province is concerned—have produced good results and aroused a great deal of interest in the visitors. If we want an open house it's not a bad idea to invite people in.

I also agree to exhibitions, particularly if they are aimed at school children and students and are connected with round-table discussions and projects. I am not sure whether exhibitions in general will be of much use, except those held in small centres.

I should now like to make a point which I raised in the committee. We must increase our efforts vis-à-vis associated countries seeking membership and countries eligible for associa-

Carettoni Romagnoli

tion. We must, of course, fully respect these countries' own right to make a decision. We must, however, make every effort to explain what we are, what we hope to be, what we propose they should do to enable us to build Europe together, and while respecting their autonomy I think it permissible to stress the European aspect in conjunction with our cultural activities based on a study of that common European heritage of which Mr Scarascia Mugnozsa has already spoken.

I should now like to add a few words about women's year. I know that Mr Scarascia Mugnozsa intends to distribute a questionnaire. It seems to me that this should provide an opportunity in the various countries, overriding all bureaucratic aspects, of establishing real contact with the general public, particularly women, and encouraging meetings and discussions. I hope this questionnaire will not be just one more opinion poll but the centre of a Community drive to reach out to womankind as a whole by using the opportunity afforded by women's year.

Mr Scarascia Mugnozsa has spoken of a move to prepare people for change within society. I wonder if it would not be right for the Commission—and this has been the subject of various questions of mine—to start to make use of a minimum of comparative information on certain topics which concern us all, for example, family law. I believe people should know something about what is the same and what is different in various sectors, for instance among German, Italian or French nationals. This information would be useful as it would enable us to see the many things we have in common, what needs to be corrected and the ways in which we can go forward together. And this could well be tied to the cultural activities referred to by Mr Scarascia Mugnozsa.

The last point—one on which I profoundly disagree—concerns the Community's delegation in Santiago. I wonder what significance and credibility it can have and how much influence it can exert. Our own feelings with regard to the regime in that country have been voiced unanimously by this Parliament on more than one occasion. It is therefore only right to ask what role a Community delegation can have there and if there is any sense in wanting to increase it. It is a problem of general policy but also a practical one. Rather than in this Latin American country, it would be much more convenient to have information centres in countries with other forms of government in which we could all enjoy proper freedom of movement. This, I repeat, is a matter of policy, but it is also one with a practical dimension.

(Applause)

President. — I call Mr Schuijt.

Mr Schuijt. — (NL) Mr President, I read Mr Petersen's report with interest and admiration. Of course, my interest also contained a certain critical element. On page 8, for example, the rapporteur says that one of the things that makes information so difficult is that the rôles played by the individual Institutions tends to be obscured. One can indeed see this happening, and seek an explanation for it. It is certainly clear that the public is thoroughly confused since there is no geographical frame of reference for the Community. The Community therefore remains somewhat nebulous to the general public, since it keeps turning up in Brussels, or Strasbourg, or Luxembourg. The public never knows who's talking about what.

The Commission should perhaps also be asked this time to direct some of its efforts and activities towards the Council, perhaps even a European Council, or a Conference of Ministers, in an attempt to produce concrete results as soon as possible. That would greatly benefit the information drive.

My second observation concerns the serious allegation made by the rapporteur to the effect that the Commission wants to retain responsibility for European youth movements. I would have expected the judgment to be slightly less outspoken, that is, rather more in the spirit of Mr Broeksz, the chairman of the committee. I have, on a number of occasions personally observed the representatives of youth organizations putting forward their rich diversity of views and opinions on questions of organization. In view of this diversity one cannot blame any organizational body if it fails to develop a strict policy. I should therefore like to defend the Commission. The rapporteur has perhaps been a little too harsh in his judgment.

I was also glad to read in the report that a good relationship has developed between the Council of Europe and youth movements. I therefore assume that the Council of Europe is realistic enough in its youth information work to take account of the existence of the Community and its significance for youth.

My third observation concerns the list of countries given in the section on information in third countries on page 12 of the report. Spain and Yugoslavia are missing from the list of countries within the European Continent. As far as I know information on the Community would do no harm in these countries. Is anything being done about this?

I now come to my fourth observation. Thanks to the amendment tabled by Mr Aigner, Parlia-

Schuijt

ment has granted the Commission additional funds for developing the use of audio-visual media. I have not, however, seen any details of how the Commission actually intends to do this. For years now we have been trying to get more broadcasting time on the European radio and television networks. Vague promises have, of course, been made in the past, but the Commission must now come forward with a concrete plan. I admit that this is an extremely difficult and complicated matter. Perhaps I can make a small contribution to solving the problem.

The principle of decentralization which the Commission is openly professing at present means that the information activities are concentrated wherever the *producers* are. It would probably be a good thing to consider whether or not a sort of Community policy-making body could be formed, to which each country of the Community would appoint a prominent representative from its broadcasting authority. I am fully aware that the systems differ from country to country. Such a body could, however, meet occasionally to discuss joint programmes on radio and television. In addition, a number of officials in Brussels could prepare the programmes for this body to discuss. These officials would have to propose all sorts of themes which would be suitable for Community treatment, and provide the basic material. The range of subjects would have to be as wide as possible and by no means be restricted to information in the narrow sense of the word. A project of this kind could be financed by increasing the appropriations for the audio-visual media. The Commission knows that whenever a good concrete plan is submitted, Parliament is always prepared to regard it favourably when discussing a subsequent budget. I will therefore not dwell any longer on this matter. The Commission knows that suggestions have come from certain broadcasting quarters in the Netherlands. It is gratifying to see that the suggestions this time are a result of initiatives from outside. We are therefore surely entitled to expect that the Commission and its experts will come up with a detailed plan in a reasonably short time on the basis of these and possibly other initiatives.

Finally, I should like to return to a remark made in jest by an honourable Member—I think indeed, Mr President, that it was you. You spoke of the scanty knowledge which the European citizen had of the European Parliament. I should like to use this as the basis for a lighthearted suggestion to the Bureau of this Parliament that they should look into the question of whether the footballing world in the nine countries would be interested in a competition for a handsome European prize, i.e.

a cup from the European Parliament. Millions of Eurovision viewers would then discover that their representatives too were active at European level. That would strike me as very inexpensive but effective publicity!

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, ladies and gentlemen, I too would like to join—as I did at the committee's meeting—in thanking the rapporteur, Mr Petersen, who has covered all the more important aspects of the information problem, expressing his opinions in very clear and decisive terms. I should also like to thank those who have spoken this morning for contributing to the debate and enabling me to express the Commission's views all the more fully. Lastly, Mr President, I should like to thank the European Parliament for the gesture—which was not merely symbolic—it made a few months ago when, while discussing the Commission's budget, it increased the information budget on its own initiative and based it on our requirements. This, as I said, is not simply a symbolic gesture as quite considerable sums have been made available to the Commission, exceeding those we expected. This will enable us to tackle the problems before us with some confidence—and they are anything but straightforward.

Before going back to the debate, I should like to clear up a misunderstanding on the part of the rapporteur which was later referred to by the other members of Parliament taking part in the debate. I am referring to the youth forum. In his report the rapporteur stated that the Commission had not complied with the European Parliament's request on the youth forum, thus preventing it from giving the forum the autonomy it had expected. As I said, this is a misunderstanding as the facts are different. Indeed, when submitting the document approved by the European Parliament to the Council, the Commission was careful to stress how necessary it was for the youth forum to have its own budget in order to ensure its independence, not only with regard to its establishment but also for its secretariat and its departments, to enable it to enjoy full administrative autonomy. Although this point of view was perhaps initially forgotten by the European Parliament, I feel that we have now exceeded all expectations. In my document, I therefore requested that once the Council had approved the forum principle it should be endowed with a special fund within the budget to prevent it from making inroads on the information budget.

Scarascia Mugnozza

I think the misunderstanding resulted from the fact that during the discussions reference was made to a fund enabling young people to manage their own activities with full autonomy. The European Parliament knows only too well that one of the budget items is the Kreyssig fund. In 1966, as a result of a report on youth problems I presented as a member of the European Parliament the fund was progressively increased for a number of years and has now reached a ceiling. This, together with other funds contained in the various chapters of the Community budget, is earmarked principally for exchanges between young people and for youth policy. I am quite convinced—as I always have been—that once the forum is approved and begins to operate it will also be able to start managing the Kreyssig fund which has received these successive increments. I believe that the success of a youth policy depends on its autonomy—I said this in 1966 and stress it again nine years later—and that such autonomy may be ensured through the management of a fund earmarked for youth exchanges, which I believe to be particularly important, as indeed several speakers have already stated this morning. I think, Mr President, that I have now helped to clear up the misunderstanding. In any case, I shall be only too pleased to give Mr Broeks and the Committee any further clarification they may require.

As regards the report as a whole and the observations made during the debate, I should first like to refer to what I said in this House a few years ago. The image of the European Community which all of us dedicated to European affairs desire, depends on facts rather than on presentation. We are doing everything possible to improve presentation and I am thankful that this is recognized by all the parties in the European Parliament. However, I feel I ought to stress, as it was this morning, that it will never be possible to have a successful information policy, whatever the funds available, however much inventiveness or imagination are used, if we are unable to draw on positive facts which can be communicated to the public. As has been said, gossip, omission and neglect are preferred to reports of clear political and economic progress resulting from the treaties. Having said this, and what I mean is that if we are to sell our wares they must be of good quality and acceptable to the consumer—if this as a good analogy—I should like to join with those who have pointed out that we have sought to give information policy a different tone. This has already been said by Mr Ortoli as I did myself in previous years when I spoke of the necessity, after a period of adjustment, of intensifying action on information with a view to informing the public and explaining the

reasons for certain attitudes and certain situations in the Community, that is by commenting on them. In this connection, I should like to say to Mrs Caretoni Romagnoli that for our part, at least as far as I know, we have never tried to conceal the facts; it would not only be irresponsible but impossible with all the information channels the press has today.

But we are obviously faced with a problem. Should our efforts at informing 250 million European citizens be concerned with information about the Commission, the Council, the European Parliament or should they not perhaps cover the entire Community? Should we adopt an attitude which the other Institutions could regard as controversial or should we not perhaps present the facts as they are and give political and economic commentators the possibility of drawing conclusions and presenting matters clearly and objectively to the public? This is the reason why, while urging a general reduction in the number of publications—I do not believe we need so many—they are very expensive and when they arrive their subject matter is often too out-of-date for communication to the public—I have asked that the monthly publications in all the Community countries should be maintained as it appears to me they provide a good debating platform.

We have instructed the heads of information offices to provide information which is better adapted to the mentality, needs and requirements of those receiving it, i.e. the citizens of the countries concerned. We have made arrangements for news in the Community review to be accompanied by articles containing objective criticism thereof. I believe this will be extremely useful as it will allow conclusions to be drawn on the effect of measures taken by the Community institutions. In this way we hope to give people an idea of what goes on day by day in the European Community and what measures are necessary in times of crisis.

The European Parliament must give the Commission credit for the fact that on various occasions, acting through its President and on an official basis, it has quite explicitly underlined the weak spots and the negative factors before us. All this is explained in language we have tried, and will continue to try, to make simple and effective not only in documents intended for journalists, but also in our own working documents. We came to realize that these were too technical and made use of language it was sometimes difficult to understand. We are therefore making efforts to change their presentation and use simple, lively and concrete language which reproduces the Commission's proposals.

Scarascia Mugnozza

These, Mr President, are our main plans for the future, and I should point out that the basic programme for 1975—and the complementary programme for 1975 based on additional appropriations granted owing to the action of the European Parliament—represents a continuation of the action I announced two years ago and which is now beginning to take shape owing to this more direct method of public participation, even if, as was rightly pointed out, it is difficult for us to assess its effects. I must say, however, that insofar as we find specialized journalists are taking greater interest, I am referring to journalists from the provincial press and from radio and television interested in some specific sectors—for example the consumer and environmental sectors—and insofar as there is an increase in the number of requests for information and applications to come to Brussels to establish contacts, or when we see, as we did yesterday, that we are able to get together over 40 journalists from the various radio and television networks to discuss consumer problems, or when we succeed in attracting representatives of women's journals, as has happened these last few days, to present and discuss some of the matters which could be of more immediate interest to women, apart from the obvious conclusion that the idea of Europe is still gaining ground, we can conclude that we have a service which is quite efficient in following up its own actions and is beginning to be echoed in public opinion and in those who mould public opinion.

Now that these initial efforts have started to bear fruit, we must continue our work and ensure that information is more and more adapted to the requirements of the countries in which it is disseminated.

As far as the United Kingdom is concerned—and this applies to the other Member States as well—our budget has provided adequate funds and staff as we realize how necessary it is to intensify our information activities in those quarters. Of course the problems are vast. Our budget is not large enough to permit large-scale programmes, and even the goodwill shown by radio, television, and the national information services does not amount to any really decisive action. We have a press which is not very easy to deal with and at the same time we try to respect its complete freedom. We have television services which would like to have greater contact with us, but are not available to the same extent in every country. The Committee's idea is certainly a very good one (it was also suggested by one of the national television directors) but not all the television networks agree. We have therefore felt it necessary to set up a television division with adequate facilities for

supplying the national networks with film material, particularly during the more delicate moments in Community life—such as meetings of the Council of Ministers—and to prevent the national television authorities from saying that owing to lack of material they were unable to broadcast Community news. We can now see that this service is beginning to bear fruit and we hope it will also prosper in countries where difficulties still exist. We have stressed the need to establish even closer contacts with the political parties, the unions, and with people in general, and we find that we are beginning to have positive results in this field too. But when, as in the United Kingdom, the unions reject any kind of approach to the European Community, it is quite impossible for us to establish relationships. Thus, Mr President, I believe that either my colleagues—to whom I should like to express my special thanks on this occasion—or I myself should do our utmost to improve information conditions. Even better, in the future we shall not only have a new type of organization and a new concept of the Directorate-General for Information, we shall be recognized by the Commission and will no longer have to deal with administrative problems which make our work rather heavy going. Of course, as we start from the position that information must be adapted to the requirements of the countries and people receiving it, a continuous effort of imagination and adaptation is needed so that we are not accused of keeping to preconceived plans which do not correspond to reality and the needs of public opinion.

As regards third countries, you are aware of the programme we presented earlier and which is now under way. In this connection, I should like to point out to Mrs Caretoni Romagnoli that we have made no request for increasing the volume of information in Santiago de Chile. As Mrs Caretoni Romagnoli knows, the reason we have a delegation in Santiago is that the United Nations also has a delegation there. We only have one person there and he is also responsible for the other Latin American countries. However, as I have already said, we intend to set up another centre in Lima and this will really help us to improve our contacts with Latin America.

Mr President, that is all I have to say except to express my thanks once again to the rapporteur and to Mr Broeks and his Committee for the support they have always given me. Now that the European Parliament has acknowledged the usefulness of the Commission's work for the Community cause, I hope that these regular contacts will promote the European concept and that with the help of the information

Scarascia Mugnozza

programme we shall be able to strike a chord in the hearts of our peoples.

(*Applause*)

President. — I call Mr Broeksz.

Mr Broeksz. — (NL) Mr President, I thank Mr Scarascia Mugnozza for his answer, but I should also be grateful if he would tell me when the Commission's proposal on the European Youth Forum will be dealt with by the Council. Is there any hope of this happening in the near future?

I have also asked Mr Scarascia Mugnozza to withdraw the information document regarding decision-making in the Community, and to have the section dealing with the rights and duties of the European Parliament revised. I should be grateful for an answer on both these questions.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, I am not in a position to answer Mr Broeksz' first question. We have submitted the document and the competent Council working party is considering it. I hope it will complete its work quickly.

I have already answered the second question, since, as Mr Broeksz will have noticed, I immediately sent one of my assistants to procure a copy of the document. I think Mr Broeksz is referring to a passage from a book published some time ago: at any rate he cannot be referring to a publication by the Directorate-General for Information. However, I shall examine this document and find out who it was published by, and why it included statements to which Mr Broeksz objects. I shall then inform Mr Broeksz of what the Commission intends to do.

President. — I call Mr Helveg Petersen.

Mr Helveg Petersen, rapporteur. — (DK) Mr President, I thank all those who have spoken on this report and I am grateful for the support it has received. In addition, I should like to thank the Vice-President of the Commission.

I am sorry if this document has given rise to misunderstandings with regard to the Youth Forum. The intention of the Committee on Cultural Affairs and Youth was to stress the importance we attach to the association between ourselves and this Youth Forum—as we proposed in the Committee—being as close as possible. We are also, however, in favour of in-

dependence to the extent to which this is feasible. That is what we wanted to say.

I should also like to wish the Vice-President and the Commission every success in the realization of this new programme which is so ambitious compared with previous ones. The success of the programme is a matter of great importance.

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

The resolution is adopted.¹

The proceedings will now be suspended until 3.00 p.m.

The House will rise.

(*The sitting was suspended at 12.45 p.m. and resumed at 3.10 p.m.*)

IN THE CHAIR: MR SPÉNALE

President

President. — The sitting is resumed.

7. Directive on the pollution of water for bathing

President. — The next item is the debate on the report drawn up by Mr Premoli on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive relating to pollution of sea water and fresh water for bathing (quality objectives) (Doc. No 53/75).

I call Mr De Clercq, deputy rapporteur.

Mr De Clercq, deputy rapporteur. — (F) Mr President, ladies and gentlemen, with the holiday season at hand, the report on the pollution of water for bathing seems to have arrived at the right moment.

We all agree that it is necessary to reduce the pollution of water, especially in the Mediterranean, which is an enclosed sea. The Commission's proposal establishing strict parameters is therefore very welcome, inasmuch as it makes it possible to attain worthwhile objectives and to improve living conditions within the Community.

The rapporteur likewise proposes that the EEC should collaborate with other international organizations to introduce the protective measures

¹ OJ No C 128 of 9. 6. 1975.

De Clercq

laid down by this directive on a general basis. We regret the absence of similar arrangements for bathing in swimming pools, since they are a potentially dangerous source of epidemics and infections.

In conclusion, I would like to express my views on the two amendments tabled by the Conservative Group. I must oppose them since they only weaken the resolution and reduce rather than increase the liberty of the individual.

I therefore feel that the motion for a resolution and the directive should not be amended.

(Applause)

President. — I call Sir Derek Walker-Smith to speak on behalf of the European Conservative Group.

Sir Derek Walker-Smith. — I shall seek to emulate—though, no doubt, unsuccessfully—the clarity with which this matter has been introduced to us. If I am not able wholly to reproduce the commendable brevity with which it has been done, I hope that my excuse will be the very great importance of this subject and the difficult implications which are created by it.

For myself I should say that I have taken a personal interest in this subject since the days when I was Minister of Health in the United Kingdom and first became aware of the importance—and, indeed the gravity—of the subject. I am now, and have been for many years, an Honorary Vice-President of the Association of Public Health Inspectors in the United Kingdom, and therefore keep in touch with these problems.

The interest that I personally feel is shared by our group as a whole. We all have some personal interest in the matter, as consumers, so to speak—as sea-bathers—though in that respect I must say that with the gathering years my interest has been directed more to those Mediterranean waters to which reference has been made than to our sea-waters in the United Kingdom.

I think that we can in this, as in so many things, identify three aspects of the matter—first, the identification and assessment of the problem; secondly, the prescription of an appropriate remedy; and, thirdly, the practical measures which are required to ensure that the remedy is applied.

As regards the first of these things, as I have indicated, this is and has been a real and growing problem. It is of course a problem which

stems inevitably from the confluence of various trends in our contemporary life. The growth of population, increasing urbanization, greater industrial sophistication, the greater use of oil for shipping, the expansion of tourism—all these things together have contributed to the inevitable result of greater pollution and danger to health, both present and potential.

There is, therefore, a problem to be faced, a risk to be minimized, and injurious consequences to be averted. The European Conservative Group recognizes this and shares to the full the desire to combat and contain pollution by all practical and appropriate means.

I come, then, to the second consideration—that of prescribing a remedy. First, I pay tribute to the patient industry and deep research which has characterized the work of the Commission in this regard. The remedy is contained in Articles 3 and 4 of the proposed directive. It consists, in essence, of a prescription of limit values to which bathing-waters must conform—that is Article 3—and the imposition of a mandatory duty on Member States to see that within eight years conformity with these limit values is achieved.

When we contemplate these two provisions we are immediately struck by a basic contrast between them—a contrast between the particularly detailed and refined precision of the ascertainment of the limit values, on the one hand, and the broad and generalized reference to their enforcement, on the other.

That brings me to the third consideration—namely, the practical measures prescribed. Here we find some difficulty, as is evidenced by the amendments tabled in the name of the European Conservative Group. Under Article 4 of the directive, Member States are under a mandatory duty to ensure that within eight years they take all necessary steps to ensure that the quality of bathing-water conforms to the limits set out in Article 3. I should like to ask, what steps? Ideally they would be steps to improve the quality of the water. Every Member State has provisions ranging widely in content but identical in purpose—to control the discharge of noxious matters into the sea. But those measures will have to be greatly reinforced if the object of the directive is to be achieved—that is to say, 100% certainty that all bathing-waters on all coasts reach the required standards. Where they do not so reach compliance, Article 4 will require the prohibition of sea-bathing on a wide scale.

Do we not find ourselves in the following position? First, the achievement of the high standard specified for the whole or most of the sea coast

Walker-Smith

will impose considerable difficulties and logistical problems. Secondly, in default of the achievement of those standards, the prohibition of sea-bathing on a wide scale would impose problems with regard to its acceptability by individual citizens of the Member States. We all hope that the logistical problems can be overcome, but we must face the fact that it would be a heavy task and that the limited resources available and the question of priority inevitably would make themselves felt. For example, would it be right to divert resources—resources which could be used for the improvement of water to be used for the abstraction of drinking-water—to measures to deal with the problem of pollution of bathing-waters? If it were so considered right by the Community or by governments of Member States, would public opinion accept that that was an appropriate priority?

Two questions arise with regard to enforcement. First, could the necessary resources be found? This is particularly acute in countries with long sea-coasts, such as the United Kingdom and Italy. Secondly, would public opinion accept so radical an interference with the right of sea-bathing from beaches where neither statutory nor proprietary inhibitions at present preclude it?

These difficulties are considerably aggravated by the wide scope of the directive, as evidenced by the definition in Article 1(2) of 'bathing-waters'

'to include sea-water in which the competent authorities of Member States authorize or tolerate sea-bathing...'

What is meant by 'tolerate'? Does it mean every bit of coastline where no authorization procedures exist but bathing in fact takes place? If it does mean that, the range is enormous and the logistical and enforcement difficulties are commensurately greater. If it does not mean that, the drafting is imprecise and uncertain. It is a pity that in a matter so complex as this, where correct and realistic draftsmanship is of such great importance, the matter was not referred to the Legal Committee for an advisory opinion.

I do not speak here in my capacity as chairman of that committee, but I am sure I speak for its members in saying that if, even at this late stage, we can be of any assistance we will gladly give all the help we can. I will say no more on this aspect, because on these matters the group has amendments which will be moved and explained by my colleagues with greater eloquence than I can command. I conclude, therefore, by affirming two points. First, there are practical and logistical difficulties, and account

must be taken of them. I say to the Commission on this occasion, as I have said to it on other occasions, that we must always have regard to the maxim of Cavour, that the politics of administration is '*le tact des choses possibles*', and that it is not enough to prescribe ideals and targets. We have to be governed by the art of the possible.

Secondly, having made those criticisms of the means by which these objectives are sought to be achieved, I would wish, on behalf of the group and myself, to testify to our awareness of the great and growing importance of the problem of pollution and testify, too, to our steady and continuing resolve to be identified with all practical steps which can contribute to its solution.

(Applause)

President. — I call Mr Scarascia Mugnozza..

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, the question of bathing waters which was so well presented in the report, is part of a more general problem at present being tackled by the Commission, viz. finding a step-by-step solution to problems relating to water. The Council has already adopted a directive on this question and, during its last session the European Parliament gave its opinion on another problem relating to water. Today we have to deal with bathing waters. We hope shortly to submit standards on water used in industry and agriculture (during its last session Parliament discussed the water coming from the paper-making industry). So the picture is becoming more complete and the problem of water is receiving the priority that Parliament itself called for on several occasions both in the House and in the Parliamentary committees.

I would like to point out that the Commission's main objective was and still is to establish standards, and not only in the water sector. We have drawn up our rules on the basis of common standards, realizing that what is needed are not rules which are purely theoretical but applicable to a specific situation. The reason we chose a directive rather than a regulation is that a directive makes it easier to adapt national situations and needs to Community objectives.

To those who reminded us of the need to consider politics as an art of the possible I would say that we have displayed such a sense of reality. In fact, we regard the principles we have established rather as guidelines to be tailored to the needs of specific situations which might arise in the future. Even so, from the point of view of health and the protection of the environment,

Scarascia Mugnozza

to have established standards for bathing waters at a time when it is the source of so much anxiety is something on which both the Commission and Parliament can congratulate themselves.

I would like to express my thanks to the rapporteur for his work. As for the motion for a resolution, although I agree in principle I do not feel we ought to deplore the fact that the Commission has omitted to control bathing in swimming pools. The subject of the present discussion is natural water—the water of rivers, lakes and seas—whereas swimming pools are artificial structures, and it is the regional and local authorities, not ourselves, who are responsible for establishing the necessary standards of protection and safeguards. So if there has been no mention of the water in swimming pools, it is because we feel that as things are at present the problem is outside our terms of reference.

I would add that we are fully aware of the difficulties existing in the water sector. As I have said, we have already taken some steps and others are being prepared. Besides, the fact that it signed the Paris Convention on telluric water proves that the Community intends to participate actively at an international level in solving the problem, not only at the Community level.

In this connection I would like to break the news that the Commission intends to start an ambitious programme concerning the Mediterranean, taking into account the findings of the recent Barcelona Conference. This programme will obviously have a direct influence on the problems of bathing waters. Here too, the Commission's task can form part of the broader programme of both Community and extra-Community activities aimed at conserving the Mediterranean.

Having said this, Mr President, I would urge Parliament to approve the resolution and, if possible, to change the word 'deplores' in Paragraph 1 of the motion for a resolution, as I think it may be unacceptable to the Commission. At the same time, I would like an assurance that these and other rules, when put into practice, will answer a practical need so that everyone in the EEC can benefit from such realistic action.

President. — The general debate is closed.

We shall now consider the proposal for a directive.

On article 1, paragraph 2(a), I have Amendment No 1 tabled by Lord Bethell on behalf of the

European Conservative Group and worded as follows:

'Article 1, paragraph 2(a)

Delete the words "or tolerate".'

I call Lord Bethell to move this amendment.

Lord Bethell. — I believe we all share the goodwill and the general aims of the proposed directive.

Moving this amendment, I wish to make clear that there is no hostility to the principles that have been enunciated by the rapporteur in his very eloquent and well-conceived report. I agree with him that the proposed directive is appropriate in the Mediterranean, where pollution is very bad, where bathers in the summer months are numbered by the million, and where the coastline is, in part, privately owned or privately administered while certainly kept under strict control. This is of course necessary, such is the vast quantity of bathers who come and enjoy the beautiful and warm waters of the popular coastal resorts in the two Mediterranean Community countries of Italy and France.

However, the proposed directive is not, in its present form, appropriate to the whole of the nine Member Countries of the Community, particularly not to the northern countries, where the water is colder, where the coastline is less regulated and, very often, open to the public on common land, and where bathing is authorized and tolerated, by and large, everywhere and prohibited hardly anywhere.

I raised this matter in the Committee on Public Health and the Environment. My voice was rather silenced on that occasion by the suggestion that this directive would not necessarily apply to the United Kingdom, Ireland, Germany and Denmark because the temperature of the water round those countries very seldom rises above 20°C. However, I have taken advice since then and I am told that this lower temperature limit of 20°C applies to certain types of pollution only.

While it is true that certain types of pollution would be excluded from the proposed directive, it is nevertheless the case that all countries of the Nine, if the directive becomes the law of the Community, will, within eight years, have to fulfil all the vigorous tests and guidelines which are laid down. I wish to enumerate some of these in order to make Members aware of what the authorities in their countries will be up against if the proposal becomes law in its present form.

Lord Bethell

As I understand it, it will be necessary for samples to be taken of the sea round the coastline of all the member countries every two kilometres. This would apply to all the waters of the Nine, including the Outer Hebrides, the Highlands and Islands of Scotland, the coast of Jutland, the nooks and crannies round Ireland and a large part of the waters of the Baltic.

Complicated formulae will then have to be applied to these samples in order to decide whether or not the water comes within the guidelines set down. This will involve the mean density of bathers per kilometre of beach. The prevailing water temperature will have to be determined on the basis of the average monthly values for the previous three years. Samples will have to be taken 30 cms below the surface of the water. This will have to be done every 2 kms along coastlines very often many thousands of kilometres long—and the United Kingdom, I believe, has the longest coastline in the Community—a coastline of several thousand kilometres.

The resources are very difficult to come by in order to enforce such a proposal. It would then be necessary to pass detailed and complicated legislation in order to make bathing an offence where water does not reach the required standards. It will be necessary to erect large numbers of warning signs to indicate where bathing is dangerous or does not come within the guidelines. Several hundreds or even thousands of these signs will have to be erected in some countries. It is not appropriate for such strict guidelines to be laid down in the northern countries, where bathing is a minority pastime, with perhaps a few hundred or a few dozen people going into the sea every day, and where the pastime is not organized as it is in the Mediterranean.

The other basic objection one can find to the proposed directive in its present form is that the guidelines are laid down for environmental reasons and on an environmental basis. I should be grateful if the Commissioner, when he speaks later, could confirm that these criteria are ideals set down on an environmental basis. They may or may not have a bearing on the health of bathers. Of course, I wish to preserve the environment, as do all of us in this House, but I doubt whether it is appropriate to bring the prohibition on bathing into a largely environmental matter.

There is a certain confusion, in the directive as it now stands, between the environmental guidelines and the public-health guidelines. I very much hope the Commissioner will be able to say a word about this when he speaks.

The amendment I propose would enable the competent authorities in the Member Countries to designate lengths of coastline where people commonly bathe. As I have said, in the United Kingdom, for example, I do not believe there are any parts of the coastline where bathing is specifically authorized. Bathing is permitted everywhere unless there is some very good reason why it should not take place, perhaps because of unexploded mines, or because pollution would be a severe danger to health. In the northern countries such parts of the coastline where bathing is a positive danger to health are very rare. I am told that in the Mediterranean there are quite a lot of places where pollution is very bad, and there have indeed been cases of severe illness in the last two or three years because of polluted bathing-water. In the North this is not the case and I am advised that the danger to health from pollution of sea-water is so small as to be insignificant outside the Mediterranean.

If it could be proved that there is any danger to health from polluted sea-water where bathers go, I would support very strict measures to make certain that bathers are warned about such dangers and that they are severely discouraged from risking their health by going into such water. Strict rules may be very appropriate for the southern coastlines of France and Italy, but in the isolated coastlines of the North, in sea which comes up to land which is common, where people have got into the habit of wandering and walking and occasionally bathing—even though the water is cold—and which is not an actual resort but where there is very often an atmosphere of great beauty and a lonely, isolated locality where people can enjoy themselves, I hardly think that it is appropriate to impose severe controls unless it can be proved that there is a significant danger to the health of someone who ventures into these cold waters.

This is why I invite our delegates to support these amendments, particularly delegates from Ireland, the United Kingdom, Germany and Denmark, who will find themselves put into a very great difficulty if this directive goes through in its present form and if their civil servants and administrations find themselves, because of the law of the Community, obliged to pass complicated legislation and to work out places where bathing may take place on an extremely impractical and difficult basis.

We are all striving to reach the ideal of a pure environment. This is the purpose of our Committee on Public Health and the Environment. It is right for the Community to set a lead and to strive towards that ideal in this legislation.

Lord Bethell

But I very much hope that the Commissioner will undertake to look carefully at this proposal before it makes any progress towards the Council; and it would be very helpful if he would take the advice of my honourable friend Sir Derek Walker-Smith and show it to the Legal Committee. I very much agree with my honourable friend that some of the drafting seems to be a little vague and to contrast greatly with the extremely detailed part of the proposals which deal with the scientific criteria and guidelines; but if we use the 'big stick' of preventing bathing somewhere where there is no health hazard there will be the severe danger of bringing the law of the Community into disrepute, because of the limitations on freedom that will be thought to have been imposed on citizens of the Community, and because of the cumbersome and unworkable legislation. Therefore, I commend my amendment to the House.

(*Applause*)

President. — What is the rapporteur's position?

Mr De Clercq, deputy rapporteur. — (F) I stick to the point of view defended by Mr Premoli and urge Parliament to vote against this amendment.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, I have been criticized on a number of occasions and, considering the scope of the amendments, the whole discussion seems to me to have been far more heated than was necessary. I am, however, opposed to these amendments and I want to repeat that in this case, as in others, the Commission, in view of the different situations in the various Member States, preferred not to introduce a regulation, as this, if approved, would have been binding upon all Member States, but instead proposed a directive, which offers the possibility of a wider field of application, and takes account of the specific national situations.

I therefore consider it inadvisable to reduce the scope of the directive, because this would mean the end of control at Community level. It is not advisable, either, to take a lighthearted view of directives which we believe to be basically serious, especially when stricter measures are called for and when it is quite certain that no one will go and collect samples or put up warning signs to indicate that bathing is prohibited in areas which are not easily accessible. Of course, this will have to be done in areas where people frequently bathe and where it is in the public interest to safeguard the health of the citizens of Europe.

This is why we have proposed a directive rather than a regulation. National parliaments will have to put this directive into a form adapted to the local situations in each country. I believe that the European Parliament can give its approval to this directive, as proposed by the rapporteur.

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — I rise just for a moment—because I have already given my views on these matters in the general debate—merely to express some disappointment at the reply of the Vice-President of the Commission and also, with great respect, to take him up on the point that he made with regard to this being put in the form of a directive rather than a regulation. This is, of course, put in the form of a directive, but as he and all of us well know, and as Parliament knows, a directive is binding as to the whole of the substance and it is only the form in which that substance is clothed in regard to which an individual Member State has any discretion. It is a narrow discretion, and does not really meet the point which is sought to be made in this amendment.

That discretion is perhaps even further narrowed by the recent judgment in the European Court of Justice, with which you, Sir, and the Vice-President will be familiar. All that this does, with respect, is to reinforce my point that it might have been better if we had had the advantage of some further legal guidance on this matter before we parted company with it. I would appeal to the Vice-President, between the step and the ground, even at this late stage, to consider whether he would not think again and show a little more flexibility in his approach to this suggestion by my noble friend.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, to avoid misunderstanding let me make one thing clear. It is suggested that the Legal Affairs Committee be asked for its opinion, but the Commission has never objected to that. This is, after all, an internal question concerning the European Parliament; it is not up to the Commission to support or oppose the giving of an additional opinion by the Legal Affairs Committee.

President. — Mr Scarascia Mugnozza is right, this is a question of internal procedure. Under the circumstances, the Legal Affairs Committee should perhaps have been invited to give an

President

opinion. However, at this late stage, I think it is time to bring the debate to a close.

I call Mr Kirk for a procedural motion.

Mr Kirk. — Since the chairman of the Legal Affairs Committee has expressed the view that this matter should be considered by his committee, and since the Commission have said that they have no objection, may I move that the matter be referred to the Legal Affairs Committee for an opinion?

President. — I call Mr Giraud.

Mr Giraud. — (*F*) Mr President, it has happened on several occasions that debates in this Parliament have run into the same difficulties: just when we think we have reached a satisfactory conclusion, an unforeseen obstacle thwarts us.

It is not that I advocate measures which some Members find objectionable, but I do think it poor Parliamentary procedure to challenge the whole basis of a debate in a speech from the floor just when the debate appears to be reaching its conclusion. This constantly upsets our agendas and no more work gets done.

As for the question itself, unlike some speakers, I think that the initiatives taken by the European Parliament—like those taken by any parliament—are always watered down rather than reinforced in practice. In my opinion, being too tolerant in a field as important as public health is highly dangerous.

(Applause from the Socialist Group)

President. — I put to the vote the proposal by Mr Kirk that the matter be referred to the Legal Affairs Committee for an opinion.

The proposal is rejected.

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

We shall now consider the motion for a resolution.

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2, I have Amendment No 2 tabled by Mr Spicer on behalf of the European Conservative Group and worded as follows:

'Paragraph 2

This paragraph to read as follows:

"Proposes that bathing should be discouraged in water with a higher level of pollution than stipulated in the directive and that positive steps should

be taken to inform all bathers of the results of the tests laid down in the directive and of possible dangers to health;".'

I call Mr Spicer to move this amendment.

Mr Spicer. — I want to say at the outset how very much I and, indeed, all of the Conservative Group welcome this report and the great sincerity and very hard work that Mr Premoli has put into it on behalf of Parliament. It emphasizes all too clearly, of course, a problem of which we have known for some years and one which we have done all too little to combat. The time has now come when very much more drastic action is required and must be taken.

I live on the south coast of England, in a fairly small town, and I know only too well that one of the major problems of pollution has resulted from the tremendous increase in population, coupled with a dramatic rise in the cost of combating that pollution, particularly in the form of sewage outfalls and similar phenomena. In that respect I personally welcome what Mr Premoli has said in his third paragraph. Community funds may be necessary to help in some way those communities which suffer greatly from the results of pollution and which are unable to meet such expenditure from funds at their own disposal.

I now pass to an area where I part company with Mr Premoli. It is a small part of the whole subject, but it is an important part. I refer to paragraph 2. My amendment relates purely to that paragraph and the measures which should be taken to enforce a ban on bathing. By all means let us accept that there must be a common standard, and one hopes that the standards over the years will become much higher. By all means let us carry out all the tests necessary in this respect, and let us give the widest possible publicity to those tests. Finally, let us have urgent consultations with local authorities to see in what way we, within the Community, can be of assistance in putting matters right. However, to go beyond that and to try to prohibit bathing by edict would make bad law. There is no doubt that law is always bad if it cannot be enforced. That is my view and that is the point with which my amendment deals.

I believe that the way to deal with this problem is to aim at those who are directly responsible for polluting the oceans, in order to assist those who suffer most when our seas and waters are polluted. About four years ago, in the United Kingdom, a national newspaper undertook a survey of 12 major resorts in the United Kingdom. It graded those resorts as 'filthy', 'more filthy' and 'even more filthy'. The direct result of that campaign was that it was taken to heart

Spicer

because it hit at the pockets of those whose livelihoods depended upon the attraction of tourists to seaside resorts during the summer months. Action was taken, and certainly in my part of the country it was very effective.

That is the basis on which my amendment is moved on behalf of the Conservative Group, and I hope that the Assembly will accept it in that spirit.

(Applause from the European Conservative Group benches)

President. — What is the rapporteur's position?

Mr De Clercq, deputy rapporteur. — (F) I must oppose this amendment and ask the House to reject it.

President. — What is the Commission's position?

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (F) The Commission also says no.

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

Amendment No 2 is rejected.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

I put paragraphs 3 to 5 to the vote.

Paragraphs 3 to 5 are adopted.

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

The resolution is adopted.¹

8. *Future rôle of Eurocontrol*

President. — The next item is the consideration of the motion for a resolution tabled by Mr Fellermaier on behalf of the Socialist Group on the future rôle of Eurocontrol (Doc. No 83/75).

I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, ladies and gentlemen, the European Parliament has on many occasions expressed its desire to encourage the further development of a common transport policy. Within the next few days a delegation from the Committee on Regional Policy and Transport will be meeting the Irish President-in-Office of the Council, to put forward once again the ideas of the transport

experts of the European Parliament on European transport policy.

This House has also asked that air transport policy be incorporated into the Community transport policy. We have always attached great importance to institutions such as Eurocontrol in this context. It has been said in this House that the air control system already set up by Eurocontrol in a substantial part of the Community air space is an important constituent element in a future common European air transport policy. We now hear that the Permanent Commission of Eurocontrol is holding a meeting tomorrow and the day after, 14 and 15 May, in Brussels to consider a report submitted by a Study Group which it formed in 1974. My colleagues and I, and a large number of other people, fear that this report could propose a significant reduction in the work of Eurocontrol. If this occurs, it will be another setback for Europe, this time in the field of air navigation safety. Why?

Ladies and gentlemen, following the creation of a European Authority of Air Navigation by six European countries in 1960 and the investment of vast sums of money in the construction of the headquarters of the European Organization for the Safety of Air Navigation in Maastricht and Karlsruhe, the Experimental Centre of Eurocontrol in Brétigny and the Institute of Air Navigation Services in Luxembourg, we are now threatened once again with the reintroduction of purely national controls.

Nobody can dispute the practical and technical achievements of Eurocontrol. Maastricht is acknowledged to be the world's most modern headquarters for air navigation safety and is years ahead of similar institutions, particularly in Europe. Industry created European syndicates and software teams to set up Maastricht and Karlsruhe, and it would have been difficult and probably impossible to do this and to administer them at national level. Furthermore, Eurocontrol is at present the only authority with executive power.

Mr President, ladies and gentlemen, in March 1972 the Ministers responsible defined the task of Eurocontrol as follows:

'What is required is a common basis for air safety in the entire upper and lower air space in Europe, applicable to all aircraft, civil and military, irrespective of national frontiers.'

It was clear that this declaration by the Ministers would be approved by the airlines, the armed forces, the pilots, in short everybody affected, and indeed it was. However, when the same Ministers were asked to elaborate on how this objective should be achieved, their differing

¹ OJ No C 128 of 9. 6. 1975.

Seefeld

viewpoints prevented them from reaching an agreement. The main reason was that their respective national administrations wanted to enforce their own interests. This has all now led to serious proposals to put the administration of Eurocontrol back on a national basis, i.e. to destroy it. It does not seem to matter if this entails breaking international conventions, destroying a once valuable means of increasing air navigation safety and splitting up teams of experts such as no single country has ever managed to bring together, or even writing off the sums of money paid so far by the European taxpayer.

One can imagine that the difficulties facing Eurocontrol which are, of course, caused only by factors relating to the national administrations would vanish at once if Eurocontrol were no longer dependent upon these administrations, which are in *de facto* competition with Eurocontrol, but on the European Community or the European Parliament.

As it is at present probably impossible to achieve this optimum result in the short term—again owing to resistance from selfish pressure groups—we ask the Ministers responsible what they intend to do to give further assistance to Eurocontrol and, in particular, whether they intend to adopt the community-spirited and pragmatic Solution C proposed by the Director-General of Eurocontrol.

Mr President, ladies and gentlemen, these are the few observations I wished to make. The responsible parliamentary committee must obviously discuss the problem further. For the moment I would urge you to adopt the motion as tabled for the simple reason that tomorrow is an important deadline when a decision could be taken which we may regret. By adopting this resolution the European Parliament can show its concern today and urge the Ministers not to take any decisions which might be unfavourable to Eurocontrol. I do not believe that the future development of a European transport policy or, more especially, the introduction of a Community air transport policy will benefit by returning the administration of Eurocontrol to a national level.

For this reason I urge you to adopt the proposal.
(Applause)

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

Mr Notenboom. — (NL) Mr President, we are very grateful to Mr Fellermaier and his Group and to Mr Seefeld for tabling this motion for a resolution. I share their concern at the reports which are reaching us regarding Eurocontrol.

There is a certain amount of anxiety in the Netherlands too concerning the probable future of Eurocontrol, for reasons which, however, strike me as somewhat vague. I have even heard it suggested in various quarters that envy regarding salaries is the real motive underlying this threat.

Even if Eurocontrol is not a Community institution, we feel that this Parliament nevertheless has the right to express its anxiety and to address the Council both as such and as a forum for cooperation between the Ministers of the various countries. This Parliament has already recommended the joint use of the Eurocontrol organization in the resolution on the common approach to air transport, i.e. the Noè report (Doc. No 195/72). In recommending this motion, Mr Seefeld is, therefore, acting in the spirit of an earlier pronouncement of this Parliament.

We must join in expressing our anxiety at the possibility of this supranational institution disintegrating or continuing on a much reduced scale. We do not at the moment have any precise details; the debate is on the general principle.

We support the resolution in urging the Ministers not to take any rush decisions. The technical knowledge assembled, the teams formed and the experience gained at the cost of much financial, and, in particular, personal sacrifice, must not come to nothing. The central issue is the safety of European air space. I know for certain—and I am speaking now as a Dutchman—that the people in the part of my country in which Eurocontrol is based (Maastricht)—which is fairly central in Western Europe—will be pleased to see that the European Parliament today is attempting to stay this threatening development and turn it to the good.

I should, however, also like to sound a warning against rumours with a fairly tenuous factual basis. So far not a single minister has spoken out against the continued existence of Eurocontrol. The Netherlands Minister of Transport, Water Control and Construction this morning answered written questions put by myself and others in our National Parliament. He said that little or nothing would be changed in the existing situation in the transport control centre in Maastricht. This does not, however, set my mind completely at rest with regard to Eurocontrol.

This is why we support the motion for a resolution. We do, however, find paragraph 2 a little contrived. The connection with data processing strikes me as merely incidental, though I am not really in a position to judge. I would therefore have thought that Mr Seefeld's intention too would be better expressed if we formulated paragraph 2 a little more directly. I have therefore, after thorough consultation with Mr See-

Notenboom

feld, tabled an amendment. It is not a crucial point, but it strikes me as a somewhat better expression of what is causing concern in certain quarters. It will not require any further elucidation before the voting.

Perhaps this amendment is an improvement. I hope that Parliament will firmly support the motion for a resolution.

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

Mr Osborn. — I hesitate to rise at such short notice, but I wish to support Mr Notenboom's amendment. Although I tender this support, I do not wish to object to the views advanced by Mr Fellermaier, which are valid and relevant.

Members of the Assembly may ask why I, as a new Member, should intervene and make a maiden speech in this Assembly of one or two minutes. I cannot tell the Assembly whether I speak as a representative of the European Conservative Group or not. I have had a word with our chairman, and when I saw Mr Fellermaier's resolution I told the Conservative Group that I was concerned at the language in it and that I very much hoped that I would see an amendment such as that which Mr Notenboom has put forward.

This is a complicated subject, in respect of which I cannot claim that I am any greater an expert than anybody else. However, had I been here a week ago in the Council of Europe I might have been reporting as rapporteur on European transport policy. Had I been here a little earlier, I would have been chairman of a sub-committee reporting on data-processing. I therefore feel that I have some insight into a European appreciation of transport policy and of the use of the computer as a means of enabling us to propel and let aircraft travel throughout Europe.

As a member of the Assembly of the Western European Union, some 18 months ago, in September 1973, I took part in a symposium at which were represented airlines, aircraft manufacturers, component manufacturers to the aircraft industry, civil aviation authorities, Eurocontrol and everyone concerned with European air transport. I very much hope that those who are now putting forward views will have benefited from the proceedings of that symposium.

I accept paragraph 2 of Mr Fellermaier's resolution:

'Considers that no action should be taken by member governments of Eurocontrol concerning

the future of that organization until the study proposed...containing initial proposals for priority projects in data-processing...has been completed.'

As a new member of the Committee on Energy, Research and Technology, I wonder to what extent this has technical as well as transport aspects and should not be looked at more widely by a variety of committees, because the future of air control in Europe very much determines the speed and efficiency with which our airlines are able to conduct their operations on this continent as a whole, and a computer is a very important part of that whole.

The Western European Union looked at this problem. I think that we must accept that the cost of energy, the cost of oil and therefore the cost of aviation fuels will limit the extent to which we can use air transport, but when we use air transport it is vital that it be used effectively, safely and most efficiently.

Some two and a half years ago I had the privilege of attending Transpo 72 and seeing for myself some of the techniques which had been adopted by the United States of America for continental-wide air traffic control.

I suggest that although some of their technologies may not have shown the ingenuity that we have in isolated instances in Europe, they have a standardization which should be the envy of the world.

On my last flight across the Atlantic, the captain of the flight told me he did not know which route he would take, because it depended on the traffic, the winds and the degree of turbulence. He said that the computer would decide the course that was taken. If this is happening across the Atlantic and the computer is being used to that extent in the United States of America, I, as an individual, if I do not speak for the group, very much hope that something that will deal with this problem on a European basis, as against the national basis of a number of countries dealing with their own problems individually, will be looked at in great depth by all our committees.

I therefore very much hope that the Assembly will support Mr Notenboom's amendment.

(Applause)

President. — I call Mr Noè.

Mr Noè. — *(I)* Mr President, ladies and gentlemen, in March 1973 this House discussed a common approach to air transport and approved a resolution, paragraph 10 of which stated that Parliament:

Noë

"Considers that the European States must adopt a common standpoint on safety and cooperate more closely and in a more practical way with a view to:

- a) standardizing systems for the control of upper and lower airspace by making common use of Eurocontrol facilities".

I had the privilege of preparing this report and so I obviously agree with what Mr Seefeld said. Even so, there is one point on which I disagree and which was the reason for my asking for a postponement, viz. our lack of knowledge of an aspect which no one present has mentioned. In theory, we are in favour of an organization of this kind, but no one has thought of asking how it has worked over the past few years. Anyway, the debate in the Transport Committee will perhaps take place next week—it has only just started—and we will then have the opportunity of considering the matter at greater length.

I myself have no precise information to go on, but I have reason to believe that doubts have arisen on the way Eurocontrol has been run up to now. I have, for example, heard doubts expressed about purchases which were less than ideal in the sense that the best and most suitable equipment was not always acquired, perhaps because of pressure from certain Member States. Similar situations, of course, have arisen in other technological fields in the past. We also hear of delays in the implementation of programmes, projects planned but never implemented, and of duplications of a number of programmes in various Member States; everyone is well aware that Eurocontrol deal with the control of the upper airspace, that is, above 20 000 feet, while the control of the lower airspace is left to regional centres.

The whole situation is appraised in the Welton Report, but this has not yet been published. We certainly cannot take a definite stand without knowing the contents of the Welton Report. On the other hand, the level at which it has been drawn up is such that even if it points out shortcomings and makes recommendations, no decisions are likely to be based on it.

For the moment, however, especially in view of the amendment tabled on this subject, I shall vote in favour of the motion for a resolution under consideration. Even so, Mr President, we shall have to acquire this report, discuss it in committee and form our opinion on it in order to give a sound basis to the decisions of this Parliament. Unfortunately, one of the drawbacks of democracy is its lack of strength and courage in appraising institutions which are good in theory, but may not be in practice.

Nevertheless, today's stand backed by a decision at some future date should enable us to put

matters right and increase—a hope we expressed two years ago—the number of countries co-operating in Eurocontrol, which does not extend, for example, to my own country or to Denmark. I fully agree with what my British colleague said a few minutes ago. There is no doubt that processing of all the flight information in a computer, which then indicates the further flight course in our European airspace is already feasible because we have the technical means necessary, but it can only be achieved through Eurocontrol and certainly not through national organizations, as this would be an anachronism.

These are the aspects of the problem as it stands and they also explain my bewilderment. Nevertheless, I repeat that I will vote in favour of this motion for a resolution.

IN THE CHAIR: MR BERKHOUWER

Vice-President

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Without going into detail, I would like to say how pleased I am that this motion for a resolution has been tabled: I hope Parliament will approve it.

Everyone is aware of the Commission's constant efforts to achieve a Community air transport policy as soon as possible, and I think we are now moving towards this solution.

This is also the type of solution to which economic considerations point, and it would to my mind be inconsistent, now that collaboration between airlines is becoming closer and now that three Benelux airlines have expressed their readiness to implement joint programmes, to dissolve a body which has been a working example of European collaboration, albeit in the face of the difficulties which bodies of this kind inevitably come up against.

Finally I would like to express the hope that the ministers responsible will, with all due caution, make their attitudes on this subject known and ask both Parliament and, more especially, the Committee on Regional Affairs and Transport to examine the situation as soon as possible. I hasten to add that the Commission and I myself will assist in any way we can to speed up this examination, since this can only help to solve these problems.

(Applause)

President. — We shall now consider the motion for a resolution.

President

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2, I have Amendment No 1 tabled by Mr Notenboom and worded as follows:

'Paragraph 2

This paragraph to read as follows:

"Expresses its concern at reports of possible cut-backs in Eurocontrol and calls upon the governments of the Member States of Eurocontrol to ensure that that organization retain its capacity in the future to carry out its important work."

Mr Notenboom has already moved this amendment.

I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, I have noted Mr Notenboom's amendment. Its wording does not, however, convey exactly what my Group and I wanted to express in the motion for a resolution. But it is not worth arguing about it, since all we are concerned with is sounding a warning note here and now. Mr Notenboom's amendment does this as well. Therefore I am in favour of Mr Notenboom's amendment, most particularly because of our common cause and our common concern, and withdraw the former wording of paragraph 2.

Mr President, may I say just one more thing? I should be very grateful if after this debate it could be arranged for the Council and the Member States of Eurocontrol to be informed of this resolution by telegram before the day is out. For the warning we have sounded today should definitely reach the place tomorrow where the decision is to be taken.

(Applause)

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

Amendment No 1 is adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

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

The resolution so amended is adopted.¹

The authorities concerned will be informed of it immediately.

9. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Wednesday, 14 May 1975, with the following agenda:

11.00 a.m. and 3.00 p.m. to 5.00 p.m.:

- Question Time;
- Interim report on the Agreement with Israel;
- Oral question with debate by the Political Affairs Committee to the Conference of Foreign Ministers of the Member States on the situation in the Mediterranean and the Middle East;
- Joint debate on
 - the oral question with debate by Mr Jahn and others to the Commission on the composition of the Consumers' Consultative Committee and
 - the oral question with debate by Mr Jahn and others to the Council on the same subject;

5.30 p.m.:

Formal sitting to celebrate the 25th Anniversary of Robert Schuman's declaration.

The sitting is closed.

(The sitting was closed at 4.30 p.m.)

¹ OJ No C 128 of 9. 6. 1975.

SITTING OF WEDNESDAY, 14 MAY 1975

Contents

<p>1. <i>Approval of the minutes</i> 60</p> <p>2. <i>Documents submitted</i> 60</p> <p>3. <i>Question Time (Doc. No 84/75):</i></p> <p style="padding-left: 20px;"><i>Questions to the Commission of the European Communities:</i></p> <p style="padding-left: 20px;"><i>Question No 1 by Mr Normanton: European textile industry:</i></p> <p style="padding-left: 40px;"><i>Mr Spinelli, Member of the Commission of the European Communities; Mr Normanton; Mr Spinelli</i> 61</p> <p style="padding-left: 20px;"><i>Question No 2 by Mr Bordu: Chilean external debt (cf. Annex)</i> 61</p> <p style="padding-left: 20px;"><i>Question No 3 by Mr Hougardy: Harmonization of oil product prices:</i></p> <p style="padding-left: 40px;"><i>Mr Cheysson, Member of the Commission of the European Communities; Mr Hougardy; Mr Cheysson</i> 61</p> <p style="padding-left: 20px;"><i>Question No 4 by Mr Fellermaier: Arrest of a former employee of the Hoffmann-La Roche company (cf. Annex)</i> 62</p> <p style="padding-left: 20px;"><i>Question No 5 by Mr Leenhardt: Notification of infringements by Associated States of the rules of competition (cf. Annex)</i> 62</p> <p style="padding-left: 20px;"><i>Question No 6 by Mr Durieux: Mediterranean policy:</i></p> <p style="padding-left: 40px;"><i>Mr Cheysson; Mr Durieux; Mr Cheysson; Mr Normanton; Mr Cheysson</i> .. 62</p> <p style="padding-left: 20px;"><i>Question No 7 by Mr Cousté: Likelihood of Switzerland joining the 'European monetary snake' (cf. Annex)</i> .. 63</p> <p style="padding-left: 20px;"><i>Question No 8 by Mr Radoux: Creation of an Exchange Stabilization Fund (cf. Annex)</i> 63</p>	<p><i>Question No 9 by Mr Broeks: Action taken by the Council on Commission proposals:</i></p> <p style="padding-left: 20px;"><i>Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities; Mr Broeks; Mr Scarascia Mugnozza</i> 63</p> <p><i>Question No 10 by Mr Krall: Competitiveness of small and medium-sized enterprises in the Common Market:</i></p> <p style="padding-left: 20px;"><i>Mr Gundelach, Member of the Commission of the European Communities; Mr Bangemann; Mr Gundelach</i> 63</p> <p><i>Question No 11 by Mr McDonald: Import regime for sheep and lamb operated by France:</i></p> <p style="padding-left: 20px;"><i>Mr Lardinois, Member of the Commission of the European Communities; Mr McDonald; Mr Lardinois; Mr Scott-Hopkins; Mr Lardinois; Mr Nolan; Mr Lardinois</i> 64</p> <p><i>Question No 12 by Mr Scott-Hopkins: Food prices:</i></p> <p style="padding-left: 20px;"><i>Mr Lardinois; Mr Scott-Hopkins; Mr Lardinois</i> 65</p> <p><i>Question No 13 by Mr Kirk: Price of sugar:</i></p> <p style="padding-left: 20px;"><i>Mr Lardinois; Mr Kirk; Mr Lardinois; Mr Scott-Hopkins; Mr Lardinois</i> 65</p> <p><i>Question No 14 by Mr Howell: Beef supplies:</i></p> <p style="padding-left: 20px;"><i>Mr Lardinois; Mr Howell; Mr Lardinois; Mr Gibbons; Mr Lardinois</i> 65</p> <p><i>Question No 15 by Lord Bethell: Co-operation with India (cf. Annex)</i> 66</p> <p><i>Question No 16 by Mr Dykes: Number of Community and British civil servants:</i></p>
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<i>Mr Borschette, Member of the Commission of the European Communities; Mr Dykes; Mr Borschette; Mr van der Hek; Mr Borschette</i>	66	<i>Amendment to paragraph 3</i>	78
<i>Question N° 17 by Mrs Kellett-Bowman: Consumer subsidies for butter:</i>		<i>Adoption of the resolution</i>	78
<i>Mr Lardinois; Lady Elles; Mr Lardinois; Mr Howell; Mr Lardinois</i>	67	6. <i>Welcome to Greek delegation</i>	78
<i>Question No 18 by Lord St. Oswald: Mountain and hill farming directive:</i>		7. <i>Oral question with debate: General situation in the Mediterranean and the Middle East (Doc. No 70/75):</i>	
<i>Mr Lardinois; Lord St. Oswald; Mr Lardinois; Mr Corrie; Mr Lardinois</i> ..	67	<i>Mr Kirk, author of the question; Mr FitzGerald, President-in-Office of the Council of the European Communities; Mr Blumenfeld, on behalf of the Christian-Democratic Group; Mr Fellermaier, on behalf of the Socialist Group; Mr de la Malène, on behalf of the Group of European Progressive Democrats; Mrs Goutmann, on behalf of the Communist and Allies Group; Mr Jahn; Mr FitzGerald; Mr Lange; Mr Seefeld; Mr Cheysson, Member of the Commission of the European Communities; Mr Fellermaier; Mr Cheysson; Mr Jahn, Mrs Goutmann; Mr Cheysson; Mr Blumenfeld; Mr FitzGerald; Mr Kirk</i>	78
<i>Question No 19 by Mr Osborn: Cost of Community and British civil servants:</i>		<i>Statement:</i>	
<i>Mr Borschette; Mr Osborn; Mr Borschette</i>	67	<i>Mr Fellermaier</i>	92
4. <i>Council Statement on the Lomé Convention:</i>		8. <i>Oral questions with debate: Composition of the Consumers' Consultative Committee (Doc. No 68/75 and Doc. No 69/75):</i>	
<i>Mr FitzGerald, President-in-Office of the Council of the European Communities; Mr Broeksz; Lord Reay; Miss Fleisch, Chairman of the Committee on Development and Cooperation; Mr FitzGerald</i>	68	<i>Mr Jahn; Mr FitzGerald, President-in-Office of the Council of the European Communities; Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities; Mrs Orth, on behalf of the Socialist Group; Mr Nyborg, on behalf of the Group of European Progressive Democrats; Mr Giraud; Mr Corrie; Mr Scarascia Mugnozza</i>	94
5. <i>EEC-Israel Agreement — Debate on an interim report drawn up by Mr Patijn on behalf of the Committee on External Economic Relations (Doc. No 94/75):</i>		9. <i>Agenda for the next sitting</i>	98
<i>Mr Patijn, rapporteur</i>	70	10. <i>Formal sitting: Celebration of the 25th Anniversary of Robert Schuman's declaration</i>	99
<i>Mr FitzGerald, President-in-Office of the Council of the European Communities; Mr Blumenfeld, on behalf of the Christian-Democratic Group; Mr Giraud, on behalf of the Socialist Group; Lord Reay, on behalf of the European Conservative Group; Mr Terrenoire, on behalf of the Group of European Progressive Democrats; Mr Cheysson, Member of the Commission of the European Communities; Mr FitzGerald; Mr Patijn</i>	71	<i>Annex</i>	105
<i>Consideration of the motion for a resolution</i>	78		

IN THE CHAIR: MR BERKHOUWER

Vice-President

(The sitting was opened at 11.00 a.m.)

President. — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

President. — I have received the following documents:

(a) from the Council of the European Communities, requests for an opinion on

- the proposal from the Commission of the European Communities to the Council for a regulation extending the field of application of Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables to new potatoes (Doc. 88/75).

This document has been referred to the Committee on Agriculture;

- the proposal from the Commission of the European Communities to the Council for a regulation laying down measures for the rationalization of horticultural production under glass (Doc. 89/75).

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

- the proposal for the transfer of appropriations from one chapter to another in Section II - Council - of the general budget for the 1975 financial year (Doc. 91/75).

This document has been referred to the Committee on Budgets;

- two proposals for the transfer of appropriations from one chapter to another in Section III - Commission - of the general budget for the 1975 financial year (Doc. 92/75).

This document has been referred to the Committee on Budgets;

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

I. a directive on biological standards for lead and on screening of the population for lead

II. a directive on air quality standards for lead (Doc. 93/75).

This document has been referred to the Committee on Public Health and the Environment;

- the proposal from the Commission of the European Communities to the Council for a regulation setting up a temporary scheme of aids for the private storage of certain fishery products (Doc. 97/75).

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

- (b) from the Commission of the European Communities, a letter on the maximum rate of increase for non-compulsory expenditure in the budget of the European Communities for the 1976 financial year (Doc. 99/75).

This document has been referred to the Committee on Budgets;

- (c) from the committees, the following reports:

- interim report by Mr Schelto Patijn on behalf of the Committee on External Economic Relations on the Agreement between the European Economic Community and the State of Israel (Doc. 94/75);

- report by Mr Gabriel Kaspereit on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council (Doc. 61/75) for a regulation opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within sub-heading ex 20.06 B II c) aa) of the Common Customs Tariff, originating in Israel (Doc. 95/75);

- report by Mr Isidor Früh on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 60/75) for a regulation extending the scope of Regulation (EEC) No 1067/74 on the common organization of the market in dehydrated fodder to cover certain products processed from potatoes (Doc. 96/75);

President

— second report by Mr Jan Baas on behalf of the Committee on External Economic Relations on the proposals from the Commission of the European Communities to the Council (Doc. 503/74) for

I. a regulation on the opening, allocation and administration of the Community tariff quota for 30 000 head of heifers and cows, not intended for slaughter, of certain mountain breeds falling within subheading ex 01.02 A II b) 2 of the Common Customs Tariff

II. a regulation on the opening, allocation and administration of the Community tariff quota for 5 000 head of bulls, cows and heifers not intended for slaughter, of certain alpine breeds falling within subheading ex 01.02 A II b) 2 of the Common Customs Tariff (Doc. 98/75).

Question Time

President. — The next item is the questions to the Commission of the European Communities (Doc. 84/75) pursuant to Article 47 (2), Paragraph 1, of the Rules of Procedure.

I ask Members of Parliament to adhere strictly to these Rules of Procedure when putting their questions.

The competent representative of the Commission is asked to reply to the questions addressed to this Institution and any supplementary questions.

The first item is Question No 1 by Mr Normanton which reads as follows:

'Is the Commission aware of the growing anxiety throughout the textile industry of Europe at the combined effect of a decline in public consumption and an increase in foreign imports of textiles of all kinds, and what measures will be adopted on a Community basis to regulate the flow of textile imports at prices unrelated to their actual costs of manufacture?'

Mr Spinelli, Member of the Commission of the European Communities. — (I) Mr President, the Commission is aware of the difficulties currently facing the textile industry, and with a view to improving these conditions has decided to speed up as much as possible the negotiations on the safeguard clauses in Article 4 of the textiles agreement.

The Council has already approved the brief to negotiate with some of the 15 countries with which the Community intends to conclude exchange agreements. We hope that agreements of this kind may be concluded by the autumn.

The Commission has also decided, in accordance with Regulation No 1439 of 1974, to keep checks on Community imports of 22 textiles and clothing products which may be considered as the most significant with regard to import quantities and prices.

Mr Normanton. — Whilst I thank the Commissioner for his reply, may I press upon him once again verbally as well as in writing the need for real urgency in formulating and implementing an effective means of insulating this major European industry from unfair competition, particularly within the framework of cotton yarn from Turkey and other states which have special preferential trading arrangements with the Community?

Mr Spinelli. — (I) Clearly, every time exports based on 'dumping' come to light, we can intervene. We must, however, have real proof that this is indeed the case.

President. — Since Mr Bordu is absent, Question No 2 will be answered in writing.¹

The next item is Question No 3 by Mr Hougardy, which reads as follows:

'Does the Commission not think that if the objectives of the common energy policy are to be achieved, priority should be given to fixing the prices for oil products?'

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, in its communications to the Council on a new Community energy policy strategy and a Community policy in the hydrocarbons sector, the Commission has stressed that the adoption of a common price policy is essential for everyone concerned with the smooth operation of the Common Market, and that the basic characteristic of such a policy is transparency.

The objective is the harmonization of price levels, which does not mean laying down a fixed price for all the Member States. In the resolution adopted at the 16 February session, the Council recognized that a price policy was the determining factor in the hydrocarbons policy. It adopted the following text:

'... a consumer price policy, based on competition and the transparency of costs and prices (...is necessary). These principles could contribute to the alignment of price levels in the Member States, on the basis of actual changes in the conditions of supply.'

¹ See Annex.

Cheysson

The Commission is at present drawing up proposals on this matter in consultation with the Member States and the sectors concerned. The main thing will be to ensure transparency. The Commission's proposals will be submitted during 1975.

Mr Hougardy. — (F) Mr President, I thank Mr Cheysson for his reply, and note that we shall soon be receiving further details on this matter. I might therefore put a perhaps still more specific question. Does the Commission know that oil prices are exceptionally low in Italy, and that this is both discouraging investment and research and encouraging foreign companies to abandon the market?

Mr Cheysson. — (F) Yes, the Commission is aware of this situation. We shall be discussing all pricing problems, and, in particular, those just raised by the honourable Member, in the Committee on Energy.

President. — Since Mr Fellermaier and Mr Leenhardt are absent, Questions Nos 4 and 5 will be answered in writing.¹

The next item is Question No 6 by Mr Durieux, which reads as follows:

"In the current negotiations with the EEC, the Maghreb countries are asking for extensive access to finance from the European Investment Bank. In view of the relative scarcity of capital in Europe, would it not be more expedient, in accordance with the recent proposal by the German Delegation in connection with Egypt, Syria, the Lebanon and Jordan, to give the Maghreb countries our technical assistance in the use of Arab capital?"

Mr Cheysson, Member of the Commission of the European Communities. — (F) In connection with the financial aspects of our forthcoming agreements with the Maghreb countries, may I remind you that the Community has proposed considerable appropriations for the three Maghreb countries, amounting to 339 million u.a., of which 130 million would be provided by the European Investment Bank. Half of these loans from the Bank would in turn be provided from allocations in the Community budget.

The honourable Member is right in saying that in the negotiations the delegates of the Maghreb countries have asked for access to finance from the European Investment Bank over and above the amounts I have just mentioned.

We have not as yet agreed to this. There has not been strictly speaking, a proposal from a delegation from any Member State, including

the Federal Republic of Germany, for a method of financing different from that which we have proposed for the Maghreb countries. It is true that during informal talks with various governments, including that of the Federal Republic, the possibility of financing from sources other than the Community budget or the general resources of the European Investment Bank has been considered.

The Commission is currently studying this problem in very general terms and under conditions which could initially be applied, if necessary, in the four Middle Eastern countries mentioned in the question. It is perfectly natural that we should wish to examine whether a guarantee or technical assistance from the Community could permit, through the European Investment Bank or another banking organization approved at Community level, access to any finance markets in the same region for certain developing countries with whom we have particular contacts.

Mr Durieux. — (F) Is the Commission likely to conclude any financial agreements within the context of the Euro-Arab dialogue which would be applied as part of the Community's balanced overall approach to relations with the countries of the Mediterranean?

Mr Cheysson. — (F) We are not clear as to what the Euro-Arab dialogue will be. Clearly the problem of access to finance markets for certain countries participating in the Euro-Arab dialogue is of interest to us. This would not be the central issue in the dialogue, but it would definitely be one of the matters considered. The problem, however, is a little more general than the honourable Member has just indicated, since it is a matter of knowing whether the Community would be prepared, at any given moment, to consider guaranteeing certain loans on this or another finance market in order to permit developing countries, and possibly countries taking part in the Euro-Arab dialogue and who so require, to have certain access to these markets under favourable economic conditions.

Mr Normanton. — May I, too, extend a warm welcome to the statement made by Commissioner Cheysson on investment policy, but may I urge him, in implementing such investment in the Maghreb States, to ensure that we do not repeat the same mistake in investing in textile productive capacity where we have created for the indigenous continental industries problems which they cannot possibly be expected to tolerate? Will he, therefore, do what he can to ensure that such investment is diverse and, indeed, much more advanced than has been the case in other countries, particularly Turkey and Greece?

¹ See Annex.

Mr Cheysson. — (F) The observation just made by the honourable Member could also apply to other fields.

Inasmuch as we have very close economic relationships with the southern Mediterranean countries we should all make efforts to ensure that these countries find outlets corresponding to their current production potential.

This is illustrated by what has just been said on the textile industry. One could find other examples, for example, in agriculture.

President. — Since Mr Cousté and Mr Radoux are absent Questions Nos 7 and 8 will be answered in writing.¹

The next item is Question No 9 by Mr Broeksz, which reads as follows:

'Is the Commission prepared to provide Parliament with a list of all its former proposals to the Council on which the European Parliament has already delivered its opinion but on which no action has yet been taken by the Council, and by what date can this list be submitted to Parliament?'

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, the answer is yes, and we hope to be able to submit this list to Mr Broeksz within twenty days.

Mr Broeksz. — (NL) I am of course very grateful for this answer, but I should particularly appreciate it if the Commission would subdivide the list into purely technical questions, such as mayonnaise, car components, etc., and matters of a more general nature.

Mr Scarascia Mugnozza. — (I) By all means.

President. — The next item is Question No 10 by Mr Krall, for whom Mr Bangemann is deputizing. The question reads as follows:

'Is the Commission working on proposals to improve the competitiveness of small and medium-sized enterprises in the Common Market, in particular to ensure that such undertakings are able to compete for public contracts awarded within the Community and to promote cooperation between such enterprises from different Member States by introducing the legal status of 'European Cooperation Grouping?'

Mr Gundelach, Member of the Commission of the European Communities. — (DK). Mr President, the Commission feels that small and medium-sized enterprises should have a fair

and reasonable competitive position in relation to large undertakings, not only as regards public purchasing, building and civil engineering contracts but in all areas of their economic activity.

The Commission is convinced that one of the ways in which such enterprises can become competitive is by taking advantage of the proposals and provisions which the Commission has introduced or will propose in the future. These proposals and provisions are, strictly speaking, directed at all undertakings, but in practice and in reality they are aimed at small and medium-sized undertakings.

I will name a few of these provisions, but I should first of all like to make it clear that they do not include and will not include any proposals aimed at giving small or medium-sized undertakings an advantage in open invitations to tender so that they can or must be awarded a contract even if they submit a higher tender, for the simple reason that the expenses involved would be too great, and because a provision of this kind would defeat its own objective, i.e. to render these small and medium-sized undertakings competitive.

The provisions which will be implemented include the one mentioned in the question, i.e. the proposal regarding the European Cooperation Grouping which is at present being examined by Parliament's Committee on Legal Affairs.

This proposal is intended to establish a basis for cooperation between undertakings in connection with special projects, particularly, for example, in obtaining public purchasing or civil engineering contracts.

I should also mention the agency which has been set up for cooperation between undertakings, normally referred to as the 'marriage bureau'. This is an institution which is used mainly by small and medium-sized undertakings, again for the purpose of mutual support in competing for public contracts, etc.

The Commission is also examining the possibility of making it easier for undertakings to submit joint tenders for building or civil engineering contracts.

Mr Bangemann. — (D) Is the Commission prepared to make this policy for improving the competitiveness of small and medium-sized enterprises part of a future integrated industrial policy, i.e. so that legal possibilities for cooperation will be available not only in the limited field of public invitations to tender, but that the fundamental problem will be recognized, namely that improvement of the competitiveness particularly of small and medium-sized

¹ See Annex.

Bangemann

undertakings also represents a future regulative task for the Commission, in other words within the framework of an integrated industrial policy for this branch of industry?

Mr Gundelach. — (DK) If I drew particular attention to the difficulties facing small and medium-sized undertakings in connection with public works or purchasing contracts, this was because these were the central issue in the question put to me. It will, however, be clear from my answer that this is only one of the measures which the Commission intends to take within the general context of an industrial policy designed to improve the competitiveness of small and medium-sized undertakings and to enable them to live and prosper in a modern technological age.

This is a viewpoint which I for one have stressed in the Council on two occasions in connection with the Commission's proposals on industrial policy, and I should like to emphasize once more here today that this is the Commission's policy not only as regards public purchasing, but as regards trade and industry as a whole.

President. — The next item is Question No 11 by Mr McDonald which reads as follows:

'In the light of the Judgment of the Court of Justice of 10 December 1974 in Case 48/74, what is the Commission's opinion in regard to the compatibility with the relevant articles of the EEC Treaty of the import regime for sheep and lamb operated by France vis-à-vis certain Member States, including in particular the complete prohibition of imports from time to time and increases on the fees levied on imports?'

Mr Lardinois, Member of the Commission of the European Communities. — (NL) In the Commission's view, the judgment of the Court of Justice of 10 December 1974 only affects internal trade between Member States which have already gone through the transitional period, i.e. the six original Member States. There is, however, some doubt about the admissibility of the continuing protection of the French market which was recently introduced vis-à-vis the new Member States. We are at present examining whether this, particularly in the light of the judgment of the Court of Justice, is likely to have any repercussions. One should perhaps go further than is laid down in the Treaty of Accession. In the Commission's view, a certain degree of protection of the French market for the products vis-à-vis the new Member States is, however, permissible until 1 January 1978.

Mr McDonald. — Will the Commissioner agree that the organization of the Common Agricultural Policy can hardly be looked upon as

complete without a common agricultural policy for sheep and sheep-meat? In view of the fact that the levies and import charges being operated by France have been actually increased since the Treaty of Accession was signed it is surely something that should give the Commission a certain amount of worry. Can the Commissioner say when the Commission will be able to deal with this problem? After all, the market has been closed to the exports of Member States four times during the last 12 months.

Mr Lardinois. — (NL) My answer to the first part of the question is yes. Since the Common Agricultural Policy cannot be regarded as complete without a regulation covering sheep and lamb meat, I agree with the questioner that we must submit proposals on this matter in the near future. With respect to the second part of the question, as I told Parliament on a previous occasion, the Commission will make proposals for a market regulation in this sector too, as soon as we know whether such a market regulation would have to include the United Kingdom, which is the greatest producer and consumer of these products. This will depend upon the outcome of the referendum which is to be held in three weeks time.

Mr Scott-Hopkins. — Assuming that the United Kingdom stays in the Community, as I am sure it will, does the Commissioner agree that to give protection to one member country—France—up to 1978 is unfair in that it makes one country more equal than others? Is it not inviting a country such as the United Kingdom to set up the same kind of barrier against, for instance, French exports of eggs in return for the blocking of exports of British lamb into France?

Mr Lardinois. — (NL) The one has very little to do with the other. We are talking about the regulations which were in force at the moment of the accession. We are not speaking of new regulations which might be introduced during the transitional period. In the case of France, we have to do with regulations which already existed before the accession of the new Member States.

Mr Nolan. — Last June the Commissioner said that he was preparing proposals for a common agricultural policy on sheep. Subsequently he said that they were too busy. Will the Commissioner now tell us by what date we shall have those proposals?

Mr Lardinois. — (NL) I hope the Commission will be able to submit these proposals to Parliament before the summer recess.

President. — The next item is Question No 12 from Mr Scott-Hopkins, which reads as follows:

'Can the Commission explain why the rates of increase in food prices in Britain and Norway respectively over the last two years have been different?'

Mr Lardinois, Member of the Commission of the European Communities. — (NL) With regard to the development of food prices in Norway, compared with those in Great Britain, I should like to point out that prices in Norway have in the past always been very largely determined by the very high cereal prices applied by the Norwegians in their own country. These prices were 40-50% higher than those in the Community. In other words, Norwegian prices during the last two years have only been lower than the world market prices for a very short time. Norway has only suffered from the economic developments over the last two years with regard to products which are produced only in small quantities or not at all in Norway, such as sugar, for example.

Mr Scott-Hopkins. — Does not the Commissioner agree that food prices in Norway are at present higher than those both in my country and in the rest of the EEC and, indeed, that the EEC food prices in general are below the present world level of prices?

Mr Lardinois. — (NL) That is indeed true. I can give a number of examples of the differences between the prices for various products in the United Kingdom, which is a member of the Community, and in Norway. The price of beef is 50% higher in Norway than in Great Britain. The same applies to dairy produce. Bread is approximately 80% more expensive in Norway than in Great Britain. These examples clearly demonstrate my original point.

President. — The next item is Question No 13 by Mr Kirk which reads as follows:

'Is it true that the world price of sugar is higher than in the Community and that as a result of this and of the EEC sugar arrangements the British consumer has benefited greatly?'

Mr Lardinois, Member of the Commission of the European Communities. — (NL) The current world sugar price is indeed higher than the Community sugar price—this was also the case throughout the whole of last year. The EEC sugar arrangements mean that British consumers are greatly protected against these very high world market prices. This is mainly because the United Kingdom can cover approximately one third of its needs from within the

Community, while the amount produced in that country would only provide for a quarter or less of its consumption. The fact that the Community has concluded an agreement with the ACP-countries also means that reasonably priced supplies to the United Kingdom are guaranteed for a long period.

I think I can say that the Community has demonstrated here that it can show great solidarity even if it involves considerable efforts and financial sacrifices, and this is the best example of what we aim to achieve with the Common Agricultural Policy.

Mr Kirk. — I welcome the Commissioner's reply and particularly the evidence of Community solidarity in this matter.

Can the Commissioner give any indication of the saving per kilo for the consumer in the United Kingdom as a result of the assistance given by the Community?

Mr Lardinois. — (NL) Throughout the whole of last year, from 1 June to 1 June, the United Kingdom sugar price was approximately half of the world market price.

Mr Scott-Hopkins. — Can the Commissioner state the level of planting and the expectation of harvest of sugar beet this year within the Community? Also, does he have any estimates as to the cane sugar position?

Mr Lardinois. — (NL) In view of the predominantly good weather—particularly over the last three or four weeks—this year's harvest in Western Europe is expected to be about average—barring unforeseen developments, of course. In addition, the fact that the total sugar beet production has been expanded by at least 10% this year means that we can expect a particularly good sugar harvest within the Community.

President. — The next item is Question No 14 by Mr Howell which reads as follows:

'How many days supply of beef are at present held in intervention in the Community and what tonnage is deemed to constitute a beef 'mountain'?'

Mr Lardinois, Member of the Commission of the European Communities. — (NL) With regard to the so-called 'beef mountain' I can tell you that present stocks of beef, including bones, total one kilo per head of the population of the Community, i.e. a net quantity of less than 2 English pounds *per capita*. If we can imagine a special 'beef day'—i.e. a day devoted to the delights of beef consumption—we could get

Lardinois

through all of this in a single day with no difficulty at all!

(Laughter)

Mr Howell. — I do not think that the Commissioner has taken my question very seriously, and he has not answered it. I asked how many days' supply of beef was in intervention. I should still like to know the answer, how that compares with the position 12 months ago, and whether he feels that measures taken to reduce the beef mountain and to stabilize the beef market generally have been adequate.

Mr Lardinois. — (NL) Joking apart, the beef supply in the cold stores corresponds to 11 or 12 days' normal Community consumption. We feel that the worst of the Community beef crisis is behind us, but we cannot yet claim to have solved the problem.

Much will depend upon the overall economic developments within the Community. It is clear that beef consumption is one of the things which has been rather badly hit by the current recession in Europe. I hope, however, that in the coming year we will be able to solve this problem which, in spite of the relatively small stocks, is currently costing us a great deal of money.

Mr Gibbons. — Could I ask the Commissioner whether, in view of the most recent proposals about the limitation of intervention, he has any other proposals which would permit the free flow of beef from Ireland into the mainland of Europe?

Mr Lardinois. — (NL) No.

President. — Since Lord Bethell is absent Question No 15 will be answered in writing¹.

The next item is Question No 16 by Mr Dykes which reads as follows:

'How many Community officials are there per head of population in the EEC and how does this compare with the number of industrial and non-industrial civil servants in Britain?'

Mr Borschette, Member of the Commission of the European Communities. — (F) Mr President, it is difficult to compare a national administration such as the British Civil Service and a Community administration, particularly that of the Commission. The tasks are different, the structures are different, and, moreover, these structures consist of a large number of administrative

and linguistic personnel and a relatively small number of executive and services staff.

Having made these reservations, my reply to the question is as follows: in the European Institutions there are four officials per 100 000 inhabitants of the Community, whereas in Britain there are approximately 1 300 Civil Servants per 100 000 inhabitants of the United Kingdom.

Mr Dykes. — Since, putting the mathematics another way, there is one European civil servant in the Commission alone per 33 000 inhabitants of the Community, and the mirror image of his answer is that there is one British civil servant for every 79 inhabitants of the United Kingdom, can the Commissioner, in the light of those sums as well as his own, explain to me adequately why there are some people in my country and perhaps in other Member States who feel that the European Community is an over-weighted bureaucracy, seeking to remove our basic freedoms?

Mr Borschette. — (F) Not being a mathematician, I do not know whether these alternative calculations are correct or not. I assume they are. I should like, however, to make two remarks regarding the view that the European Community is an overweighted bureaucracy.

Firstly, approximately a third of the Commission staff are linguists. Of 7 000 Community officials, almost 3 000 belong to the language services. No one can claim that it was the Commission's idea to have 6 working languages and 6 official languages within the Community.

Secondly, if I may give a specific example, when an administrative directorate-general, such as the Directorate-General for Agriculture, which is responsible for the day-to-day implementation of the Common Agricultural Policy—i.e. performs exactly the same work as a national ministry—employs 600 officials, one can certainly not claim that the Commission is over-staffed.

Moreover, I am sure when you have dealings with these officials they do not generally strike you as 'faceless bureaucrats or Eurocrats of Brussels'.

Mr van der Hek. — (NL) Mr President, is the number of officials employed by a specific government or the Commission not largely dependent upon the extent to which they can implement a real policy?

Mr Borschette. — (F) That is certainly true. When we carried out a 'screening' operation—

¹ See Annex.

Borschette

a thing which had never, to my knowledge, been done in any other international organization—in the Commission, we found that certain directorates-general engaged in practical work were understaffed, while other directorates-general concerned with study and research were a little overstaffed. This is why we have arranged a number of transfers between various directorates-general.

President. — The next item is Question No 17 by Mrs Kellett-Bowman, for whom Lady Elles is deputizing. It reads as follows:

'Is the Commission in favour of consumer subsidies for butter and can it estimate the extent to which the British consumer is benefiting from such subsidies?'

Mr Lardinois, Member of the Commission of the European Communities. — (NL) Under the present economic conditions and given the present situation on the dairy produce market the Commission is in favour of a consumer subsidy. At present subsidies of this kind are being granted on a large scale, in the United Kingdom, i.e. approximately £100 million per year. 20% of this is paid directly by the Community Agricultural Fund and in addition the Agricultural Fund pays directly approximately 15% of the price of imported butter whether from the Community or from third countries, particularly New Zealand.

Lady Elles. — Can the Commissioner confirm that if there is a prospective butter surplus, subsidies will continue to be given particularly to disadvantaged groups, like old-age pensioners, as they have been given so far?

Mr Lardinois. — (NL) This is indeed the Commission's intention, in view of the attitude it adopted to this problem when it assessed the agricultural programme as a whole. I can therefore give a fully affirmative answer to this question.

Mr Howell. — May I ask the Commissioner how many days' supply of butter we have in intervention?

Mr Lardinois. — (NL) A fortnight, I think.
(Laughter)

President. — The next item is Question No 18 by Lord St. Oswald which reads as follows:

'Following the decision of the Council on 28 April, how much does the Commission expect to disburse under the directive on mountain and hill farming in 1975 and in a full year and how much is expected to be in respect of the United Kingdom?'

Mr Lardinois, Member of the Commission of the European Communities. — (NL) I should like to say the following in connection with hill farming. The decisions taken by the Council at its last meeting provided for a total of 80 million units of account under this item for this year, of which approximately 30% would go to the United Kingdom.

This year the total number allocated will probably not all be used, since the legislation in force in some countries does not yet permit this. Since the system is, however, already being applied in the United Kingdom the amount paid to the United Kingdom is likely to be approximately 40% of the total expenditure on the hill-farming programme for 1975. If the programme is applied in all Member States in 1976, this proportion will then drop to between 25 and 27%.

Lord St. Oswald. — Could the Commissioner tell me whether, as far as my own country is concerned, this aid is related to certain types of support for hill-farming, or whether the application is left simply to the member government?

Mr Lardinois. — (NL) Our directive is fairly specific on this point. It does, of course, allow for a certain degree of flexibility in application and interpretation on the part of Member States, but the scope is not very great, particularly as regards the contribution from the Agricultural Fund. We have, however, been able to reach complete agreement with the Council, and with this Parliament too, on the basic directive. I assume that in particular the United Kingdom, which has had the most experience with this, has no more specific wishes on this aspect.

Mr Corrie. — Does the Commissioner agree that it is better to have a healthy agriculture industry, with food surpluses against times of shortage, than a run-down agriculture industry within the Community?

Mr Lardinois. — (NL) I fully agree with the questioner.

President. — The next item is Question No 19 by Mr Osborn, which reads as follows:

'What is the cost per head of population in the EEC of the Community officials and how does this compare with the cost per head of the industrial and non-industrial civil servants in Britain?'

Mr Borschette, Member of the Commission of the European Communities. — (F) Mr President, with the same reservations as those I made

Borschette

when answering Mr Dykes' question just now, I can give the following figures: the annual cost per head of population could be estimated as approximately 50 p. per Community official compared with £24 per British civil servant.

Mr Osborn. — Even allowing for the fact that this staff is for translation and linguistic purposes, is not it incredible that we can say that the cost in Britain is roughly 50 times per head what it is in the Community, and will the Commissioner emphasize that the cost is not a great burden on the British people?

Mr Borschette. — (F) I would indeed emphasize that the cost is not a great burden on the British people.

President. — Question Time is closed¹. I thank the representatives of the Council and Commission for their answers.

4. Council Statement on the Lomé Convention

President. — I call Mr FitzGerald who has asked to make a statement on the consultation concerning the transitional measures in connection with the Lomé Convention.

Mr FitzGerald, President-in-Office of the Council of the European Communities. — I want to take this opportunity to inform Parliament frankly of certain difficulties which will confront both us in the Council and you in Parliament in introducing the necessary measures to honour the commitment which we entered into in Lomé to bring forward the entry into force of the trade provisions of the Convention of Lomé.

In order to honour this commitment, it is necessary to adopt a certain number of Community regulations by 1 July next. These measures must be brought into force unilaterally by us pending ratification of the Convention of Lomé.

I have asked the Commission to lose no time in forwarding the relevant proposals to the Council. In fact, it must be said that the Council has already received most of these. As we receive the others, we will immediately consult Parliament on them, whether consultation is optional or whether, as in the case of agricultural products, it is prescribed by the Treaty of Rome.

In principle, all these provisions should for reasons of customs administration be adopted

by the Council and published in the Official Journal of the European Communities at least five weeks before they take effect. This would mean that the Council would have to adopt these regulations in the immediate future.

It is obvious that neither the Council nor Parliament would be able to comply with all these requirements. Nevertheless, we are concerned to honour our commitment to bring the necessary provisions into force on 1 July, but the Council wishes to receive the opinion of Parliament on these provisions before adopting its decisions.

We will therefore await your opinions, which means that we will not be able to adopt the Community regulations until after your June part-session.

However, as I think you will understand, in order to observe the aforementioned time limits, the Council will be obliged to begin examining at the technical level these Acts before receiving your opinions, a procedure which is unusual and is certainly not to be recommended or to be carried out except in exceptional circumstances but one which I think is justified and to which I hope you will agree in present circumstances.

I am well aware of the problems that this may create for you and particularly for the committees concerned, but I think we have to find a way through if we are to honour our obligations.

I realize fully the importance that you, Mr President, the Committee on Development and Cooperation and its chairman, and the entire Parliament attach to the success of the new relationship which we are establishing with the ACP countries. I am convinced that you will understand and accept the urgency of the situation which has resulted from our agreement to advance the implementation of the Convention of Lomé with the particular aim of ensuring continuity with the original AASM states and uniformity in the measures to be adopted for all the ACP states.

President. — I call Mr Broeksz.

Mr Broeksz. — (NL) I naturally regret that we could not be informed in advance of the content of this statement. We must now react immediately without the relevant committee having been able to give its opinion.

We understand that this is an exceptional case. In our country we have the saying 'necessity knows no law'. We must, nevertheless, consider the extent to which Parliament—since it can probably not give an official opinion—can be consulted via the relevant committee. We should,

¹ Annex: Oral Questions which could not be answered during Question Time, with written answers.

Broeks

therefore, be particularly glad if the Commission's proposals could be submitted to Parliament as soon as possible for consideration by the relevant committee, so that at least the opinion of this committee can be discovered.

It would, after all, probably be extremely difficult to arrange a special session of Parliament before 1 July in order to formulate our official opinion to the Council.

Even if this should be possible, the Commission would no longer be in a position to incorporate any amendments put forward by Parliament in its proposals. We are therefore faced with exceptional difficulties and must limit ourselves to what is possible.

President. — I call Lord Reay.

Lord Reay. — We thank Mr FitzGerald for making the statement this morning. We understand the difficulties caused by the need to give adequate time to customs administrations of Member States with regard to provisions for the interim adoption of the Lomé Convention. We can all agree with him that there should be no unnecessary delay in bringing into effect the provisions of the agreement. What is proposed appears to be a good procedural compromise. When Mr FitzGerald says that the Council will now start to examine on a technical level the requirements necessary, I imagine that it will also be necessary for that information to be passed on to the customs authorities. Perhaps he will confirm whether this will be done. It will also be interesting to hear from the Commission about any problems that remain in respect of the production of regulations and what stage the process has now reached.

President. — I call Miss Flesch.

Miss Flesch, Chairman of the Committee on Development and Cooperation. — (F) Mr President, ladies and gentlemen, these are indeed exceptional circumstances.

We in the Committee on Development and Cooperation are aware of the urgency of the question, the shortage of time and the need to adopt these measures. Everyone agrees on the aim we hope to achieve. We also understand the difficulties confronting the Council with regard to time limits.

In this exceptional situation, the only solution is that which the President of the Council has suggested, i.e. to go ahead with the preparatory and technical work. The Committee on Development and Cooperation will certainly deliver its opinion at the next part-session.

In this way we should be able to complete this work by the desired dates, and, I hope, in such a way as to satisfy all concerned.

(Applause)

President. — I call Mr FitzGerald.

Mr FitzGerald, President-in-Office of the Council of the European Communities. — In response to what Mr Broeks said, I regret the short notice on this matter but the nature and the extent of the problem has only just become clear. The Bureau was informed at the beginning of the part-session of the fact that I would make a statement on these lines. Clearly, there will be time for Parliament and the relevant committees to consider these matters and give their views, and, indeed, for Parliament to give its view at the next part-session.

Mr Broeks mentioned a special session but, as I understand the situation, the next part-session of Parliament will be able to find an opportunity for Members to give their views. We must start the work at a technical level and give provisional notification to the customs authorities of what has to be done, so that they can take the necessary preparatory steps. I do not know whether and to what extent the kind of amendments which might emanate from Parliament would affect the technical customs work, but if that arises we shall have to face that problem. However, we can notify the customs authorities provisionally about the new regime—or the old regime in some cases—and inform them how it is to operate. If there is close and continuing contact between Parliament, the Council and the Secretariat, it should be possible to ensure that the views of Parliament are now fed in as the work proceeds. The goodwill which is so evident in contributions at this part-session should enable us to get through this matter with no diminution of Parliament's contribution and with no delay in implementing the agreement.

I am grateful to those who have taken part in this discussion and for Parliament's response.

5. EEC-Israel Agreement

President. — The next item is the debate on the interim report drawn up by Mr Patijn on behalf of the Committee on External Economic Relations on the agreement between the European Economic Community and the State of Israel (Doc 94/75).

I call Mr Patijn.

Mr Patijn, rapporteur. — (NL) Mr President, this trade agreement is a continuation of the 1970 agreement, and is a product of the general Mediterranean policy decided by the Council in 1972. We know that negotiations are being conducted with the Maghreb countries and that the Commission submitted proposals to the Council in January with a view to opening negotiations with Egypt, the Lebanon, Syria and Jordan. Some days ago the Presidents of the Council and the Commission signed an agreement in Brussels with Prime Minister Allon. On 29 April Mr FitzGerald gave us full details of this in Luxembourg within the framework of the Luns procedure. It is worth noting that this was the first time that Parliament was informed before the actual signing. This is a new and welcome element in the Luns procedure, which we hope to see repeated with respect to future agreements.

We are particularly gratified that this agreement has come into being because it represents a renewed and strengthened link between the Community and Israel. As long ago as 1965 this Parliament adopted a resolution to the effect that the relations between the Community and the State of Israel should be strengthened. At that time Parliament even decided that there should in due course be an association agreement between Israel and the Community. An ex-member of ours, Mr Blaisse, was rapporteur on that occasion and I am very pleased to see him here in our midst today as we again discuss this important topic.

We have then an agreement which represents a development, a development which is laid down by the terms of the agreement itself, and which the Community has promoted in its relations with Israel during the last decade. It is, furthermore, a development which will now continue in a wider context in view of the Mediterranean policy which the Community has adopted. This is neither the time nor the place to discuss the contents of the agreement. The Committee on External Economic Relations has reserved the right to re-examine the agreement in detail at a later date and to report again to Parliament. We could now speak about the technical merits, the trade relations, the safeguard clauses etc., but I do not wish to do that today. I shall only make a few general remarks. Firstly, I would emphasize that the agreement with Israel is one of a series of agreements with the countries of the Mediterranean basin. I should like to hear from Mr Cheysson how the negotiations with the Maghreb countries are coming along. Moreover, to what extent is the Council prepared to authorize the Commission to open negotiations with countries such as Egypt, the Lebanon, Syria and Jordan? What is the situation with regard

to the negotiating brief which must be given to the Commission before it can do so?

One of the most important aspects of this agreement is that it contains a further adjustments clause. It is a preferential trade agreement, something that is in itself rather new. But even more is envisaged. We know that the Commission is considering the possibilities of financial and technical cooperation between the Community and Israel—and has perhaps already submitted proposals to the Council—and I should be grateful if Mr Cheysson would give us some information on this, too. When will the negotiations start? We welcome this agreement as an initial step towards further development, and we hope that this further development will not be too long delayed.

My second remark concerns the contact between the European Parliament and the Knesset. I understand that one of our Vice-Presidents, in his previous capacity as President of this Parliament, discussed this cooperation with the President of the Knesset during his visit to Israel last year. The form which such cooperation should take has, of course, not yet been decided, but the Committee on External Economic Relations feels that we must encourage suitable and regular contacts between the Knesset and the European Parliament, and that these contacts will improve and strengthen relations between the Community and Israel.

As I said, we shall not discuss the contents of the agreement further. Our motion for a resolution is therefore brief.

I should now like to make a personal observation. Those who have been reading their newspapers and listening to the radio during the last few days will have heard of a number of alleged objections to the agreement on the part of the Arab countries. I have already asked Mr Cheysson about the situation regarding the equivalence of the agreements with the Maghreb countries. According to 'Le Monde' of 14 May Mr Cheysson said regarding the Maghreb agreements, 'Nous sommes désormais condamnés à réussir'. I quite agree with Mr Cheysson, but what does he mean by this, and what are the current stumbling blocks? The Committee on External Economic Relations has approved the Mediterranean policy. This means that it must now continue to be implemented and that the agreements must be finalized. I do not, therefore, to be perfectly honest, understand what objections the Arab countries can have to our taking a first step towards carrying out our Mediterranean policy. It has even been said that the Euro-Arab dialogue which is due to begin in June should be postponed. Why? I cannot

Patijn

see any reason why it should. It is clear that the Community is aiming at an overall approach to the Mediterranean basin. One agreement is now ready. Why should we put off signing it? Or—and this of course is the real question—should it perhaps not have been concluded at all?

The Community has, in my view, always tried to pursue an *even-handed policy* with regard to the situation in the Middle East. It has adopted an attitude to the conflict in accordance with the declaration of November 1973 and Resolution 242 of the United Nations. This is the background against which the agreement with the countries of the Mediterranean are being negotiated and must be concluded. But we must also conclude an agreement with Israel! There is no reason why we should not.

Serious objections have been raised to this agreement, but Prime Minister Allon said at a press conference last Sunday after the signing, 'We welcome the decision to conclude agreements with the Maghreb countries. We welcome the opening of negotiations with countries such as Jordan, Egypt and Syria; this is a good thing. It will lead to a strengthening of the relations between the Community and these countries, and thereby strengthen the resolute will of all countries on the road to peace.'

I fully support this statement. We must not disregard the facts of the Middle East, but neither should we say that we shall do one thing and not the other.

I should like to hear the opinion of the President of the Council on this matter.

The Community is completely free in its external relations and bears its own responsibility for them. This has always been the case and will continue to be so. The agreement is justified in this respect too.

I should like to express once more on behalf of the Committee on External Economic Relations my great satisfaction that the agreement has come about. We hope that the other agreements resulting from the Mediterranean policy will also be concluded in the near future. We are extremely satisfied at the way Mr FitzGerald and Mr Cheysson informed us of the contents of the agreement in advance at the April plenary part session. We knew what to expect, so that the agreement of 11 April did not come out of the blue.

I have the honour, on behalf of the Committee on External Economic Relations, to submit a brief motion for a resolution to this Assembly. I hope that it will be adopted unanimously.

(Applause)

President. — I call Mr FitzGerald.

Mr FitzGerald, President-in-Office of the Council of the European Communities. — In accordance with procedure I will give the Council's formal reply and I will endeavour, if necessary at the end of the debate, to reply to the points raised in the debate which are not covered by my formal reply.

The new Agreement negotiated between the EEC and Israel was signed in Brussels last Sunday, 11 May 1975. An Agreement negotiated between the Member States of the European Coal and Steel Community and Israel was signed at the same time.

I have already on 29 April informed the relevant committees of the European Parliament unofficially and confidentially of the content of the Agreement and I and Mr Cheysson at that meeting did our best to answer the various questions which were put by the Members of Parliament on that occasion.

I therefore do not feel it necessary to go into all these details again now. What I propose to do is, rather, to give you the information required by the European Parliament in accordance with the new procedures decided on in 1973 to strengthen relations between the Council and Parliament and especially with a view to allowing Parliament to play a greater role in the field of trade agreements.

When signing the new Agreement, which replaces the earlier preferential agreement of 1970, I, on behalf of the Community, emphasized the significant content of the Agreement and the fact that it is the first practical expression of the policy of overall, balanced approach by the Community in 1972 in its relations with the countries of the Mediterranean basin.

I also expressed the intention that the negotiations now in progress with the other Mediterranean countries would shortly be concluded.

In this connection it should be recalled that, as has already been pointed out to the relevant committees of Parliament, parallels exist between the negotiations with the various countries concerned, in the sense that there is an analogy between the objectives and contents of the Agreements, which is proof of the Community's desire for an equilibrium, taking account of the different circumstances of each of the countries involved.

I should like to stress the following points. First, as regards the equilibrium of the EEC-Israel Agreement itself: while the Israeli delegation expressed its anxiety that the terms negotiated

FitzGerald

be reviewed if the balance of the Agreement changed substantially in the course of the negotiations between the Community and the other Mediterranean countries under the overall approach, the Community's policy of maintaining a coherent, balanced policy vis-à-vis the Mediterranean countries should, I think, make it unlikely that this issue will arise.

Secondly, it must also be recalled that the Agreement contains a cooperation section, which is a new facet not contained in the earlier agreement. This new section constitutes a complementary element to the field of trade, although Israel has expressed the hope to see it extended to other spheres not at present covered by it.

The Commission has forwarded proposals to the Council for the negotiation of a Supplementary Protocol on Cooperation with Israel, and Israel was informed on the day of signature that the content of its statement on the matter was already being studied in the Community.

Now that I have given this information to the European Parliament, and when you have debated this matter, the procedures for the entry into force of the Agreement can be completed by the end of May so that it can enter into force on 1 July 1975 as was agreed by the Council at its meeting on 14 and 15 April 1975.

I should add that the Community has felt obliged to make a declaration to Israel to the effect that the concessions provided for in the Agreement for certain agricultural products could not enter into force until the Council has adopted Community rules which it agreed last year would be prepared. The Israeli delegation took note of this declaration but expressed the hope, as I also did on behalf of the Council, that the Community rules would be adopted in time.

The decisions in the sphere of agriculture which have not yet been taken concern internal Community provisions which are of importance not only in relation to the Community interests in question, but also in relation to Israel and the other Mediterranean countries covered by the overall approach, since the products to be affected by these provisions represent a significant percentage of these countries' agricultural exports to the Community.

In conclusion, the Council feels that its current action is a positive development in the context of an overall and balanced Mediterranean approach. The Council is convinced that other agreements will very soon be concluded in the same context. It hopes in this way to make a European contribution to peace in this part of the world.

(Applause)

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

Mr Blumenfeld. — (D) On behalf of the Christian-Democratic Group I welcome the conclusion of the negotiations which have led to the preferential trade agreements between the European Communities and Israel. We also approve the report and motion for a resolution tabled by Mr Patijn. We think that the report covers all the main points. The motion for a resolution says everything that Parliament can say at this time about the Agreement which has been concluded. However, Mr President, on behalf of my Group I would like to table a short amendment to paragraph 3 of the motion for a resolution.

We feel that, particularly in view of what Mr FitzGerald and the rapporteur, Mr Patijn, have said—and I know that the rapporteur agrees with me—we should add the following words to the text in paragraph 3: 'and providing in particular for technological and financial cooperation'. This is the logical conclusion of what the Commission—as far as we know—said at the negotiations and what Mr FitzGerald has just stated on behalf of the Council of Ministers. I think the rapporteur will agree with this and I hope the House will also give its approval.

I would just add two observations. Firstly, the substance of this Agreement between the European Communities and Israel was to all intents and purposes settled 6 months ago. I remember bumping into Mr Cheysson and you, Mr FitzGerald, at the end of last year in Jerusalem and your telling me then that there were no obstacles to the conclusion of the agreement between the European Communities and Israel. Neither the European Communities nor Israel is to blame for the fact that the signing of the agreement at this particular time has given rise to certain political reactions among the Arabs. According to the information services of the Commission and the press releases, Mr Cheysson said in Brussels last Sunday that he could not understand why the Arabs were objecting, and I agree with him. It was unjustified, especially in view of what Mr FitzGerald has told the House, namely that the agreements with the Maghreb countries will shortly follow and that the contents of these agreements are in no way discriminatory.

I should like to add on behalf of my Group that it is important for the European Community, for the Commission, the Council and Parliament to make it clear to the Arab partner states, and to all the other states with which the European Communities will be concluding agreements,

Blumenfeld

with the calmness and objectivity with which we have almost always stated our position, that we will not allow pressure to be put on us and that we regard our balanced policy towards all the countries in the Mediterranean basin as a very positive European contribution to peace, to reconciliation and to long-term détente.

My second and final remark is as follows, Mr President, I feel it must be clearly stated here that the Agreement which the European Communities have signed with Israel, including the planned supplementary protocol, should permit financial cooperation. The important point here is that the present imbalance in economic and trade relations should be rectified. Up to now Israel has imported far more from Europe than the Community from Israel. This was in the very nature of the first ten or fifteen years of these trading relations. But in the future they must be stabilized, as must the extremely precarious economic situation in Israel, for if we as the European Community have a duty, it is that of making sure that the countries with which we sign agreements do not as a result of these agreements slide into further economic difficulties. This does not by any means apply to this Agreement. I mention it merely in anticipation of political complications which may arise in the course of time.

Mr President, the Christian-Democratic Group welcomes the conclusion of this Agreement, approves the motion for a resolution and hopes that Parliament will adopt the amendment we have tabled. I see that the rapporteur is willing to do so.

(Applause)

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

Mr Giraud. — *(F)* Mr President, the Socialist Group approves the report which has just been submitted by one of its members on the Agreement recently signed between our Community and the State of Israel.

My Group welcomes the signing of this preferential agreement which will allow us to establish bonds of confidence and equilibrium with Israel in all fields, especially trade, and, in addition, in the field of cooperation.

This Agreement is in our view a milestone, and we hope it will be quickly followed by many others of the same type with the Mediterranean countries from the Pillars of Hercules to the Middle East. These agreements will help to stabilize an area which causes Europeans greater concern than any other.

There is no cause for misplaced euphoria or, for that matter, feelings of guilt on our part. This Agreement implies no opposition or hostility towards any state or group of states, or to any of the peoples of the Mediterranean basin. We are not discriminating against anyone. We are ready for negotiations with all parties. During the recent visit by a delegation of the Socialist Group to Egypt, Jordan and Israel, we were keenly aware how interested all these countries are in the European Community and how sincerely and profoundly they desire peace.

We therefore believe that the Agreement which has just been signed corresponds exactly to the desires of all the peoples of the Middle East. We agree with the President of the Knesset that regular parliamentary contacts should be established between the Knesset and the European Parliament similar to those which exist between our Parliament and the parliaments of countries which have signed agreements of the same type with the Community. This is certainly the best way of improving the understanding which is so essential between the political leaders of our countries.

The Socialist Group welcomes Mr Patijn's report and hopes to see it adopted unanimously by the House. We should just like to say to Commissioner Cheysson that we hope that in the future, as has already been more or less rumoured, a financial agreement will be signed with similar conditions to those enjoyed by other countries in this area and which would be a fitting climax to the European Community's contribution to a just and lasting peace and to reconciliation in the Middle East and the Mediterranean world.

(Applause)

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

Lord Reay. — I wish to add a few words on behalf of the European Conservative Group and to say that we support the report introduced by Mr Patijn.

As Mr Patijn made clear, the agreement with Israel is in no essential respect different from others which have been planned with the Maghreb countries and which also were initially planned to take place at the same time as agreements with Spain and Malta. They were designed to be completed at the same time as part of a network of bilateral relationships and cooperation within a free trade area with a Mediterranean framework, to be followed in due course by similar agreements with other countries in that area and in the Middle East, of which only this agreement has so far been completed. Cor-

Lord Reay

rectly we think that the decision was then taken to go ahead and to complete and sign the agreement rather than to wait, as originally intended, for other agreements to be ready at the same time.

However, there is one point I wish to make in meeting a question, which may have been a rhetorical question, asked by Mr Patijn. It also relates to a comment made by Mr Blumenfeld referring to a remark which he said was made by Mr Cheysson. Some surprise was expressed at the fact that there was any irritation or annoyance in Arab countries over the completion of the agreement. It is plain that this is the case with respect to the content of the agreement, but if we take into account some of the claims made subsequent to the signing of the agreement with respect to its political significance it becomes less incomprehensible that some alarm should have been expressed.

It was said by one speaker that the agreement showed that Europe would not be pushed around but that it had recovered its principles and so on. Claims were made with respect to the political significance of the agreement which go far beyond its content or purpose. If that kind of use is made of the agreement, we can expect there to be suspicions and annoyance in Arab countries.

We very much support this agreement, as does everybody in the House. We hope that it will play a fruitful part in our relationship with that area.

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

Mr Terrenoire. — (*F*) On 11 May the competent authorities of the European Community and the State of Israel signed the agreement which we are considering today within the framework of the Community's overall Mediterranean policy.

The negotiations had reached their conclusion on 23 January with an exchange of letters between the heads of the two delegations, who thus declared their approval, subject to confirmation, of the draft agreement. The agreement has now been signed, despite the reservations of the Italian Government regarding access to the Community of certain processed agricultural products from Israel which it considered were likely to compete with similar Community products. Subject to this reservation the agreement should come into force from 1 July 1975.

The Group of European Progressive Democrats is pleased at the successful outcome of the negotiations between the Community and the State

of Israel, not only because this agreement, which replaces the 1970 agreement, means a considerable widening of the areas covered by its provisions, but in particular because it is the first concrete result of the Community's overall Mediterranean policy, to which my Group attaches very special importance.

The terms of this agreement represent the accomplishment, as far as Israel is concerned, of the objectives which the Council had set itself when it embarked upon its policy of a balanced overall approach to relations with the countries of the Mediterranean basin. With the Maghreb countries, Spain and Malta, Israel belongs to the first group of countries benefiting from this overall approach which, geographically speaking, embraces the countries around the Mediterranean and Jordan.

The main points of this agreement, to go over them rapidly, are as follows: allowance for the enlargement of the Community, free exchange of industrial products, a substantial agricultural section and, in particular, two new facets. Firstly there is, to our great satisfaction, a section on cooperation, which constitutes a new element and illustrates an important aspect of our Community's policy towards the Mediterranean countries. It was decided to incorporate this aspect as early as 1972, when this policy was defined, it being understood that as far as Israel was concerned it would take the form appropriate to the particular details of each case. This cooperation, which is consistent with the type of agreement laid down in Article 113 of the EEC Treaty, is intended as a complement to the trade agreement.

Secondly, there is the future adjustments clause, identical to that contained in the EFTA agreements, which provides for possibilities of making improvements on the basis of experience and the objectives fixed for the re-examination due to take place in 1978 and 1983. It also allows for the adaptation, if necessary, of the agreement signed with Israel to the content of agreements which will be signed with the other Mediterranean countries, in order to satisfy the concern of Israel and of the Community to ensure the equivalence of the various agreements, it being the precise aim of the latter's overall approach to achieve balanced relations.

In Mr Patijn's report the Committee on External Economic Relations did not deem it necessary to describe the technical provisions of the agreement in detail. This is understandable when one considers that the text was not made available to the members of the committee until very recently. Mr Patijn's report is therefore confined to expressing the committee's satisfaction

Terrenoire

at the positive outcome of the negotiations and the desire of the Community to tighten its links with the Mediterranean basin countries. He does, however, note with satisfaction that, as I pointed out a few moments ago, the text makes provision for a future adjustments clause permitting a dynamic interpretation of relations between the two parties.

While approving the content of the agreement with Israel, my Group wishes to emphasize quite firmly that it cannot be seen in isolation from the efforts made by the Community in the last few months to implement an overall Mediterranean policy. My Group insists that the negotiations with the Maghreb countries, in particular, must quickly produce results satisfactory to the parties concerned. We know that at the moment these negotiations are encountering certain difficulties in the farming sector. We hope that concessions on both sides will allow these difficulties to be overcome as soon as possible so that Morocco, Algeria and Tunisia may soon put their signatures to an agreement of similar scope to the one the Community has just signed with Israel.

In this short speech I do not want to go into the political implications of the agreements already signed, or about to be signed, with the Mediterranean countries. One might ask, however, whether the Council and the Commission have not shown a lack of political judgment in signing this agreement officially when they did. For reasons which I need not explain today it would have been politically preferable to await the conclusion of negotiations with the Maghreb countries and then announce the signing of the agreement with Israel at the same time.

I would add that the Arab countries are fully entitled to have doubts about the ability and political will of the European Community to start the talks with them which they have awaited for so long.

Before the Committee on External Economic Relations draws up its final report we should like to ask the Commission for a few details regarding its proposals on the negotiation of the supplementary protocol. Could the Commission also give us some information about the negotiations it has in mind with Egypt, the Lebanon, Jordan and Syria, as part of the overall Mediterranean approach?

To conclude, the Group of European Progressive Democrats hopes that the Community's overall Mediterranean policy, which has not produced concrete results for the first time, will in the coming weeks and months develop as

favourably with the Arab countries as with the State of Israel.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, on behalf of the Commission let me first express my satisfaction at the procedure which allows Parliament to give its opinion on this agreement. As this is a matter of general politics, it is thanks to the Luns procedure that the President of the Council was able to inform the responsible committees a few weeks ago; it is this accelerated procedure—for which we thank Parliament—which enables us today to discuss the aforementioned agreement.

A trade agreement was signed last Sunday. Its contents have been thoroughly examined, so I need not go into details. Its desirability from technical as well as from the trade point of view is obvious, as the lack of balance in our relations with Israel was clear to everyone: at present we are selling three times as much to Israel as we are buying from her. As Mr Blumenfeld emphasized just now, we hope that the commercial clauses of the agreement will make up for this imbalance.

It was no easy matter to reach this agreement. Being geographically near the Mediterranean countries and thus the EEC countries in the Mediterranean area, Israel has a climate similar to theirs and consequently much of her produce is similar, too. These difficulties are reflected in the fact that we were compelled to impose a unilateral reservation, suspending one clause of the agreement until certain internal Community rules had been adopted. The difficulties which have arisen in the negotiations with the Maghreb countries are of the same kind. In conducting these negotiations, which the Commission has a brief to bring to a satisfactory conclusion, we are bound by a Council instruction: we have therefore informed our partners of the Maghreb region that if the negotiations are concluded quickly, as we hope, we will be forced to suspend unilaterally three clauses of the agreements signed with the three countries on processed agricultural produce, wine and early potatoes, until internal Community rules have been adopted.

These difficulties must not be overestimated or neglected; they must be put into the right perspective. As I had occasion to point out the other day before the three committees meeting in the framework of the Luns procedure, Mr Lardinois and I think that the time has come

Cheyssou

for southern and northern Mediterranean countries to get down to a joint examination of their production potential and the corresponding markets, rather than try to boost indefinitely the production of commodities for which the markets are now clearly saturated, and consequently become involved in direct competition with, ultimately, possibly serious political repercussions. I did not say 'unjustified', since it is perfectly natural for farmers in the south of the Community to be concerned about competition from the other side of the Mediterranean, just as it is perfectly natural, so long as there are no other ways open to them, for southern Mediterranean countries which are today, or will be tomorrow, associated with the Community to want to develop their agricultural production and, consequently, to take advantage of our market.

This is a fundamental problem which must be dealt with in fundamental terms. That is why the Commission proposed to refer it to Parliament and to the Council over the next few months.

These are the difficulties arising out of the agreements with Israel and the Maghreb countries.

All the speakers, and especially the President of the Council, have emphasized that the agreement with Israel should be viewed in the context of our Mediterranean policy. This is an important point and I want to warn the House of the dangers of making value judgments on a spot-check basis. On 9 May the new agreement with Israel had not yet been signed, so on that date the existing agreement put Israel at a serious disadvantage vis-à-vis the agreement signed with the Maghreb countries, and the *de facto* treatment granted to Algeria. On the other hand, by the evening of 11 May, the new agreement with Israel had been signed and this was qualitatively better than that with the Maghreb countries. Similarly, by July the Maghreb countries will be at an advantage in relation to Israel by virtue of the agreements which will by then finally have been signed!

On this subject, I would remind you that in the context of the balanced approach, the agreements with the Maghreb countries will be signed pursuant to Article 238. Whatever the name given to them, they will be association agreements, whereas the agreement signed with Israel pursuant to Article 113 is a trade and cooperation agreement.

As I have just reminded you, we must aim at an overall balanced approach. Echoing what the President of the Council had to say, I would emphasize that Israel did not ask for the same

treatment as the Maghreb countries, but did ask to benefit in full from every new agreement signed with her neighbours. We intend to see to it that she does.

We therefore—and I here answer a number of questions—submitted in January a recommendation on negotiations with the four countries bordering on Israel. We regret that we have not yet been authorized to undertake negotiations with these countries.

Our proposals as regards Israel's neighbours go further than the present agreement with Israel. That is why we proposed that when we come to negotiate the four agreements concerning the four countries bordering on Israel, we should at the same time negotiate a supplementary protocol with Israel making it possible, thanks to the further adjustments clause you mentioned, to give her the same advantages as her four neighbours.

As you can see for yourselves, we are trying at all times to pursue a flexible and dynamic policy. We therefore wholeheartedly approve your rapporteur's motion for a resolution and also Mr Blumenfeld's amendment, subject to a slight modification to the wording—which he has indeed already accepted.

It is thus our dynamic and developing policy which should be looked at and not, we repeat, the purely chronological order of the agreements.

We emphasized these points to the representatives of the Arab countries who came to see us. Their purpose was not to protest or to try to bring pressure to bear on us—for they knew very well that this would not have been accepted—but merely to obtain information. I would like to draw the attention of the House to the fact that only one official representation has been made by the Arab countries, and not several, as reported in the press. I was there when this representation was made to the President of the Commission, and I can tell you that its sole objective was information and that there was no element of protest.

The Arab countries wanted to know the contents of the agreement. We assured them that it was the one they were already familiar with, and explained why we signed it on Sunday before we had concluded an agreement with the Maghreb countries, i.e. because of the difficulties in the agricultural sector I have already mentioned. We discussed this. We emphasized that we hoped the negotiations with the Maghreb countries, which have never been interrupted and which are making relatively good progress, would be concluded as soon as possible

Cheysson

and, we hoped, before 1 July, in other words, before the agreement with Israel comes into force.

The Arab representatives have passed on these explanations to their governments. We are now waiting to see what happens next. When we received them, we asked them particularly to give careful consideration to our overall balanced policy.

On this point there can be no illusions on either side: we want to establish close economic relations with all the countries of the southern Mediterranean in order to facilitate their development and create the interdependence we have spoken about so much in this House. That is why, Mr Patijn, I told the press that we are 'condemned to succeed with the Maghreb countries', just as we are condemned to succeed with the countries of the Machrek later, since otherwise our policy will collapse owing to its inherent imbalance. This imbalance is something we do not want: firstly, for economic reasons, as the same trading problems arise with the other southern Mediterranean countries; secondly, for basic political reasons, because if we want the Mediterranean to be a pacific sea, its shores must also be linked by the economic bonds which we intend to establish with all the countries of the South.

Here, I would like to quote Israel's Deputy Prime Minister, who made a statement on Sunday after the agreement had been signed, containing some very important remarks. After expressing his satisfaction at the signing of the agreement, the Deputy Prime Minister stated that in his opinion Europe was showing the way towards a new kind of cooperation which could serve as a model in the Middle East. He went on to say that in the Middle East, as in Europe, economic integration should be an important factor of peaceful coexistence and that by maintaining close ties both with Israel and her neighbours the European Community would be contributing to the creation of this type of regional and inter-regional economic structure.

This is what our policy is aiming at, and it is gratifying that, on the other side of the Mediterranean, the countries with which we hope to enter into some form of partnership are beginning to come round to our way of thinking. Our model of regional integration can, in our opinion, be useful in other regions of the world. We said so with respect to the ACP countries, and we repeat it with particular emphasis now with respect to the Middle East. We believe that our individual, economic relations, that is relations of real material value backed up by

all our economic strength, may encourage countries in that part of the world to cooperate with one another. Furthermore, we believe that this will enable us to contribute to finding and implementing a peaceful settlement in the Middle East.

With the means at her disposal at Community level—trade agreements, cooperation agreements, association agreements — Europe is once more making her influence felt in this region, and confirming her willingness to help to consolidate peace once it is established. But the situation demands an overall balanced policy and equal treatment for all our partners; a successful conclusion to our negotiations is vital, for we shall have to carry a grave political responsibility if we fail.

(Applause)

President. — I call Mr FitzGerald.

Mr FitzGerald, President-in-Office of the Council of the European Communities. — Mr Cheysson has dealt fully with the issues which were very properly raised during the debate.

I thank the House for the way it has received the agreement and for the promptitude with which it has debated it. I should say that perhaps in some quarters its importance has been exaggerated and has given rise to concern elsewhere.

Indeed, the ambassadors of some of the Arab countries have asked the Council to be received and have indicated their concern. We have endeavoured to explain the reasons for the signature of the agreement—it was ready some months ago, because perhaps in some respects it was easier to negotiate—and to reassure them on our intention to conclude the other agreements as soon as possible.

I agree with Mr Cheysson that we are condemned to succeed, and the very fact of this agreement being signed itself creates the conditions in which agreement within the Community on any necessary decisions is more likely to be achieved with a view to securing the other agreements as promptly as possible.

I limit myself to saying that and to thanking the House again for the way it received the agreement and for the very useful and encouraging discussion we have had.

President. — I call Mr Patijn.

Mr Patijn, rapporteur. — *(NL)* As rapporteur I should like to make a few final remarks. I must answer a few comments which were made about the political significance of the

Patijn

agreement and the date on which it was signed. I think both Mr Cheysson and Mr FitzGerald have clearly shown the overall context in which it must be set and why the agreement, which, as Mr Blumenfeld pointed out, has been ready for six months, could be signed.

I was interested to note Mr Cheysson's statement that, as far as Israel is concerned, the question of whether agreements with other Mediterranean countries will present problems will be examined. The need for equal treatment has been strongly underlined. As regards the political significance of the agreement and the way in which it was signed, I have nothing to add to Mr Cheysson's excellent speech and the useful information provided by Mr FitzGerald.

I thank honourable Members for their willingness to support the motion for a resolution. I am quite willing to accept the amendment tabled by Mr Blumenfeld on paragraph 3 of the motion for a resolution and ask Parliament to approve it in this amended form.

President. — The general debate is closed.

We shall now consider the motion for a resolution.

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

The preamble and paragraphs 1 and 2 are adopted.

On paragraph 3, I have Amendment No 1 tabled by Mr Blumenfeld and worded as follows:

'Add the following to paragraph 3.
'3... and providing in particular for technological and financial cooperation;''

The rapporteur has expressed his approval of this amendment, which has already been moved by its author.

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put to the vote paragraph 3 so amended.

Paragraph 3 is adopted.

I put paragraphs 4 to 6 to the vote.

Paragraphs 4 to 6 are adopted.

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

The resolution so amended is adopted.¹

¹ OJ No C 128 of 9. 6. 1975.

The proceedings will now be suspended until 3.00 p.m.

(The sitting was suspended at 1.05 p.m. and resumed at 3.00 p.m.)

IN THE CHAIR: MR SPÉNALE

President

President. — The sitting is resumed.

6. Welcome to Greek delegation

President. — Ladies and gentlemen, I should like to say how pleased I am to see in the official gallery a group of Greek parliamentarians from the delegation to the Joint Parliamentary Committee of the EEC-Greece Association. We welcome them warmly to the European Parliament and hope that their stay and the contacts they make will prove useful for Greece and for EEC-Greek cooperation.

(Applause)

7. Oral question with debate: General situation in the Mediterranean and the Middle East

President. — The next item is an oral question with debate by Mr Kirk on behalf of the Political Affairs Committee to the Conference of Foreign Ministers of the Member States of the European Communities on the general situation in the Mediterranean and the Middle East (Doc. No 70/75).

The question is worded as follows:

'Will the Chairman of the Conference of Foreign Ministers inform Parliament of his assessment of the present situation and the danger to peace in the Mediterranean and the Middle East, especially as far as the security of the Member States and their relations with the three Associated States in the area are concerned?'

Will he further inform Parliament what efforts the national governments of the Nine have made to coordinate their policies as far as this situation is concerned?'

I call Mr Kirk.

Mr Kirk. — Mr President, the question I am raising is not only one of extreme importance to all Member States, particularly those who border on the Mediterranean, but one that we have not discussed in Parliament for more than a year and one on which I think many Members will wish to have the assessment of the Chairman of the Conference of Foreign Ministers,

Kirk

whom we are delighted to see here wearing his other hat and, I hope, in a position to give us his assessment of the situation.

The Rules of Procedure of this Parliament provide that a period of six weeks must pass between the tabling of a question to the Council, or to the Conference of Foreign Ministers, and its reply. The Political Affairs Committee, when drawing up this question, which they instructed me to table, did so in the widest possible terms in order that the President's reply could also cover as wide an area as possible. However, I am sure that it would be for the convenience of Mr FitzGerald and of Parliament if I tried now to make rather more precise the somewhat vague phrases that we have put here.

Six weeks ago we were not certain precisely what the situation was going to be in the Mediterranean or in the Middle East. Since then, of course, events in that sector of the world have been to a certain extent overtaken by the extraordinary events in the Far East, which, again, have had, or will have, an effect on the general assessment of the political position of Europe and particularly its relations with the United States.

Nevertheless, the problems of the Middle East and the Mediterranean remain. It is on those, today, that I wish to address myself to the Chairman of the Foreign Ministers' Conference. It is, indeed, those which must be of supreme interest to a Community which has so much in common with that area.

There are, I think, three basic problems upon which I hope Mr FitzGerald will be able to touch in his reply. The first, of course, is the long-standing problem in the Middle East, which we have already discussed today in connection with the Agreement reached between the Community and the State of Israel but which nevertheless cannot be limited in Community considerations purely to economic matters. We clearly have a political interest in what is happening on our doorstep. We clearly have an interest to the extent that it has recently become quite common to talk about the need for, and, indeed, the commencement of, a Euro-Arab dialogue at all levels—Council, Commission and Parliament—in order to try to solve some of the problems that we have with the Arab States, particularly in the light of the very real importance that the Arab States, as the major suppliers of oil, have for the Community as a whole.

As my noble friend, Lord Reay, mentioned in the debate this morning, one of the consequences of some of the stronger statements made in connection with the signing of the Israeli Agree-

ment has been a suggestion from certain quarters of the Middle East that the Euro-Arab dialogue may be rather more difficult to pursue in future than it has been in the past. One of the questions I hope Mr FitzGerald may be able to answer is how far this dialogue had got and whether he thinks it is jeopardized to any great extent by the signing of the Israeli Agreement. We all noticed with pleasure, I think, his statement, when the Agreement was signed, that he looked forward to the signing of a similar agreement with the Maghreb countries as soon as possible. Naturally, we all hope that this can be extended, certainly to Egypt and, if possible, to other Arab countries. However, it is clearly not in the interests of the Community as a whole that the Community should appear to take sides in the Middle East dispute—and, indeed, I am certain that it does not.

Nevertheless, it is equally very much in the interests of the Community that it should realize its interest in a solution to the Middle East conflict. In that connection, I wish to ask the President what role the Conference of Foreign Ministers is likely to play at any new meeting of the Geneva Conference if that can be arranged. Shall we leave it, as we have tended to do in the past, entirely to the United States administration, or will there be an attempt by the Community to bring a European dimension to the discussions that we hope will be carried on there?

That, then, is the first major area with which we as a Community are bound to be concerned.

The second is the eastern Mediterranean and, more particularly, of course, the problem of Cyprus. The question refers specifically to the three associated States—Greece, Turkey and Cyprus—all of them associated with the Community and all of them in a form of association that looks forward to full membership at a reasonably early time. Clearly, the very fact of this association with those three States confers upon the Community a particular responsibility that does not exist in the case of the Middle East generally, and one that I suggest can be exercised only by the Community itself. We have, I think, received with enormous pleasure this week a delegation from the Greek Parliament, freely elected and here in Strasbourg to get into touch with us and to start the discussions necessary to make sure that Greece's association agreement is fully carried out. They have made it quite plain in the course of the discussions that we have had that the Greek Parliament and, indeed, the Greek Government, look forward to membership at a somewhat earlier date than I think most people had envisaged when these matters were previously dis-

Kirk

cussed after the liberation of Greece from dictatorship last year.

I think it would be of importance and, indeed, of interest, to Parliament if we could learn from the President-in-Office, Mr FitzGerald, whether the Council has any particular view on the question of early Greek membership, whether this would, in the Council's view, be tied with progress towards membership of any other State, and what relationship it has with the general solution to the Cyprus problem.

Indeed, we would also welcome any views the Chairman has to put forward on the Cyprus problem as a whole. We now know that as a result of the meeting in Vienna two weeks ago limited agreement was reached between the Greek and Turkish communities on the island, but only concerning the reopening of Nicosia airport. There has been no agreement and no progress, so far as we can see, concerning the return of refugees from either side to the areas in which they previously lived, concerning the future development of Cyprus, whether as a federated or as a unitary State, or, indeed, even concerning its future relationship with the Community as a whole.

I do not think, and the Political Affairs Committee does not think, that the Community can pretend that its association relationships with the three States concerned in this matter do not confer upon us a responsibility to assist in every way that we possibly can in a solution of this extremely difficult problem, and we await with interest anything that the President-in-Office of the Council of Ministers has to tell us.

The third area on which I think we would welcome certain information is at the other end of the Mediterranean—the Iberian Peninsula, and most particularly, of course, the question of Portugal. I do not wish to discuss today the internal policies of the Portuguese Republic, except to note—as I am sure we have all done, with great satisfaction—the successful carrying out of the elections to a constituent assembly in Portugal, the fact that over 90% of the electorate took part, and that this was achieved in circumstances of great difficulty, and to express the hope, as I am sure we all must in this Parliament, that the views of the Portuguese people, so clearly expressed in the ballot-box, will be followed by the necessary orientation of the Portuguese Government as such.

But these are matters internal for the Portuguese people. They are not matters for us at this moment. What I think is a matter for us and for the Community is the question of economic assistance to Portugal. We are all aware of the fact that Portugal is in the middle of

a very grave economic crisis and that one of the few places to which she can look for help is the Community. We should like to hear the views of the President-in-Office of the Council and, indeed, the Council's views on any future economic assistance to Portugal, the way in which it might be channelled, and the way in which future relations between a democratic Portugal, on the one hand, and the Community, on the other, can be most effectively conducted.

The question ends with a request to the Chairman—a request we have made many times before—to say what efforts the national governments of the Nine have made to coordinate their policies in this area. This is not a ritual request. If Foreign Ministers' conferences, if the institutionalization of the Summit, and if the growth of a Community presence in world diplomatic as well as world economic affairs are to mean anything at all, they must mean that as a result of all these meetings, whether formal or other—such as the one which took place in Dublin a short time ago among the Nine—these discussions and contacts bear fruit in world diplomatic and political affairs.

We face a grave crisis in an area on our doorstep involving a number of States closely associated with our Community. It is not a matter on which we could reasonably expect or require the Council to remain silent. I put this question on behalf of the Political Affairs Committee in the hope that the Chairman of the Conference will have something to say about the way in which the thinking of the Foreign Ministers of the Nine is developing.

(Applause)

President. — I call Mr FitzGerald.

Mr FitzGerald, President-in-Office of the Council of the European Communities. — The governments of the Nine Member States of the Community have continued to follow with close attention developments in the Eastern Mediterranean and the Middle East. The situation in both these regions is of particular concern to the Nine in view of their proximity and the numerous and long-standing links which exist between the Nine and the countries of both regions.

The Nine have made especial efforts to contribute to a speedy and equitable settlement of the Cyprus problem. All three countries concerned have association agreements with the Community and, in the case of Greece and Turkey, these agreements may lead to eventual membership of the Community. Because of these special relationships, the Nine have felt an obligation to contribute in every possible way to a

FitzGerald

resolution of the crisis and, to this end, have taken a number of initiatives.

When the French Foreign Minister and Chairman of Political Cooperation, Mr Sauvagnargues, addressed the Assembly on 16 October 1974, he outlined the various steps which the Nine had taken in common in the early stages of the crisis. In a Community framework, mention may be made of the contribution under the Community's food-aid programme to the alleviation of the widespread human suffering which has resulted from the events of last summer. The most recent initiative of the Nine was taken by the Foreign Ministers at their meeting in Dublin on 13 February, when they announced their readiness to hold discussions with representatives of all the interested parties to facilitate a negotiated solution which would be both durable and equitable.

Since this offer was made, the question of Cyprus has been considered again by the Security Council, which adopted Resolution 367 on 12 March. The Nine have noted with satisfaction that, pursuant to this resolution, negotiations between the representatives of the two communities were resumed in Vienna on 28 April under the personal auspices of the UN Secretary-General, Dr Waldheim, and that a further session under his personal auspices is to be held in Vienna at the beginning of June. The Secretary-General is to be congratulated on his success in bringing the parties together and on the progress which has already been achieved. The opportunity which the Vienna talks present to reach a comprehensive and equitable settlement of the Cyprus problem must not be lost; the Secretary-General's efforts have the full support of the member governments of the Nine.

The Nine also regard as a most positive development the agreement in principle between Greece and Turkey to refer their dispute over the delimitation of the Aegean continental shelf jointly to the International Court of Justice. They hope that agreement can be reached to seize the court of the issue at an early date. The Nine hope that these recent developments, in regard both to Cyprus and to the Aegean Sea, will help to reduce tension in the area and to create an atmosphere more conducive to the mutually satisfactory solutions desired by all.

In the Middle East, the level of tension represents a continuing danger to the well-being of the countries of the region as well as to the maintenance of international peace and security. A deterioration of the situation might have followed the suspension last March of Dr Kissinger's efforts to achieve a further interim agreement between Israel and Egypt, but developments in the interval have helped to avert this

danger. It is of the utmost importance that full advantage be taken of the breathing-space offered to the parties to examine and reassess their policies and that every effort be made to agree on a procedure acceptable to all parties which would enable negotiations to be pursued, whether at Geneva or elsewhere, with a view to establishing a comprehensive, just and lasting settlement in the Middle East.

For their part, the Nine attach the greatest importance to such a settlement, to the attainment of which they would be prepared to contribute in an appropriate manner in accordance with the wishes of all the parties concerned. They hope that more rapid progress can now be made towards a just and durable solution of the conflict, based on the principles set out in Resolutions 242 and 338 of the Security Council, as well as in the statement of the Nine of 6 November 1973.

The Nine will continue to develop their relations with the States of the region in accordance with their previous statements of policy, and in particular in accordance with their statement of 6 November 1973, paragraph 5:

'They recall on this occasion the ties of all kinds which have long linked them to the littoral States of the south and east of the Mediterranean. In this connection they reaffirm the terms of the Declaration of the Paris Summit of 21 October 1972 and recall that the Community has decided, in the framework of a global and balanced approach, to negotiate agreements with those countries.'

The overall policy of the Nine includes a wide variety of measures which we are endeavouring to put into effect as quickly as possible. Some negotiations have already been concluded. Others are in progress, and we are hopeful that they can be successfully completed shortly. Other negotiations are in preparation. Furthermore, the Nine are hopeful that the Euro-Arab dialogue will soon move into its operational phase.

Speaking for myself as Foreign Minister of Ireland, I shall next week be visiting Jordan—which at present holds the presidency of the Arab League—Syria, Lebanon and Egypt. At the conclusion of the debate I shall seek to reply to the points raised by Mr Kirk and other speakers during the course of the debate.

(Applause)

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

Mr Blumenfeld. — *(D)* Mr President, the fact that speakers are still allowed only five minutes to discuss so complex a problem as that mooted in the question of our colleague, Mr Peter Kirk, reveals the dilemma in which Parliament some-

Blumenfeld

times finds itself when it is supposed to express its views adequately under heavy pressure of work.

On behalf of my Group I should like to thank the President of the Council for opening the debate. We know how difficult it is for him to make a substantial, all-round contribution when trying to reduce the opinions of nine different governments on so explosive an issue as the Mediterranean policy to a single common denominator. He will therefore not take it amiss if I point out with respect that his reply has still not made it clear—at least not to me—what initiatives the European Community and its member governments intend to take with regard to the problems of Cyprus, Greece and Turkey and to the Middle East problem.

To refer briefly to Greece and Turkey and to the problem of Cyprus in relation to the Community, I should like to remind Mr FitzGerald that for many months the House has been requesting the Commission and the Council of Ministers not merely to side with the United States of America in seeking to ease tension, but to take the initiative and regard this as a responsibility to be assumed by the European governments, especially as Greece and Turkey are linked to us by association agreements and Greece has repeatedly emphasized its desire to become a full member of the European Community.

In this situation the European Community and the European Parliament should not permit the demands on either side to escalate, thereby making the problem still more difficult to solve. We therefore feel that the European Community, the Council of Ministers and the Commission should do their utmost to solve the refugee problem on the island of Cyprus: the refugees, numbering over 200 000, should not have to face another winter with all its dire consequences. Europe must find a political and economic solution and thus contribute to the easing of tension. From what I have heard so far, I am not encouraged to believe that Europe is ready to take the initiative in this respect.

I should like to add just a few words on the Middle East question, since we have already discussed this today and shall also be discussing a special problem tomorrow, without wishing to expound yet again my Group's opinion that it is high time that the Community formally stated its claim, on the resumption of the Geneva conference on the Middle East, to contribute to the reduction of tension and to the achievement of political solutions which will have to be sought in due course.

The attainment of effective political solutions will obviously take a long time. As my colleague

Mr Peter Kirk has pointed out, we cannot in this case also leave the United States to try to bring about a peace settlement alone together with the other world power, the Soviet Union. It is Europe's historical rôle and responsibility now to play its part as an equal partner in the peace talks.

I therefore hope that, alongside all the economic and other matters which we are discussing with the Arab partners and the Israelis, we shall not forget that the Community should view the question of a peace settlement in a broad political context and not become embroiled in details.

I would therefore be grateful for any further information which the President of the Council could provide on the initiatives which he expects to announce in the coming months.

(Applause)

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

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, I am sure that all Members will deplore the fact that while the House has ample time available for discussing, say, guidelines for mayonnaise, in considering vital questions of foreign policy we are subjected to time limits, and groups are allowed only five minutes to comment on such complex issues as the general Mediterranean policy, the Middle East crisis, Cyprus and Portugal. I shall therefore comment solely on Portugal, as I feel that the Chairman of the Conference of Foreign Ministers was not too forthcoming on this question.

The Danish foreign trade minister, Mr Nørgaard, was reported last week as having indicated that an offer of general economic assistance is to be made to Portugal by the Community—it is always difficult to tell whether the Council of Foreign Ministers or the European Council is intended—but at any rate by the Community.

Portugal now has to contend with the unhappy legacy of 46 years of fascist dictatorship. This country needs the Community's comprehensive assistance in overcoming its economic and social backwardness.

In its first elections, however, this country has given us dramatic proof of its political maturity. We European socialists are particularly pleased that the Portugese people voted so impressively in favour of the socialist party not so much because of the election victory this gave to Mario Soares, but because the result represents a firm rejection of all forms of extremism in this country and confirms that Portugal wants to achieve parliamentary democracy. But we know that

Fellermaier

Portugal's difficulties will not be overcome for a long time. I therefore feel that the Community would give this fledgling democracy a token of faith by making it a general political offer.

This token of faith in Portugal could also act as an encouragement to the internal development of democracy, which is gaining ground and which we hope will be achieved, in neighbouring Spain.

I should like now to comment briefly on the conflict in Cyprus. The rapporteur of the Political Affairs Committee has made it perfectly clear that the problem consists not merely in lending humanitarian assistance to the unhappy people of this divided island, but in the fact that this conflict, which is taking place not on Europe's doorstep but in Europe itself, will not be settled by our merely waiting in paralysed suspense to see what the two superpowers decide to do. On the contrary, its settlement poses a specific challenge to the Europe of the Nine, which has an associated agreement with Cyprus and has concluded two other association agreements with Greece and Turkey respectively—that is to say, with two countries which are not only pressing for full membership but also are hoping for a considerable reduction in the waiting periods provided for in these treaties. I wish to state quite clearly and unequivocally on behalf of my Group that in our view it will be very difficult for these two countries to achieve full membership if a solution is not found to the Cyprus problem. The Socialist Group therefore repeats its appeal to all concerned to strive to bring about an equitable solution in compliance with international law and the right of self-determination. I feel we should take a favourable view of the request to examine the question of early membership for Greece, since we socialists have repeatedly stated over the past years that when Greece returned to democracy we should quickly help it to repair the damage done by its former totalitarian regime. The House should therefore adopt a receptive attitude to the wishes of Greece, and I would appreciate it if the President-in-Office of the Council could make some detailed comments on this matter here and now.

On the whole—and here I support the views expressed by the author of the question, Mr Kirk, in his summary—I believe that the Council of Foreign Ministers should be even more active in assuming its general responsibilities in world politics. I also believe that we need to intensify the open dialogue between the Conference of Foreign Ministers and the European Parliament; for where can the dialogue take place otherwise? The national Parliaments can make only a limited contribution. The wishes of the people of Europe find expression here, and this should

be the platform for a dialogue with the Foreign Ministers—and I would add that it should also be a platform for controversial dialogue, as this will also serve the European cause.

(Applause)

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

Mr de la Malène. — *(F)* Mr President, allow me to adopt a telegraphic style in order to make full use of the five minutes allotted to me. I think that we shall have in future to alter our rules when we discuss problems of an international nature, otherwise we may not be taken seriously.

I shall try to deal with the various points referred to by Mr Kirk and the President-in-Office of the Council.

As far as the problem of the Aegean is concerned, we are gratified that the beginnings of a solution are in sight, inasmuch as this question is at last receiving the attention of an international court, in this case that of The Hague, and that we may therefore hope for a settlement.

On the question of Cyprus, we are aware that this problem is extremely delicate, and are pleased at the modest but nonetheless significant progress already made by the Secretary-General of the United Nations. We realize that the negotiations are particularly difficult, and therefore feel that the Member States and the Community should take care not to do anything which might hinder Mr Waldheim's work. We believe, therefore, that the Community should confine its activities to humanitarian matters, although these are important, by continuing to send to Cyprus various goods, such as powdered food-stuffs, for example.

As far as the Middle East is concerned, we are aware that a meeting of officials was held in Dublin yesterday and the day before in preparation for the Council meeting early in June. Perhaps the President-in-Office, Mr FitzGerald, could give us some information in his reply on the lines taken at this meeting? As we know, the Middle East is one of the areas on which concertation has been reached by the Nine. The progress achieved so far may be limited, but perhaps we can look forward to further developments. A common approach has been achieved in the United Nations, in resolution No 242, resolution No 248 and the resolution of 6 November 1973, and in the latest declaration made at Dublin. This situation may well be such that we cannot expect an early formal decision on policy, but it is important that these initial moves in

de la Malène

the Community towards concertation on the Middle East should continue.

The basis on which my Group feels that this process of concertation should be founded is as follows: adherence to the principles evolved hitherto, particularly the parallel relationship between withdrawal and guarantees; settlement of the conflict by a global approach; finally, the problem of the Palestinians should not be viewed solely from the humanitarian standpoint of the refugees, but their right to a homeland and territory should also be taken into account.

We would urge that any coordination between the policies of the Member States should be pursued on the basis of the resolutions to which I have just referred. We hope that the interested parties are ready to reopen the Geneva negotiations, and that it will be possible to progress in the direction just indicated.

I should also like to comment briefly on the Euro-Arab dialogue. We talked about this this morning, and so I need not dwell on the matter. We expressed slight regret that the timing of the dialogue had led one party to suggest that it was in a more favourable position than another; this is not the case, but the dates were so chosen that this undesirable form of political 'one-upmanship' could be resorted to. We deplore this situation and hope that it will soon be set right.

Finally, I should like, with regard to Greece, to express our earnest hopes that the problems affecting this country's accession will be solved with all due speed. We hope that in agreement with our Greek friends, the Nine will be able to hasten the accession of Greece to the greatest extent possible.

(Applause)

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

Mrs Goutmann. — *(F)* Mr President, ladies and gentlemen, I should like to make a few remarks on the main topics raised by the oral question on a general policy in the Mediterranean area and on the situation in the Middle East.

But, first, I should like to comment briefly on the question of Cyprus, which has been referred to during this debate. We may well ask ourselves whether the authorities of the European Community, the European Parliament and the Governments of the Member States of the Community have tried hard enough to solve the Cyprus problem. I feel that the preconceptions and ulterior motives of a number of governments have complicated the issue and have made

it difficult for the Community to adopt a very definite position.

Indeed, we cannot be content with simply providing humanitarian assistance to Cyprus; Parliament and the Community bodies should also express their views on a political solution to the problem, since the most elementary international rules are being systematically violated. The question may be asked whether the pressure applied by the United States in this area did not make it difficult for the Community—which I feel does have a part to play in this matter—to intervene. We can do more to bring this problem nearer to a political solution.

As far as Greece's accession to the Community is concerned, we feel that it is intrinsically up to the people of Greece to decide on this question and to ensure that the decision is implemented.

If I stress the fact that the Community is subject in this area also to the pressure of United States policy, I do so because we find ourselves confronted with the same attitude in the case of Portugal.

It is unfortunate that in this House, at a time when Portugal had just become a democracy after many years of military dictatorship, we should have been more concerned with alleged threats of a left-wing dictatorship than with helping this infant democracy to take its first steps and to prepare its elections. For example, we should have expressed our indignation at the fact that Nato forces were carrying out manoeuvres off the Portuguese coast just when this country was experiencing great difficulties in establishing democratic rule.

It is unfortunate that decisions were taken only when the results of the Portuguese elections were known. In this area, too, we should rid ourselves of the pressure of American imperialism.

As regards the situation in the Middle East, it is true that the Community can play a far greater part in safeguarding peace in this part of the world. Like Mr de la Malène, we regret the fact that decisions should have been reached so late as to suggest that we were granting privileged treatment to one or other of the countries concerned in the Middle East. Here again, we can but deplore the present hindrances to a satisfactory outcome of the Euro-Arab dialogue, and stress the need, for the sake of all the Middle East countries, the Mediterranean countries and, especially, the Community's economic future, to eliminate all obstacles to this dialogue. The decisions which have just been reached, perhaps without sufficient insight, have led the Arab countries to create fresh difficulties which are preventing the conclusion of the

Goutmann

negotiations being held with all the Community countries.

I think it should be pointed out that although we are in favour of cooperation with all these countries and of promoting trade agreements with them, and although we are pleased that such an agreement was concluded with the State of Israel, the political implications of this should still be borne in mind. Moreover, we should play a part in getting the Israel government to apply the UN decisions concerning the tragic problems affecting this part of the world, particularly resolution No 338 of the Security Council and resolution No 3236 of the UN General Assembly.

In this way we shall make a real contribution towards preserving peace in this part of the world while at the same time fostering a co-operation which is free of neo-colonialist motives and ensuring not only that these countries achieve progress but also that the economic needs of Europe are met.

For this reason, I could urge that the European Economic Community should intensify its efforts to restart the Geneva negotiations on the preservation of peace in the Middle East and to restart the Euro-Arab dialogue, which is also necessary for the preservation of peace and for the economic future of all our countries.

President. — I call Mr Jahn.

Mr Jahn. — (D) Mr President, ladies and gentlemen, as time is short I shall comment only on one question, that of Cyprus. I would ask, what can we, the European Community, do to bring about an acceptable and peaceful solution to the Cyprus problem? We certainly cannot intervene directly. We must therefore resort to diplomatic means. We could give the States of Greece and Turkey, as our associates, constant reminders of their close ties with the Community when we discuss Cyprus. Above all, however, the governments of the nine Member States, as well as the Council of the European Community and the Commission, must make their presence felt in Athens and Ankara.

As the Cyprus problem, moreover, is showing itself more than ever to be a problem of development, the Community should prepare a generous development plan for Cyprus and submit it for acceptance to Greece and Turkey and also to both Cypriot population groups.

The hitherto predominantly humanitarian assistance offered—helpful as this may be in individual cases—in no event suffices to fulfil the Community's responsibility, or matches up to the opportunity afforded it of acting in

unison. It would also be a welcome step if the help provided—and the wish to extend assistance has become expressed at the summit conference and by the European Council—could go so far as to include support for a proposal for the settlement of the Cyprus problem, now being discussed in Geneva.

I would emphasize that continued non-intervention on the part of the Community in matters of foreign policy will certainly not help to strengthen the Community, but will have the opposite effect. Let us examine the proposals of both Cypriot communities on the future running of the island: both sides evidently want to set up a federal system, a federation within a sovereign state. While the Turkish community is talking of setting up two regions, the Greeks envisage several regions. I believe it would not be out of place—one may at least mention the possibility—to try to combine both ideas and set up an intermediate zone alongside a purely Turkish Cypriot zone and a purely Greek Cypriot zone. In this intermediate zone, which would be mainly—I emphasize, mainly—in that part of the island at present controlled by Turkish troops, suitable mixed settlements could be planned. This zone should also contain the capital, Nicosia. The advantage of such an approach would be that it would enable Turkey and the Turkish Cypriots to give up a considerable amount of the occupied territory without losing face. For Greece, this would mean that many refugees could return to their homes, and would thus avoid the danger of their becoming a permanent source of crises, along Palestinian lines.

If all this could be combined with constitutionally guaranteed equality of rights for both communities—both Greece and Turkey are in favour of this—and also with massive economic reconstruction aid from the Community, practical steps towards peaceful reconciliation could be taken. I think that the Council should do more in this area than it has done up to now.

President. — I call Mr FitzGerald.

Mr FitzGerald, President-in-Office of the Council of the European Communities. — A number of different points in respect of a number of different regions have been raised in this debate. If my answer in the first instance did not refer to Portugal, this reflects the fact that the question did not, at least *stricto sensu*, apply to Portugal as it related to countries in the Mediterranean. I think it was not clear to us that Portugal was intended by that. I shall, however, be happy to refer in reply to the points raised in the debate about Portugal.

FitzGerald

On the question of Cyprus, it is clear that in this Parliament there are a number of Members who are anxious that the Community should show more initiative and who are, perhaps, concerned that it has not shown greater initiative in the past.

However, this, like most of the delicate problems that have been discussed here today, is an area where the mere taking of initiative by the Community does not of itself resolve a problem and may in certain circumstances complicate it. You will recall, Mr President, that after our meeting of 13 February in Dublin we took an initiative *vis-à-vis* the three countries concerned—Turkey, Greece and Cyprus—and we offered our good offices in respect of the problem in Cyprus. But shortly after that the possibility arose of discussions between the two communities under the auspices of the Secretary-General of the United Nations, this arising from a debate in the United Nations.

It has seemed to us that the best hope for a solution lies in these discussions between the two communities and that for us to seek to insist upon our good offices, to press them upon the partners who are engaged in these delicate discussions, might be to make a solution of the problem more difficult.

Our offer remains open, and if at any point the parties concerned feel that we could assist, the Community has its commitment there and has shown its willingness to help, but as of now the parties concerned seem to prefer—and it would be, I think, the judgment of the Nine that it is perhaps the best approach—to examine this problem together as between the two communities under the auspices of the Secretary-General.

That meeting was held a very short time ago. It did not of itself produce many concrete results, nor perhaps could it have been expected to, because it was the first meeting of this kind. There are one or two constructive elements emerging from it—first, the fact that agreement was reached on a further meeting and, secondly, that, pending that further meeting, some points which were raised by the parties with each other are being examined further by the parties concerned for them to bring back their reactions to them to the meeting in June. One cannot of course say at this point whether the responses to the points raised will, when they emerge in the discussions in June, provide a basis for further progress, let alone a basis for a solution, but certainly the facts that these talks took place, that a further meeting was arranged and that work is in progress on preparing that meeting are all constructive elements in the situation.

None the less, the problem remains a critical one and one where clearly the delicate work of trying to piece together a solution may at any moment be interrupted or break down. We are aware of that, and I can assure Parliament that the Nine are following these problems and that, if at any point our further initiative seems likely to help, it will be made very speedily and promptly.

On the question of the particular shape of the solution, given the geographical complexity of the problem, I do not think that we from outside should propound particular solutions. I listened with interest to the suggestion made. It is one of a number of possible approaches, but really it is something which is very much a question for the people on the ground—the two communities concerned—knowing the geography and demography of their own island and knowing the nature, shape and extent of the changes in population distribution which took place last year, to devise the solution best suited to their needs, and I do not think that we could, from outside, make specific suggestions that at this point would be likely to take things further.

So much for Cyprus. I think I have given the fullest answer I can to the debate within the limits of what is possible, and Parliament will realize that there are constraints on all of us as to what we say in regard to situations which exist outside the Community and where sometimes the harm done by an incautious word can be greater than the good done by all the speeches in or outside Parliament.

On the question of possible membership of the Community by Greece, this is an issue which has not been posed formally by Greece, but the association agreement with Greece envisages the possibility of membership, and any proposal of that kind from Greece will be examined carefully and sympathetically by the Community, with a view to seeing whether the necessary steps to bring about such membership can be successfully taken and what kind of time-scale will be required.

Perhaps it is premature to discuss the matter further unless and until there is a formal proposition from Greece. The Community's position is, of its nature, open and is clear by virtue of the association relationship into which it entered many years ago.

On the subject of the Middle East, the main point which has been raised came up in debate this morning—namely, the danger that the signing of the agreement with Israel might in some way affect the relationship between the Community and the Arab countries or the Euro-

FitzGerald

Arab dialogue, It is our hope and belief that this will not happen. Some of the initial reactions of which we have had echoes in the press and initial reactions from the Arab side may have been influenced by an overestimation of the political significance of the trade agreement.

Moreover, the extent to which the Israeli-EEC negotiation was part of an overall approach and the extent to which the exact timing of the negotiations is a matter of chance—the whole subject of the complexity of the problems and the ease or otherwise of their solution—have perhaps not been fully understood.

I understand that the press in some Arab countries yesterday indicated that the Secretary-General of the Arab League was having contacts with 'the EEC headquarters', as it was described—the Commission and the Council—and with the Algerian Government and others to obtain more information on the nature of the agreement. Reports from Cairo suggest that some of the misunderstandings can be resolved when the exact nature of the agreement is more fully understood. The fact that further information is being sought about the agreement is relatively encouraging.

In my personal capacity as Foreign Minister of my country, I shall be visiting four Middle Eastern countries—the four countries with which negotiations will now have to be undertaken in respect of an extension of the Mediterranean area. My visit begins next week in Jordan, which holds the presidency of the Arab League. I hope that my visit will provide an opportunity to explain further the nature of the situation that has arisen in respect of the disparate timing and to offer clarification to the governments concerned. I shall be seeking to take that action on my own behalf and in the general interests of the Community.

On the question of Portugal, there should not be any misunderstanding about the Community's position, which is extremely positive. The fact that a year has elapsed since the revolution in Portugal and that in that time we have not got down to any concrete discussions with Portugal on how the Community can help that country partly reflects the fact that the Portuguese Government wanted time to consider how best their relationship with the Community could be developed and what kind of assistance the Community could best give it.

It would not be fair to suggest that any lack of progress made has been due to reticence on our part. The Council at its last meeting discussed future relations between the Community and Portugal. At that meeting it was agreed

that the Commission, as soon as possible, would submit a report on the various aspects of economic relations between Portugal and the Community, including possible provision for assistance to Portugal under different headings. Mention was made by a speaker of references by a Minister to various possible proposals, but at this stage these are merely informal suggestions, because until the Council receives from the Commission, as it hopes to do very shortly, proposals as to the kind of assistance which could best be given to Portugal, the Council is not in a position to act. The Commission is actively studying this at present and having the necessary contacts at its own level with the Portuguese authorities to help it put forward proposals likely to meet the needs of Portugal at this time.

I would hope—it is certainly the stated intention of all the member governments of the Community in the discussions we have had—that any proposals from the Commission will be greeted positively. There can, and should be, no doubt about the degree of good-will of the Council on this subject. Anybody who had been present in the discussions we have had in Council would be aware of the positive approach that the Council has adopted in the recent discussions, and that is true of the situation both before and after the elections.

I hope that at our next meeting the Council, in the light of the Commission document, can deal with this important subject and will rapidly get into a position of being able to authorize the opening of more formal discussions, with a view to making some real progress, so as to give Portugal the assistance which clearly it needs and which the Community is in a particularly good position to offer. At the moment I cannot say precisely when the Commission's proposals will be ready. I know they are under active discussion by the Commission. The Council is ready to receive them and at the earliest possible opportunity the Council will do so.

If I may presume to indicate the kind of pace at which the Commission will work, certainly at our meeting in June it will consider the proposals, and possibly at some level before that time if they are ready and presented by the Commission. I emphasize the point about the positiveness of the approach of the Council and the encouragement it has given to the Commission to come forward with constructive proposals of a kind likely to be accepted by Portugal.

Certainly, I am aware of a number of bilateral contacts between Community countries and Portuguese Ministers, members of the Portu-

FitzGerald

guese Government, which are pending within the next few weeks; some of them have been announced, some have not. Parliament will find over the next few days and weeks that they will hear of various bilateral contacts which will help to ensure that members of the Council, when they consider this matter at their next meeting, will be fully and directly informed of the wishes and ideas of the Portuguese authorities, so that they may consider as constructively as possible proposals that the Commission is bringing forward.

I hope these remarks have helped to indicate something of the temper, approach and attitude of the Community to Portugal, which is certainly extremely positive, and to clarify some of the issues raised. If there are particular points I have overlooked, I shall be happy if the speakers concerned will remind me of them. I have tried to deal with the main points raised in the debate within the limits of what is open to me as representative of nine governments, with all the constraints and limitations which that necessarily and most frustratingly imposes on me and on other Presidents in my position here.

The greatest frustration of all comes from the fact that one has to make an opening statement prepared in advance which totally ignores everything that the first speaker has said. I suggest again that that embarrassing procedure be reconsidered, because it makes the President-in-Office look somewhat foolish when he has to ignore everything that has been said and then, later, answer points which he could have answered in the first instance if the arrangements had been different. That, however, is a matter of your procedure. I and other Presidents would be willing to adopt whatever procedure you might wish, but I would emphasize that the very formal and at times unhelpful nature of the initial replies which I and other Presidents have to give arises from the particular structure of debates here and not from any unwillingness to help.

I hope that in the reply I have been able to give at the end of the debate I have shown that the Council and its President are willing to try to respond to the debate and give as much information as is possible at this point, within the limits and restraints of the collective responsibility of the Council.

(Applause)

IN THE CHAIR: MR BURGBACHER

Vice-President

President. — I call Mr Lange.

Mr Lange. — *(D)* Mr President, ladies and gentlemen, Mr President-in-Office of the Council, I am sorry, but I cannot lend my whole-hearted support to the applause just given. I have a feeling that the Commission's and Council's dealings with Portugal are not altogether beyond reproach. The House had held various discussions on Portugal and on possible developments in that country. We are all relieved that the election results on 25 April turned out as they did. What the consequences of these will be for Portugal is another matter.

However, it has become clear—and we have already mentioned this on a previous occasion—that Europe must extend adequate assistance to Portugal if we are to avoid developments in Portugal which would be undesirable for Europe. We cannot wait until Portugal has achieved a perfect democracy.

I would remind the House and also the Commission representative, Mr Vice-President Scarscia Mugnozza, that in autumn of last year we submitted very positive proposals for assistance to Portugal, involving projects which the present Portuguese government likewise fully supports. Vice-President Sir Christopher Soames replied that the Community could not take action before the Portuguese asked it to do so. I find this unacceptable. Meanwhile it has of course been arranged that Portugal should be helped, because the hazards which could arise otherwise have been recognized. I personally feel that it is already rather late in the day to provide aid. But if the shilly-shallying between the Commission and the Council continues, whereby one refers matters to the other while the latter waits for the proposals of the former, Portugal could become a lost cause.

There are certain projects which I do not really need to discuss again, but which I would nonetheless like to mention.

One is the Alentejo irrigation project which should help Portugal's mid-south regions; there are also the projects for vocational training in Bejar and for infrastructures in Lisbon itself.

Given our knowledge of Portuguese affairs, it would be quite possible for the Council—as it alone can give mandatory instructions to the Commission—to decide to make the corresponding offers to the Portuguese government. I find it unacceptable that democratic Portuguese politicians should tell us that when they go to Moscow, their hosts do not merely talk about assistance but make offers of immediate aid. I feel that such competition is intolerable for Europe.

I wish to say to the President-in-Office of the Council, and also to the Vice-President of the

Lange

Commission, that I would be grateful if we could hasten our work here and not wait for routine sessions of the two organs to take place. This question is of such great political importance that if we get bogged down in routine affairs—which we want to avoid—this south-western part of Europe will be lost to the Community and to Europe. I may be overstating the case in some respects, but this is the only way to spur us into action.

I would be grateful if the President-in-Office of the Council would not wait until the next session of the Council, but would urge the Commission to make proposals without delay. It is largely just a question of bringing them out of cold storage. A decision could then be reached within a fortnight and not just in four or six weeks' time.

If we continue as at present, the summer recess will be with us, and then the planned elections for the legislative assembly in Portugal, and Europe will still have done nothing for Portugal. This, I submit, would be completely intolerable. I would appreciate it if the Commission and the Council heeded these warnings, for Parliament fully intends to extend unconditional assistance to Portugal, because we understand how difficult it must be for a country which has lived under a dictatorship for almost 50 years to return to democracy.

(Applause)

President. — I call Mr Seefeld.

Mr Seefeld. — *(D)* Thank you, Mr President. We are discussing the general situation in the Mediterranean. Although the oral question was addressed to the Conference of Foreign Ministers, I believe that anyone who has something to say on this matter should join in such an important discussion. I understand from the President of the Council that the Council is waiting for an initiative from the Commission, that is for a Commission report on Portugal.

I would therefore ask the Commission representative here present to indicate whether he is willing to comment on this today or whether the Commission proposes to attend this debate merely as a silent witness? In my view, this subject is so exceedingly important that I must appeal to the Commission to make a statement on it.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — *(F)* Mr President, the

Commission did not wish to take part in this debate, the purpose of which is to discuss a question put to the Chairman of the Conference of Foreign Ministers. Nevertheless, the Commission has an opinion to express on two points.

Firstly, I would point out quite briefly that this morning, when I spoke at length on the signing of the agreement with Israel and on the consequences which this may have on our relations with the Arab countries, I took pains to emphasize that it would be unreasonable to view our Mediterranean policy from the standpoint of some random moment in time, either immediately before the signing of one agreement or immediately after the signing of another; the situation in which we find ourselves is constantly changing, and a balanced approach is required in our relations with all the southern Mediterranean countries, as we recognize that each of these has a right to its future, to its existence, and to an economy which is integrated with ours under conditions which are equally in keeping with the opportunities for development.

It is this policy which should be assessed. I think that our partners in the southern Mediterranean countries are in agreement with it, and each has in turn confirmed its agreement. Therefore I feel that the reactions which are worrying some people should not be overestimated: it was quite in order that we should be asked for further information.

The only official representation made so far has been to the Commission, while another is intended to be made to the Permanent Representatives; its purpose was to obtain information, not to lodge a protest. It would, I believe, be dangerous and out of place to distort the significance of this representation and to believe too readily what the press may have been tempted to write about the alleged displeasure of partners who were simply anxious to obtain more detailed information.

To come to the subject of the question, Portugal, the Commission has, of course, for some months been closely following events there; after the intense delight that we all experienced following the events of April 1974, we discussed unofficially what could be done for Portugal.

I would firstly point out that this country has so far not given any clear or even unofficial indication of its precise intentions regarding its relations with the Community, apart from requesting an improvement in the trade agreement which links us to it. As you know, this improvement is now being discussed officially, and the various committees will have to examine it; some of them may already have begun to discuss the agreement.

Cheysson

Since the recent elections, which were highly significant in that they confirmed Portugal's democratic development, which we all, the European Parliament and the national parliaments, the Community governments and the Commission, hope will continue, we were very pleased to be given by the Council precise instructions to speed up any proposals we may make; the scope of these would then go beyond the mere consolidation of a trade agreement.

You will appreciate, Mr President, that we cannot now issue a public statement on the way the various studies already embarked on are progressing. To begin with, they are not yet complete; in the next place our rôle is to answer questions put to us by the Council; finally, and above all, I would remind you again that Portugal has so far made no precise request or suggestion of any kind, and I find this perfectly understandable. It would be contrary to Portugal's sovereignty, therefore, and to the implications of the responsibilities of the various ministers for us to divulge any further information on this matter.

We will very soon have an opportunity of submitting proposals to the Council, in circumstances which, I hope, will enable the Council to discuss them at its coming session.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, I would like to ask the Commissioner to tell us the precise instructions given by the Council to the Commission concerning a possible comprehensive offer to Portugal.

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) I do not have the text of these instructions before me. In any case, the instructions given by one Community institution to another should not be made public.

I can only repeat to you what has already been stated at a press conference, namely that the Council has asked the Commission to examine the various ways in which Portugal and the Community could cooperate more closely in various fields.

President. — I call Mr Jahn

Mr Jahn. — (D) Since the President-in-Office has agreed to reply briefly to questions which he has not yet answered, I would ask whether the Council is willing not only to provide hu-

manitarian assistance but also to draw up an economic development plan for Cyprus to be approved by Turkey and Greece? That is my first question. My second question is as follows: does the Council take the proposals for a settlement put forward by the two Cypriot communities seriously, and is it willing to endorse these in Ankara and Athens?

President. — I call Mrs Goutmann.

Mrs Goutmann. — (F) I shall make only two comments.

The first is addressed to Mr Cheysson, who has just said that the Arab states, in particular the Maghreb countries, merely requested information on the Community's agreement with Israel. I take exception to such statements: the Arab states, especially the Maghreb countries, did in fact make a protest. I should like further information on this matter, as it is clear that in Brussels at any rate the ambassadors of these countries approached the Commission.

My second comment concerns the statement made by Mr Lange on Portugal; this justifies the fears I expressed earlier during my first speech. Does the European Economic Community have to examine the possibility of assistance to Portugal in the light of the political orientation and the regime which the new Portuguese democracy intends to adopt? Does the EEC even wish to impose its own political orientation?

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, on behalf of the Commission I must state categorically in reply to the question put to me—and I wish to emphasize this point—that no protest was made by Arab ambassadors through official channels.

Only one step was taken; this occurred on Wednesday, 7 May at 5 p.m., to be precise. Three ambassadors of the Arab League came on behalf of this organization to ask for information. I can state categorically that they made no protest. It may be that Arab ambassadors expressed themselves differently to Mrs Goutmann, but the only official step taken to date is the one I have just referred to. Of course, I cannot predict what may happen tomorrow or next week. I am merely telling you the situation as it stands today.

(Applause)

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — (D) I would like to ask the President-in-Office of the Council a further question, which he invited by not fully answering my first question.

My question, put in connection with the Geneva conference on the Middle East and the preparations leading up to it, was whether the European Community, the Council of Ministers and the Conference of Foreign Ministers would be willing to take part in this conference, if this takes the form of a fundamental examination of issues. Mr President, I would be grateful if you would also provide some information in this respect.

President. — I call Mr FitzGerald.

Mr FitzGerald, President-in-Office of the Council of the European Communities. — Several points have come up in the second debate, to which I wish to refer.

There may be some confusion on the question of the approaches by ambassadors, including that made to the Commission of which Mr Cheysson had told you. I mentioned when speaking this morning that the ambassadors had expressed their concern to the Council through the Chairman of the Committee of Permanent Representatives, who is at present beside me, and asked him to convey their concern to me and, through me, to the Council, so there are two separate *démarches*. I can speak for my own one only. There was an expression of concern which it was requested be conveyed to me. I ought to mention that, as there appears to be some confusion between the two approaches that have been made.

On Portugal, Mr Lange, having referred to Sir Christopher Soames' statement that we could not act until Portugal asked us, said that this was intolerable. I am not sure I can accept that. A unilateral approach by the Community where there is no indication of Portugal's interest in our making such an approach might very well be intolerable from the point of view of a country and its sovereignty. It would, I think, be necessary for the Community to move cautiously here and await the development of contacts with Portugal, so that any initiative taken would be likely to be acceptable to that country, which has its own decisions to make and which will wish to decide how its relationship with the Community should develop. Our approach in the Council is by no means lacking in good-will or anxiety to help—far from it. However, this factor has had to be borne in mind throughout.

The Commission is now making a proposal to the Council, which the Council has indicated it would very much like to have. It has been

urged that the Council should not wait until its meeting in June to deal with the matter. I indicated in speaking that we could perhaps seek to accelerate this process if the Commission's proposals were ready in time.

The exact method of doing that is something that we would have to consider, but it might even be possible—at the moment I would not go beyond that—for the Ministers of the Nine when meeting in political cooperation in Dublin briefly to constitute themselves as the Council in order to consider proposals if these were ready at that time.

I mention that to indicate a willingness—on my part certainly and, I believe, on the part of the Council—to act as rapidly as circumstances permit in this matter. I wish to get across to Parliament that there is no holding back on our part—quite the contrary. However, in this matter we have had to have due regard to our relationship with Portugal and to the views and wishes of the Portuguese Government as these have developed.

I do not think we should go beyond that, because we are dealing here with relations between the Community and a particular country. I hope that enough has been said to reassure Parliament as to the attitude of the Council and the Commission. I do not think any more need be said than that. The Commission must consider as rapidly as possible contacts between the Community and Portugal.

The point raised by Mr Blumenfeld, as I understand it, related to the possible participation of the Community, as such, in the Geneva talks. That is a matter which would require the agreement of the various participants to the Geneva Conference as at present constituted.

It is not clear to me that there would be a unanimous or even a general view at this moment that the Community as such should be present in Geneva, nor is it clear that there is at this moment even general agreement or unanimity that members of the Community should be present, though one cannot exclude that possibility. Thus, I think, the Nine cannot very well intrude themselves unilaterally into a situation where there are participants whose wishes as to the membership of that Conference would obviously have to determine what that participation would be.

The Nine are certainly deeply concerned about the Middle East. It has been clear from what has been said in the past, both individually by Member States and collectively, that, should it be felt by those concerned that an active involvement of the Nine, or members of the Nine, in

FitzGerald

any solution would help to achieve that solution and make it stick and succeed, there would be a general willingness to consider any such proposal, but, again, even that must await further developments. We are not even at this point clear whether the next move towards progress in this area necessarily would take place at Geneva or whether some other kind of diplomatic contacts, prior to the Geneva Conference being called together, might not yet take place which could achieve further progress.

Here again we are in a delicate area. There is certainly a willingness on the part of the Nine individually and collectively to make themselves available to help in any solution, but also a concern not to attempt to complicate a solution by seeking to impose the presence of the Nine or members of the Nine at a stage where those concerned might feel a solution would be more readily achieved without such a development. That is as far as I can go now.

President. — I call Mr Kirk.

Mr Kirk. — As the framer of the original question, it would be churlish of me not to express the thanks of the Political Affairs Committee to the President-in-Office for his answers, even if they have not entirely satisfied Members of Parliament. We understand his difficult position. Perhaps the impression we might have of the Council as a group of Micawbers waiting for something to turn up is false and that rather greater activity is taking place than appears from what he said.

I agree with Mr FitzGerald that it is absurd that we should discuss these matters for only one-and-a-half hours on a day when we have to adjourn in a short while for a special session to commemorate the Schuman speech. Furthermore, the procedure does not lend itself freely to the type of debate which we should like to see taking place in this House. That is our fault, and not Mr FitzGerald's. I appreciate that he found himself in some difficulty, and this is a matter which we could examine to see whether our procedure in this Parliament is appropriate.

Finally, I wish to say that we all know the strain under which Mr FitzGerald has worked in the last few months. I can only say that the experience which we have had of him as President-in-Office of the Council of Ministers in the last five months has been a revelation to all of us as to the way in which Council business can be transacted and relations between Council and Parliament can be improved. We are deeply grateful to him.

(Applause)

President. — I call Mr Fellermaier, for a personal statement.

Mr Fellermaier. — (D) Mr President, on behalf of my Group, I should like to take advantage of the opportunity afforded to me by the Rules of Procedure in order to make a personal statement.

We regret that the entire debate was subject to time restrictions, although we must in all fairness agree that the President-in-Office of the Council did his utmost to deal with everything. We regret this fact because the public could be given the impression that highly important matters of foreign policy do not figure very prominently on our agendas. I therefore appeal to the entire House to act as quickly as possible, by means of agreements between the various Groups and with the help of the Secretariats of the Council and of the Commission, to devise different arrangements for highly important political debates such as today's.

Mr President, I apologize for resorting to this approach as being the only way of making a personal comment under the Rules of Procedure.

President. — Does anyone else wish to speak?

This item is closed.

8. *Oral questions with debate: Composition of the Consumers' Consultative Committee*

President. — The next item is the joint debate on the oral questions with debate, put by Mr Jahn, Mr Aigner, Mr Burgbacher, Mr Früh, Mr Klepsch, Mr Mursch and Mr Schulz to the Commission and the Council of the European Communities, on the composition of the Consumers' Consultative Committee (Doc. No 68/75 and Doc. No 69/75). The question to the Commission is worded as follows (Doc. No 68/75):

Subject: Composition of the Consumers' Consultative Committee

The Commission, in its answers to Written Questions Nos 644/73 and 683/73 on the composition of the Consumers' Consultative Committee¹, was unable to provide any reasonable explanation of why only six seats on the Committee, which is supposed to consist solely of consumers' representatives, are in fact held by actual consumer associations, whilst three have been allocated to the European Community of Consumer Cooperatives and six to European Trade Union organizations. It should be pointed out

¹ OJ No C 49 of 27. 4. 1974, p. 18 and 24.

President

that it is the actual consumer associations, first and foremost, which have a real and therefore informed interest in problems affecting the consumer. This was the view of the Commission itself in its answer to Written Question No 468/73 on criteria for the composition of advisory committees².

In connection with this the Commission is asked to answer the following questions:

1. Does the Commission consider that, with its present membership, the Consumers' Consultative Committee is properly balanced and really represents consumer interests in the best possible way?
2. Why does the Commission not follow the principles it has itself set out in its answers to Written Questions Nos 468/73 and 644/73, according to which the Consumers' Consultative Committee should consist solely of representatives of consumers, with the proviso however that groups having a real interest in the subject under consideration, i.e. organizations directly concerned with consumer affairs (trade unions, consumer co-operatives, the retail trade), should participate?
3. Are there not grounds for redistributing the 15 seats on the Consumers' Consultative Committee in accordance with these principles, so that 10 seats are allocated to the consumer associations and five to the trade unions, consumer co-operatives and the retail trade?
4. Does the Commission agree that the retail trade has the same legitimate interest as the consumer co-operatives in being represented as a voting member on the Consumers' Consultative Committee?
5. Is the Commission aware that the Consumers' Consultative Committee is not purely a specialized working party, like the 'Committee on fruit and vegetables', say, or the 'Committee on beef and veal', but is in a position to exercise a decisive influence on consumer policy, and does the Commission therefore not consider that the final composition of the Consumers' Consultative Committee requires a decision of the Council, or at least consultation of Parliament?

The question to the Council is worded as follows (Doc. 69/75):

Subject: Composition of the Consumers' Consultative Committee

The Commission, in its answers to Written Questions Nos 644/73 and 683/73 on the composition of the Consumers' Consultative Committee¹, was unable to provide any reasonable explanation of why only six seats on the Committee, which is supposed to consist solely of consumers' representatives, are in fact held by actual consumer associations, whilst three have been allocated to the European Community of Consumer Cooperatives and six to European Trade Union organizations. It should be pointed out that it is the actual consumer associations, first and foremost, which have a real and therefore informed interest in problems affecting the consumer. This was the view of the Commission itself in its answer to Written Question No 468/73 on criteria for the composition of advisory committees².

In connection with this the Council is asked to answer the following questions:

1. Does the Council consider that, with its present membership, the Consumers' Consultative Committee is properly balanced and really represents consumer interests in the best possible way?
2. Does the Council approve of the principles set out by the Commission in its answers to Written Questions Nos 468/73 and 644/73, according to which the Consumers' Consultative Committee should consist solely of representatives of consumers, with the proviso however that groups having a real interest in the subject under consideration, i.e. organizations directly concerned with consumer affairs (trade unions, consumer co-operatives, the retail trade), should participate?
3. Are there not grounds for redistributing the 15 seats on the Consumers' Consultative Committee in accordance with these principles, so that 10 seats are allocated to the consumer associations and five to the trade unions, consumer co-operatives and the retail trade?
4. Does the Council agree that the retail trade has the same legitimate interest as the consumer co-operatives in being represented as a voting member on the Consumers' Consultative Committee?
5. Is the Council aware that the Consumers' Consultative Committee is not purely a specialized working party, like the 'Committee on fruit and vegetables', say, or the 'Committee on beef and veal', but is in a position

¹ OJ No C 49 of 27. 4. 1974, p. 18 and 24.

² OJ No C 58 of 18. 5. 1974, p. 2.

³ OJ No C 58 of 18. 5. 1974, p. 2.

President

to exercise a decisive influence on consumer policy, and does the Council therefore not consider that it should itself decide, after consulting Parliament, on the final composition of the Consumers' Consultative Committee?

I call Mr Jahn.

Mr Jahn. — (D) Mr President, ladies and gentlemen, allow me to give a brief explanation of the oral question on the composition of the Consumers' Consultative Committee, which my colleagues and I put to the Council and to the Commission.

I have already put two written questions, Nos 644/73 and 683/73, on the same subject, to the Commission of the European Communities. The Commission's answers to these are very revealing.

In its reply to question No 644/73 the Commission clearly states that the Consumers' Consultative Committee consists solely of 'representatives of consumers'. It is further stated that the Consumers' Consultative Committee is not modelled on national consumer committees, but is conceived as a special board dealing with consumer affairs.

The Commission was unable to answer the questions mooted in my written question No 683/73. There is in fact no reasonable explanation why the Committee, which as the Commission itself affirms is supposed to consist solely of consumers' representatives, should contain only six seats for actual consumer associations, while three have been allocated to the European Community of Consumer Cooperatives (COOP) and six to European trade union organizations. In allocating the seats thus the Commission was doubtless politically motivated. However, this decision runs counter to the principles set out by the Commission in its reply to my written question No 468/73 on the criteria governing the composition of the Consultative Committee.

The Commission's reply of 3 April 1974 may be briefly summarized as follows: in the Commission's view the composition of the Consultative Committees should be decided upon on a case-by-case basis when they are set up.

Their membership is therefore not rigidly fixed at the outset but may depend on the tasks entrusted to the various committees. The Commission then issues a statement of principle, with which we may agree unreservedly. It says in fact that the membership of each committee is determined bearing in mind those groups which have a genuine interest in the subject concerned and can make a substantial contribu-

tion to the particular committee's work. So far so good. These committees may be consulted by the Commission and provide information and specialist assistance on matters within their sphere of competence.

Unfortunately the Commission has not adhered to its general criteria regarding the composition of the Consumers' Consultative Committee. No one can seriously deny that it is first and foremost the consumer associations which have a genuine and concrete interest in the particular subjects dealt with by the Consumers' Consultative Committee. We therefore fail to understand why the consumer associations of the whole of Europe have to be content with just six seats on this Committee. We feel that there are grounds for re-allocating the 15 seats on the Consumers' Consultative Committee in accordance with the principles drawn up by the Commission itself, so that 10 seats are allocated to the consumer associations and five to the trade unions, the consumer cooperatives and the retail trade. This would in our view be a fair arrangement. We are in fact convinced that the retail trade has the same legitimate interest as the consumer cooperatives in being represented as a voting member on the Consumers' Consultative Committee.

If, however, the Commission feels the inclusion of the retail trade in the Consumers' Consultative Committee to be too sweeping a step, it would not be logical to allocate a seat to the consumer cooperatives. Finally, we would point out that the Consumers' Consultative Committee is not purely a specialist working party, like the 'Committee on fruit and vegetables', say, or the 'Committee on beef and veal'. On the contrary, the Consumers' Consultative Committee is of considerable economic and political importance, as it is able, by delivering opinions on pertinent issues, to exercise a decisive influence on the economy and on consumer policy generally. We therefore asked the Council the important question whether it did not think it advisable that the final composition of the Consumers' Consultative Committee should be decided upon by the Council itself, after consulting the European Parliament.

We would be most obliged to the representatives of the Council and of the Commission for a clear and exhaustive reply.

President. — I call Mr FitzGerald.

Mr FitzGerald, President-in-Office of the Council of the European Communities. — I should like to make it clear that the Consumers' Consultative Committee was set up by the

FitzGerald

Commission within the framework of its internal organization. It is, therefore, the Commission which decides on its composition and it is the Commission's responsibility to provide you with the information requested.

I shall confine myself to pointing out that at its meeting on 14 and 15 April 1975 the Council adopted a programme for the implementation of a consumer protection and information policy of which the consultation and representation of consumers is a very important part.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, ladies and gentlemen, I have already spoken of this matter on numerous occasions, both at plenary part-sessions of Parliament and during parliamentary committee meetings. Today, therefore, I shall only reiterate my previous remarks.

I should first like to remind you that the Consumers' Consultative Committee was set up owing to the fact that the European Consumers' Organization, which had existed for a number of years, was disbanded as a result of internal organizational problems. As a result, the consumers no longer had any representation at European level, and when it was decided to set up and develop a programme of consumer protection based on more detailed criteria, the Commission felt it would be useful to have a partner in the form of a European body in which both consumers and cooperatives were represented.

All my efforts to set up a European committee of this kind, quite separate from the Commission, did not produce the results I had hoped for and we had to find a rough and ready formula. This explains why the Commission set up the Consumers' Consultative Committee we are discussing today within the framework of its own internal organization.

Neither the Council of Ministers nor the Parliament had made any decision on this Committee, although I informed Parliament of it even before it was set up. In point of fact, the treaties allow Community institutions, including the Commission, the Parliament and the Council, to set up any bodies able to improve their own activities.

To this historical sketch I would just like to add that the composition of the Consumers' Consultative Committee — together with its method of operation which Mr Jahn has just described — was discussed, studied and imple-

mented with reference to all the consumer organizations, which agreed to maintain their respective representations within the established limits depending on size. Its composition was also studied by the unions and cooperatives, which—as I said—are also represented on the Consultative Committee, not because the cooperative movement was a brain child of the Commission but rather because it felt it would be useful for cooperatives already represented on the European Consumers' Committee, which—as I mentioned—was wound up a few months ago because of internal problems, to be represented on the Consultative Committee. We arrived at its composition by mutual agreement and the interested parties have expressed their satisfaction at the Commission's action and the distribution of seats.

Since the Committee was set up, various other groups have asked for representation. I was approached by retailers, in which Mr Jahn is interested, as well as wholesalers, industrialists and banking representatives. To all these I explained that if we started to make exceptions, we would have to include all those with any kind of interest in consumer affairs, either as actual consumers or—shall we say—as representatives of industries which promote consumption by means of their production. This would have ended up by completely distorting the character we intended to give the Committee, so I did not feel it necessary to change its composition, particularly as it had the full approval of those already represented. However, no sooner had the consumer programme been approved—and this, as the President of the Council said, only happened a few days ago after many months' delay—than I asked the Consultative Committee to conduct hearings with all interested parties to ensure that all aspects of consumer problems would be studied. In my opinion this is an extremely delicate field in which everyone is closely concerned when we consider that all 250 million Europeans are consumers and are the target of the promotional activities of those seeking to increase consumption in one field or another, in advertising one product or another and in presenting certain goods or services in the best light.

In my opinion, our future efforts should not be restricted to implementing the programme and issuing appropriate directives or regulations but also to making an in-depth study of the actual consumer as one facet of a complex system which must be fully investigated if we are to have a policy capable of bearing positive results.

Having said this, Mr President, I should like to conclude by pointing out that no objection has yet been raised within the Consultative

Scarascia Mugnozza

Committee on its composition and that as the Committee has only just started its work, it has not yet been able to implement the action it would have liked to have taken as the programme was only recently approved. Lastly, may I say that the admission of any person who is not already a member of the Committee could upset the balance and result in requests for membership from other persons who have nothing to do with consumers. I do not therefore feel it necessary for the Commission to change its view.

On the other hand, as I said, the Consultative Committee, which in fact has nothing to do with the committees referred to by Mr Jahn (these being management committees) was set up within the framework of the Commission's own internal organization and not as a result of a decision by Parliament, let alone the Council of Ministers. In any case, let me make it quite clear that this Consultative Committee will not affect either the interests of Parliament or the Economic and Social Committee, because every one of the Community institutions, when examining Commission proposals for implementing the consumers programme, may express their views and call for amendments, as they have always done with any proposal made by the Commission itself.

President. — I call Mrs Orth to speak on behalf of the Socialist Group.

Mrs Orth. — (D) Mr President, ladies and gentlemen, Mr Jahn has just explained the purpose of this question. However, on behalf of the Socialist Group I must state that we completely reject the thinking behind it. We consider the trade unions to be the best representatives of consumer interests not only because, unlike the consumer and family organizations represented in this Committee, they represent millions of people, but also because their aims correspond exactly to those expressed in the First programme of the European Economic Community for a consumer protection and information policy approved by the Council on 14 April 1975. These aims are the right of consumers to the protection of health and safety, to the protection of economic interests, the right of redress, the right to information and education and the right of representation, that is the right to be heard. Therefore, if the membership of this Committee is to be changed, the change should in our view be made only in favour of the trade unions.

In this connection, however, I should also like to ask Mr Scarascia Mugnozza to what extent the individual Member States are represented in the Committee; to my knowledge there are in Italy no consumer organizations which could

cooperate on it. Therefore I would ask how many of the total of 25 members—15 representatives and 10 experts—are drawn from the individual Member States?

We are also completely opposed to the retail trade being represented on the Consumers' Consultative Committee. This can under no circumstances be put on a par with the consumer co-operatives. Their interests must to a greater or lesser extent be opposed to those of the consumers. We are also opposed to the idea that the Council should decide on the membership of the Committee. This would be a further step towards the subordination of the Commission and would impair the institutional equilibrium. We fully agree that the European Parliament should be consulted on this matter, as the Consumers' Consultative Committee does exercise some political influence.

The aspects of the Committee which may be criticized relate to a completely different area. I should like to ask whether it is correct that the Committee's Secretariat, which was set up by the Commission, has withheld the Committee's comments on the agricultural price talks in the spring of this year, or whether it has published them as requested? If the former is the case, it is clear that a Secretariat which is independent of the Commission should be set up to make the views of the Consultative Committee available to the public, even if these run counter to those of the Commission.

Mr President, the Consumers' Consultative Committee was not set up until 25 September 1973, and it held its first meeting on 19 November of that year. It has therefore had only 18 months in which to prove its effectiveness and usefulness. In our view it would thus be premature to assess its effectiveness now. I would also suggest that we should await the comparative study provided for in paragraph 47 (i) of the programme on the consumer policy. The preparation of this study should be entrusted to a university as soon as possible.

This study can provide objective information on experience gained in this area in the individual Member States and also make it possible for this subject to be discussed objectively. In the meantime, however, we should let the Committee get on with its work and allow it the opportunity of proving its efficiency.

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

Mr Nyborg. — (DK) Mr President, on the whole our Group agrees with Mr Jahn but I should like to make a few observations.

Nyborg

In distributing seats on the Consumers' Consultative Committee, account must be taken of those who obviously have a legitimate and natural interest in participating. It seems to me quite unacceptable that only six seats are available for the consumers themselves—apart from the three seats for the consumer cooperatives. The seats to be allocated on the Consumers' Consultative Committee must be selected on the basis of the extent to which members are or are not connected with consumers.

The Committee must be able to exercise direct influence on consumer problems and this should be remembered when allocating seats. Thus 15 out of the 25 seats would provide consumer interests with proper representation.

I do not think that the trade unions are at all justified in occupying the six seats they now have. On the whole, I do not feel that trade unions should be represented on a consumers' consultative committee at all as in my opinion there are no grounds for justifying their presence.

In allocating seats on the Consumers' Committee, it is therefore most important that attention should be paid to the criteria contained in earlier questions to the Commission as well as to those in the questions we are now debating.

The composition of the Committee must be based on ensuring a fair distribution between representatives of the manufacturers, who are well placed to provide relevant information on production methods, etc., representatives of the retailers, who are in day-to-day contact with the consumers and are therefore a group whose views are extremely relevant for the Committee, and, of course, the consumers themselves, who should have the largest possible number of representatives.

I feel that in this way consumers' interests will be protected, with the best possible representation, and that the Committee will be really effective.

I therefore hope that these views of our Group will be considered favourably by the Commission so that in future we shall be able to set up a consumer committee which can take care of consumers' interests in the best possible way.

President. — I call Mr Giraud.

Mr Giraud. — (F) Just one word, Mr President. I do not wish to arouse any further excitement—this debate is exciting enough in itself—but in my opinion the wolf is hardly the best defender of the lamb.

Distributors are not exactly in a position to appreciate consumers' real interests. Manufacturers and retailers are represented on many committees, as of course they should be, but for once, when we are concerned with consumers' problems, I would like to see the consumers defending their interests on their own, without outside intervention.

President. — I call Mr Corrie.

Mr Corrie. — I am no expert on this subject, but I should like to ask some basic questions. Has the Consumers' Consultative Committee enough staff to undertake the job required? Is there enough money available to pay the expert staff to provide a back-up service to the Consumers' Consultative Committee? Lastly, are the other directorates giving sufficient help and information to assist in the running of the Committee?

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, I would like to reply briefly to the questions put to me. As regards national representation, we have taken account of the concern expressed by honourable Members. I am afraid I am unable to give the figures at the moment, but I shall be happy to forward them if necessary. I can however assure you that the national representation is extremely well balanced, and takes account of all the factors of which honourable Members are aware.

As regards the impossibility of hearing the committee when prices are being fixed, I do not know exactly what the Member who raised this point is referring to, but I imagine he is speaking of agricultural prices. In this connection, I may say that for the first time in the history of the European Community, following a request from the Consultative Committee, I myself urged Mr Lardinois to consult the committee before the Commission made any decision on agricultural prices. I do not know if the Commission took account of the views expressed by this body, but definite progress has been achieved here as the committee as such was, after a few days' preparation and study, able to communicate its own position to the Commissioner responsible for agriculture.

As regards an independent secretariat, I would state once again that the Consultative Committee was set up within the framework of the Commission's own internal organization. In other words, the Commission wished to set up the committee to help it define its policy. The com-

Scarascia Mugnozza

mittee performs its work on the basis of studies prepared by the Commission itself. It votes or expresses an opinion on these, and the Commission can hardly avoid taking account of its views. In this sense it does not need an independent secretariat, and in fact its secretarial work is handled by Commission officials.

I would be only too happy if, as it becomes increasingly involved in its work and assists in the implementation of the consumers' programme, the committee acquired more of an independent character and evolved even further. However, it seems to me that it would be premature to discuss this matter now.

Finally, as regards the last question put to me, I should like to say that the committee has already begun its work, even though the consumers' programme has only just been approved, and that the necessary financial aid is guaranteed by the funds the Council has made available for consumer policy.

President. — I have no motion for a resolution on this debate.

The debate is closed.

9. Agenda for the sitting of 15 May

President. — The agenda for the sitting of tomorrow, Thursday, 15 May 1975, is as follows:

9.00 a.m. and 3.00 p.m.:

— oral question with debate by the Socialist Group on economic discrimination against

EEC nationals and firms by countries of the Arab League;

— report on the supply of milk fats as food aid;

— joint debate on

— the oral question by the Group of European Progressive Democrats to the Commission on measures to aid the car industry and

— the oral question by the Communist and Allies Group on the restructuring of the motor vehicle production sector;

— report by Mr Willi Müller on problems of nuclear safety;

— report by Mr Scholten on the activities of credit institutions;

— report by Mr Memmel on the issuing of Euratom loans to finance nuclear power stations;

— second report by Mr Baas on Community tariff quotas for cattle of certain mountain breeds;

— report by Mr Thomsen on the establishment by Norway of fishing zones;

— report by Mr Kaspereit on apricot imports from Israel;

— report by Mr Bourdellès on farmyard poultry, ovalbumin, slaughtered pigs, etc.;

— report by Mr Früh on the market organization for dehydrated fodder.

The sitting is suspended.

(The sitting was suspended at 5.05 p.m. and resumed at 5.30 p.m.)

F O R M A L S I T T I N G

Celebration of the 25th Anniversary of Robert Schuman's declaration

IN THE CHAIR: MR SPÉNALE

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

I have received the following letter from Mr Jean Monnet:

'Thank you for your invitation to the formal sitting to be held in Strasbourg on 14 May. I should have been extremely happy to join the Members of the European Parliament in commemoration the Declaration of 9 May 1950, which was the birth certificate of the European Community.'

The European Parliament fulfils a democratic function which is vital to the balance and future strengthening of the Institutions of the European Communities. I sincerely hope that it will be required to assume increasing responsibility in the future.

I am sorry that I shall be unable to come to Strasbourg to address you but, as you know, owing to a recent illness I am having to observe a strict period of convalescence and am unable to travel.

I would appreciate it if you would convey my apologies to all those whom I should have had the pleasure of meeting once again in Strasbourg, and to those whose acquaintance I should have liked to make.'

With your permission, ladies and gentlemen, I shall write to Mr Monnet, thanking him for his message and expressing our regret at his absence and our wishes for a full recovery.

I have received apologies for absence from Mr Jean Duvieusart, Mr Spierenburg, Mr Coppé, Mr Lapie, Mr Lecourt, Mr Hirsch, Mr Chatenet and Mr Mansholt.

Mr Michel Arnaud is represented here by Mr Peeters and Mr Bord by Mr Jost.

Ladies and gentlemen, on 9 May 1950, Robert Schuman made the historic declaration which was to set in train the process of European integration.

As I open this ceremonial sitting to mark its 25th anniversary, I wish to welcome, on behalf of the European Parliament, the eminent personages, the comrades of Europe, the members of national governments and the diplomatic

corps who are honouring with their presence this pilgrimage to the source of our Community. In the meantime, alas, some of those Heads of State, those great Europeans, who, together with Schuman signed the ECSC Treaty in April 1951 are no longer with us: Konrad Adenauer, Carlo Sforza, Joseph Bech, Paul Van Zeeland.

This solemn commemoration is essentially a homage to those pioneers of Europe whose memory remains linked with that of Robert Schuman in the work which set the seal on the reconciliation of the peoples of Europe and laid the foundations for their union.

But this celebration will have none of the melancholy that attends the contemplation of a closed chapter of the past!

For although the event is an historical one, the enterprise then begun is today still young, vitally topical and, sometimes, alone capable of meeting the new challenges.

It is not a Magna Carta, capable of sweeping all obstacles aside. But everything in it has been weighed with scrupulous care: the analysis is crystal-clear, the means realistic, the aim an ambitious one and the institution revolutionary.

The analysis? 'World peace'... those are the first words, the ultimate aim—No peace without 'an organized and vital Europe'

No organized Europe without Franco-German reconciliation.

The means? 'Europe will not be built in a day: it will be built through practical achievements that first create a sense of common purpose.'

Let us bring together French iron and German coal for and with all those who wish to join us.

The aim? 'This proposal will lay the first practical foundations of a European Federation which is essential to peace.'

The Institution? A High Authority whose members, though appointed by the individual Governments, remain independent, their decisions enforceable in all acceding countries.

A special place among the originators of Europe belongs to Jean Monnet, for everyone well knows the notable part he played with his team in the conception and establishment of the first Community. His name springs particularly to mind in this Chamber where some of us were privileged to debate with him when the Common

President

Assembly of the ECSC represented the first expression of European Parliamentary life.

Many years of important responsibilities at all levels, and particularly in the League of Nations, gave him the vision needed for the conception of the institutional framework of the High Authority.

His criticism of the League of Nations can be easily transposed: 'The government representatives, all having to plead a national cause and hamstrung as to any joint action because of the necessity to agree on every sentence, could only propose small solutions to large problems.'

His method? 'Instead of the traditional diplomatic system of bargaining and compromise between rival national interests, one must always try to substitute joint action in the common interest to achieve a global solution.'

We can thus see how the High Authority came into being, why Jean Monnet was best qualified to be its first President and how it fully played 'its role as a pilot Community and a testing ground for integration'.

Even though we still have far to go to achieve our aim, Jean Monnet can look with satisfaction on the immense amount that has been done, as he resigns from the Presidency of the Action Committee for a United States of Europe, in which so many leading figures were privileged to work under him, for he was always original and stimulating.

To pay tribute to Jean Monnet in no way detracts from the glory of Robert Schuman. On 9 May 1950, ideas were not enough. At that decisive and difficult moment, it needed a statesman to assume political responsibility for such a revolutionary project with all its risks.

Robert Schuman accepted it without hesitation, fully appreciating what was at stake. He thus merited the primacy which history has in fact accorded him and which our Assembly has acknowledged by giving his name to the Parliament building in Luxembourg, the country in which he was born.

Here was a man from the 'marches' of Lorraine, Deputy for Metz, President of the French Government and several times Minister; who was proudly welcomed when, as a member of the Resistance, he came to Le Tarn, my own department, during the occupation.

A modest man, shy with other people, but courageous when it came to action and responsibility.

An idealist? A realist? There is still a difference of views.

In fact he believed, like Jaurès, that in striving for the ideal you must start from reality: he had in mind the 'indispensable European Confederation' of the future, but began with coal and steel—the basement, the very foundations.

That was cautious, but was it enough? Would it not lead to a 'Europe à la carte'? Could not more be decided right at the outset?

I was one of those who thought so. I was wrong.

For it is only a myth that in those days there was a European golden age, and that this first attempt at integration and the prospects which it opened up were welcomed almost unanimously and with unbounded enthusiasm.

For France, in particular, this was a dramatic and, to some people, a dangerous revision of traditional policies. Instead of the reassuring controls and restrictions it was able, under the treaties, to impose on Germany, could it so quickly place its trust in the bonds of a multi-lateral Community yet to be born?

Chancellor Adenauer was not wrong when he said, 'It is a generous offer', and replied, 'I accept wholeheartedly.'

The presence of the President of the Federal Republic last Friday in the Salon de l'Horloge and the words he spoke on that occasion show that these sentiments have not changed, and that the Franco-German reconciliation, which is now consolidated, dates from that day twenty-five years ago, since Schuman was quick to understand that the idea of dividing European nations into conquerors and conquered must be abandoned, without insulting history by doing so.

In France, however, the wounds were still fresh. In its time, then, this was a far-sighted, difficult and courageous proposal.

The first move is never easy!

The truth of this was underlined by what followed. The failure of the EDC together with the rejection of a political Community, showed that a few years after the foundations of the ECSC had been laid it was still impossible to continue building Europe by putting on the roof and that progress would have to be made one step at a time.

That is what was done in the Treaties of Rome, which established the EEC and Euratom. This is what we are going to continue with European Union.

Nevertheless, the Treaties of Rome represent a measure of integration which lags well behind that of the ECSC. In this they show that Robert Schuman's initiative was well ahead of his time,

President

probably the very limit of what was immediately possible.

Even too far ahead for some people who remained at the starting post.

Where have we got today?

Undeniably, progress has been made: the Franco-German reconciliation, the Customs Union, the rapid expansion of trade within the Community, the improvement in living standards until the recent crisis.

Three new countries have joined: let us hope they remain.

The cooperation policy has been extended to 46 ACP countries. The Lomé Treaty offers an unprecedented example and shows the attraction which the Community already—or is it still?—has for the Third World. China itself has just recognized the Community.

Common policies have been extended and diversified, social Europe is advancing and regional policy getting off the ground.

But there have also been disappointments: Economic Union is dragging, Monetary Union is receding into the distance, the chaotic fluctuations of exchange rates are destroying the agricultural policy; trade restrictions and derogations are becoming the rule; and the spirit of nationalism is daily taking precedence over the spirit of the Community.

Our inability to speak with a single voice on major problems is destroying our credibility and reducing our influence.

It seems that Europe has exhausted the initial impetus it received from the treaties, and that once more, as in May 1950, we are at one of those moments when History questions those in authority and presses them to act.

Robert Schuman's European Confederation seems further away than ever.

Who is responsible?

All of us, of course. And first of all the inadequacy of the decision-making process. But there is also nationalism, globalism the timid step-by-step approach, so-called realism.

Nations need no justification. Often, they both transcend and synthesize their constituent parts: every nation of any size is already a living confederation.

They feel the need to survive. This need is legitimate and must be fully acknowledged. But it is precisely one of the main objectives of the Communities to enable them to survive, and

they are not always sufficiently aware of this fact.

This leads to resistance.

We are surrounded by and imbued with globalism: trade, currency, pollution, energy, materials, multinationals—all these proclaim it as the troubled dawn of a new and distant era, a preoccupation today, a necessity tomorrow.

Interdependence is everywhere present.

The new Europe in the making is poised between those who reject any notion of transcending the old nations and those who are already aspiring towards world unity.

Some oppose it as premature, others as already behind the times. But what is it really? A foreshadowing, or a stage that has already been passed?

We must bring it to fruition: the final harmony is too far off, our countries are too small; Europe, the European Europe, is indispensable to the peace of the present and the balance of the future.

Step by step?

We all believe that small steps are necessary: not all fruits ripen at once, and as our friend Hirsch says, while you are waiting for the apples you have to eat the cherries.

But you ought not to expect everything at once or to hope that, right from the start, Europe will build itself, step by step, by a kind of dynamic destiny that justifies the avoidance of any fundamentally new decision.

To invoke Schuman here would be a betrayal. When he said 'Europe will not be built in a day', he was simply justifying the choices that had to be made in the first stage. As he knew very well, passing from 'the first practical foundations' to the 'indispensable federation', requires other fundamental decisions.

With societies as with species, sudden mutations are more decisive than slow evolution.

As for realism, it becomes suspect the moment it is invoked so as to avoid having to face the realities and so as to face them together when we cannot surmount them separately. The main ones can only be mastered in the long term by a united Europe and effective institutions.

We cannot stay the way we are. The conflicts between the integrated and non-integrated sectors are becoming increasingly unacceptable. Advance or give up: that is the choice.

You know our answer: advance.

President

But we run up against three basic obstacles: the inefficiency of the decision-making process, too little democracy and popular support, and the lack of substantial progress towards Economic and Monetary Union.

The European Parliament therefore welcomed with hope the decisions of the Paris Summit setting up a European Council, proposing election of the European Parliament by direct universal suffrage, asking Mr Tindemans to make proposals on European Union.

But no-one will be surprised that, in the eyes of the European Parliament, the most important decisions are those concerning its legislative powers and its election by direct universal suffrage in 1978:

- since Europe will be a genuine parliamentary democracy, or else it will not exist;
- since national governments cannot reasonably be asked to abandon powers they have, or not to defend before all other interests, however important, the national interest in whose name they govern;
- since only an elected Assembly can give any guarantee to a government that has to acquiesce in a compromise that it is doing so because of a valid political interpretation of a common, higher interest and not because of a competing national interest;
- since nothing important can henceforth be accomplished without the effective participation of the people exercising their will and their pressure through free elections.

Then, perhaps, Europe too will be able to respond to the new anxiety of the peoples. For the world has changed.

The myth of unending, constantly accelerating growth has largely been exploded: people, and especially the young, have found that they were quantitatively richer, but qualitatively unhappier, theoretically freer but practically more alienated.

In the aftermath of May 1968, Europe became aware of certain contradictions. Production growth alone can no longer be presented as a goal, still less as an ideal. Nor can this consumer society, which someone defined, not without humour, as a society 'where we buy things we don't need with money we don't have.'

The accent is on the quality of life, on participation by citizens, by the workers, men and women, in all spheres and at all levels; on the protection of nature, on the reduction of working hours and the pace of work; on sharing culture; and on the rediscovery of brotherhood, near and far.

Our States in isolation cannot react effectively or adequately to most of these problems, since any expenditure on the quality of life if decided on in isolation is a source of weakness in economic competition.

Here, as with all the great external problems, only Europe can provide an adequate base for a generous policy, and make a valid response to the new and irreversible aspirations.

For Marx, 'Force is the great midwife of nations'. In his day he was right.

But it is not force that has been the midwife of Europe.

The providential meeting of Jean Monnet, Robert Schuman and Adenauer showed that another way was possible: that modern times could replace the empires of history—which frequently destroyed the nations of the past—by voluntary Communities which set the preservation of past nations as their goal.

This is certainly the most effective way of providing against the solitude of nations in grave circumstances.

It remains to be seen whether these Communities, by allowing the shadowy nations, with their languages, their internal laws and their collective susceptibilities, to survive within them, will be able to stand the test of time.

That is our hope and our task.

The European Parliament wishes to take its place in the front line of this struggle for world peace, for the joint survival of our countries, for the happy brotherhood of our children, and that they may respond with an open and generous hand to the poverty in the world.

This is what Robert Schuman would have wished, that 'Moselle Catholic' with his frontiersman's hardihood, his straightforward courage, his shining modesty almost timidity, that made his glory shine so brightly—a glory all the brighter for his never having given it a thought, a glory which would no doubt have surprised him.

(Loud applause)

I call Mr FitzGerald.

Mr FitzGerald, President-in-Office of the Council of the European Communities. — It is right that we should celebrate here, in the European Parliament, the 25th anniversary of President Schuman's Declaration. It is right that it should be here, because the Parliament is placed first of the institutions of the Community in the Treaties which incarnate Robert Schuman's imaginative initiative. It is right because from

FitzGerald

1958 to 1960 Robert Schuman was the first President of this Parliament in its present form. It is right because in its work, in its initiatives and in its attitudes to the construction of Europe, this Parliament represents most faithfully the vision of Robert Schuman.

In the life of each of us as individuals, a quarter of a century is a long time. In the life of a nation it is very brief. In the life of a continent it is an instant. In a continent as culturally and socially diverse as ours, a radical transformation, at a new and higher level, of our whole system of government cannot be instantaneous in this historical sense, cannot be completed within the brief space of a quarter of a century.

One generation cannot unravel and re-work the millennial tapestry of Europe's history and political geography. Let us not be discouraged because this immense task has not been both initiated and completed by this first generation of Europeans, the very first generation amongst whom the idea of European unity has taken root and has secured the acceptance not merely, as in the past, of a handful of visionaries but of the great mass of our people.

The great design laid down by Robert Schuman—and inspired by President Jean Monnet, whose inability to be with us here today we all regret—was both realistic and an imaginative leap forward. His aim was, as he said himself in this Declaration which we commemorate today, to build Europe 'through practical achievements that first create a sense of common purpose'.

He was right, as we who have followed his wise prescription can attest.

It is on this basis, at once pragmatic in its means and idealistic in its aims, that the solidarity already achieved has been created. It is on this basis that the economic life of the citizens of Europe has already been improved; and it is the dynamism that this approach has unleashed that has attracted other countries, such as my own, to join the original Community of Six.

The European structure that we are building on Robert Schuman's foundations can only be democratic; it has to find a way of reflecting adequately and sensitively the complex reality of modern society, in which decisions are taken at many different levels, as well as the often inchoate aspirations of our diverse peoples. We have, on the one hand, to satisfy the growing desire of our peoples for maximum involvement in these decisions that they see as affecting their lives directly, and, on the other, to meet the compelling need to take many other important decisions on at least a sub-continental

scale if they are to be our decisions and not decisions imposed on us from outside. We have to ensure that these Community-level decisions are democratically controlled through this Parliament.

If the Community must be responsive to the social and economic needs of its peoples, it must also be open towards the rest of the world. We should not under-estimate the rôle of our Community in the world of today. Europe is highly valued by the rest of the world, more so perhaps than she values herself. The successful conclusion of the Lomé Convention, the network of agreements concluded with third countries and the gradual evolution of a global development policy are all signs of this. Europe is seen by the world outside now as a civilian power, one that has abandoned the colonial past which was a feature of some of her states, and that is moving in a constructive and open direction in her relationship with developing countries.

In this work, as in the internal democratic development of the Community towards the objectives set by Robert Schuman, Parliament's rôle is the most vital of all. On behalf of the Council of Ministers, I salute its initiative in organizing this solemn commemoration of a great event in Europe's history.

(Loud applause)

President. — I call Mr Ortoli.

Mr Ortoli, President of the Commission of the European Communities. — *(F)* Ladies and gentlemen, the ceremonies which have marked the 25th anniversary of Robert Schuman's Declaration would have been incomplete without the formal tribute of the Institutions of the Communities, presented here in the European Parliament.

In the eyes of Robert Schuman, of Jean Monnet, of all who presided over Europe's first practical steps, the European idea, the government initiatives, the political and technical machinery, had to be grounded in the democratic ideal, organized in a democratic framework. As we attend this ceremony here today, we are reminded of the vision of a politically united, European society which inspired men like Schuman, Adenauer, De Gasperi, Spaak, Bech. We recall the profound link which they saw between the progress of European integration and the development of democratic, European institutions. Robert Schuman did not simply make speeches about it; the ECSC Treaty bears witness to his commitment—a commitment which he confirmed both as a Member and as President of this Assembly.

Ortoli

Today, we are paying tribute to the man and the achievement. First of all, to the man: I was a very junior *inspecteur des finances* when I first met him as a member of his staff, and I was a newly-appointed director-general for internal trade when I began to have more contact with him in connection with European matters.

Last Friday at the Salon de l'Horloge, and again today, Mr President, you moved us with a subtle, sensitive evocation of that 'Moselle Catholic'. I myself, who knew him less well, recall that, as a politician and a European, he had certain characteristics which his apparent reticence and gentleness did not conceal for long; I mean that calm fearlessness, that simplicity in great deeds, which raised him to the stature of the true statesman.

On 9 May 1950 he succeeded in combining the two things which mark out the great political initiator; a vision, whose scope extended across a whole, ravaged continent, and an exceptionally bold capacity for making decisions. The lofty level and wide impact of his actions have inscribed the name of Robert Schuman on the tablet of history.

As to his achievement; Europe's present difficulties should not make us forget the great distance we have covered in the last twenty-five years. Today, our internal peace seems to us quite natural. But most of us here lived through the hostilities and the ravages of the war; we have known not only the absence of Europe, but also the confrontation of the countries of Europe and its ghastly consequences. That these countries have now agreed to share a common destiny represents a historical revolution. It has taken only a few years for this improbable goal to be reached. Let us bear this achievement in mind when making pessimistic, apprehensive judgments. Let us remember that it was not handed to us, but that we had to fight for it.

The organization of Europe, the consequent opening of markets and the gradual broadening of external relations, have made a decisive contribution to the economic and social developments of recent years. A large part of the credit is due to the construction of Europe, which has created greater interdependence and generated a spirit of emulation, ambition and progress. Let us remember that as well.

In this commemoration we cannot mention Robert Schuman without mentioning Jean Monnet. I had hoped today to have the opportunity to express our admiration and affec-

tion to that master-builder who conceived the idea of Europe and who devoted his now legendary keenness of judgment, powers of persuasion, tenacity and capacity for success—for that is a great quality—to that cause. Mr President, the Commission associates itself with the tribute which you are going to pay him.

After twenty-five years the tasks of achieving peace and economic and social progress have not yet been accomplished. Although the problems may be different and the framework radically altered, the fundamental reasons for building Europe have remained unchanged. Neither has there been any change—the tribute of the Institutions is an apt occasion to stress this—in the reasons for providing Europe with a strong structure and institutions capable of making decisions, capable of administering, capable of organizing the progress of our Community. Without a political will nothing can be done. We know this, we have said it frequently in this very Chamber when confronting all the difficulties and crises with which Europe has been unfailingly beset. But a political will must rest upon a solid basis of responsible institutions. This was understood by the Europeans of the first generation, who gave the first response. We should listen to their message and continue along the road which they opened up.

We should also listen to the other message which I alluded to at the beginning of this brief tribute. Further developments in the building of Europe, started by peoples who have chosen democracy and wish to defend it at all costs, required the democratic nature of our institutions to be strengthened. Direct elections to the European Parliament will prove a milestone in this respect. That there is now a definite programme for this shows that, after quarter of a century, we are still capable of moving forward.

On an occasion such as today, I have deliberately made little mention of the problems which press upon us. In looking back and recalling some of the first moments of the creation of a new European world, I wish only to take the measure of the inspiration which our continent has known since that time; I wish only to see the 'little bloom of Hope', that rare flower, spoken of by Péguy, which was given the chance to grow, amid the ruins of war, by Robert Schuman and those who worked with him to change the destiny of Europe.

(Loud applause)

President. — The sitting is closed.

(The sitting was closed at 6.10 p.m.)

ANNEX

*Questions which could not be answered during Question Time,
with written answers*

Question by Mr Bordu

Subject: Chilean external debt.

What steps does the Commission intend to take to call upon the Member States of the Community to refuse all economic aid and political support to the military dictatorship which is in power in Chile?

Answer

Problems arising out of their bilateral policies of economic aid and their foreign policies are the sole concern of the individual Member States. Nevertheless, if, as the title suggests, this question relates to the Chilean external debt, the Commission believes that, in view of the importance the Member States attach to the democratic principles on which the European Community is founded, a formal meeting of the 'Club of Paris' with the participation of Chile is highly unlikely under the present circumstances.

As for Community action at present, the Commission solemnly reaffirms its sense of outrage whenever human and democratic rights are violated. In this case, as in similar cases in the past, it therefore fully shares the feelings of parliament.

Question by Mr Fellermaier

Subject: Arrest of a former employee of the Hoffmann-La Roche company.

Is the reason for the arrest of a former employee of the Hoffmann-La Roche company by the Swiss authorities the fact that he notified the Commission of an infringement of the rules of competition, or is this case one of industrial espionage?

Answer

In answer to Mr Fellermaier's question, the Commission wishes to point out that the preventive detention of a former employee of the Hoffmann-La Roche company, not domiciled in Switzerland, results from the legal action the Swiss authorities felt it necessary to take on the basis of Article 273 of the Swiss Penal Code, which provides for the imprisonment or detention of any person seeking to discover business secrets in order to divulge them to a foreign authority or private company or any person who has divulged such secrets to a foreign authority or private company.

The Commission is ready to admit that the main purpose of these regulations is to safeguard the territorial sovereignty of the country in question. It is, however, difficult to believe that the authorities could prosecute anyone for economic espionage simply for voluntarily communicating to the Commission certain information on the practices of a multinational group of companies whose parent company is registered in Basle, particularly as these practices could involve serious infringements to Article 85 and 86 of the EEC Treaty. It may be added that the Commission frequently receives information, much of which leads to official open procedures. This in fact was what happened in the well-known colouring matter, Pittsburgh Corning and sugar cases.

Question by Mr Leenhardt

Subject: Notification of infringements by associated states of the rules of competition.

What measures does the Commission propose to take to ensure that the notification of infringements by associated states of the rules of competition laid down in the Treaties is not held to be a punishable act?

Answer

Information offered to the Commission on infringements of the rules of competition within the Community should not be considered as a punishable act by the authorities of a country with which the Community has concluded a free trade agreement. The preamble to the agreement signed by the Swiss Confederation states that the signatories hope to consolidate and extend economic relations while 'respecting fair conditions of competition'. The Commission is making use of all means at its disposal which of course include those offered by the Free Trade Agreement itself, to prevent any repetition of regrettable incidents such as those which occurred in Basle.

Question by Mr Cousté

Subject: Likelihood of Switzerland joining the 'European monetary snake'.

It is considered likely that Switzerland will join the 'European monetary snake' system, i.e. following four currencies: German mark, Dutch florin, Danish crown and the Belgian-Luxembourg franc. Is there not a risk that this will drive the 'snake' upwards, thus causing severe strains which would delay the return of the other currencies to the system?

Answer

As yet no formal application from Switzerland to be associated to the Community exchange system exists. There have been only exploratory talks during which the possible consequences of an association of the Swiss Franc have been discussed.

It clearly appears that these consequences depend largely on the terms of participation. In the case of an official application for association, the Commission will insist on conditions and modalities able to prevent the risk of developments likely to hamper a smooth working of the system and, in particular, the full reintegration of Member States into this system.

As far as the last point is concerned, the Commission welcomes the statement made by the President of the French Republic that the French franc will return to full participation in the Community exchange system.

Question by Mr Radoux

Subject: Creation of an Exchange Stabilization Fund

In a report by Mr Marjolin, reference is again made to the creation of an Exchange Stabilization Fund. As the Commission took the initiative in the past of proposing the setting up of such a fund, could it say what the situation is at present, in particular whether work is in progress to further this matter?

Answer

The Hon. Member of the Parliament rightly points out that there are some similarities between the 'Exchange Stabilization Fund' recently advanced in the report of the Study Group headed by Mr Marjolin, and the Commission's ideas concerning the pooling of reserves such as presented in its report of 27th June 1973 to the Council. The European Parliament treated this subject in its resolution of 19th October 1973.

On the basis of these documents, the Commission, in the framework of a proposal for the amendment of the Regulation on the setting up of the European Monetary Cooperation Fund, submitted to the Council on 14th November 1973, the proposition that the Member States should transfer to this Fund 10 % of their gross exchange reserves. The initial resources of the Fund thus would have reached a total effective volume of about 10 billion dollars — an amount sensibly the same than the figure proposed by the Marjolin Group.

The Council, who discussed this proposal on 3rd-4th December 1973 asked for reports from the Committee of the Governors of the central banks and from the Monetary Committee by 31st March 1974. The former issued an interim report on 12th March 1974 while the latter asked for a supplementary delay, arguing that several important issues are involved which are discussed on an international or Community level; special reference has been made by the Monetary Committee to the gold problem, the new international payments situation and the temporary abandoning of fixed exchange rate relations between some currencies of the Community.

The Commission actively contributed to further solutions to these difficult questions and there has been considerable progress notwithstanding the turmoil caused by the energy crisis in international and European monetary affairs. The Commission intends to propose appropriate measures in due course.

Question by Lord Bethell

Subject: Cooperation with India.

Will the Commission explain what has been done since the enlargement of the Community to develop cooperation with India in the fields of aid and trade?

Answer

The Commission has always attached the greatest importance to relations between the Community and India, in view of the exceptional scale of that country's problems, the potential, the experience and the authority of that great state, and the Joint Declaration of Intent annexed to the Act of accession of the three new members of the Community.

In particular, since enlargement, the Community has adopted a number of measures concerning India. The most outstanding was the conclusion of a trade cooperation agreement on 17 December 1973. This includes among its provisions the creation of a Joint Committee which has already held two meetings and set up sub-committees to consider various practical problems. Moreover, specific agreements on jute and other Indian export products have been concluded; they reduce or eliminate duties chargeable on entry to the Common Market.

In a more general way, the economic power and degree of advancement of India give it excellent chances to benefit from the commercial facilities granted by Europe to the 77. This is true of the very generous Community generalized preferences scheme, which, as Parliament is aware, has been progressively extended. A number of seminars have been organized in Delhi, Bombay,

Madras and Calcutta to acquaint Indian officials with our generalized preferences scheme and enable them to take full advantage of it. Systematic assistance with trade promotion (participation in trade fairs, at present the one in Brussels; training of specialized staff from the civil service and industry, etc.) has been given to both India and its neighbours.

Specific aid projects have benefited India on a scale commensurate with its size. Community food aid is now being concentrated on those in greatest need, and India will therefore be receiving a major share; thus, India has been helped to obtain 1 million tons of European wheat by the free provision of 300 000 tons by the Community and its Member States. The Community food aid programme alone has earmarked for 1975 183 000 tons of wheat, 27 500 tons of milk powder and 17 500 tons of butteroil, to a total of 85 m u.a.

Finally, India has of course been the major beneficiary of the United Nations emergency programme of aid to the countries hardest hit by the crisis. The part played by the Community and its Member States in that operation is well known. It has paid 63 million dollars into the UN Secretary-General's special account, and he has set aside more than a quarter of the payments from it for India. Directly, the Community has paid India 75 million dollars out of a total of 187 million distributed in this way.

It is therefore hardly surprising that India has very warmly welcomed the Community's actions. This has been stated on several occasions by the highest Indian authorities in Delhi and on the occasion of visits and conferences abroad. Everyone will recall what Mrs Gandhi said about the 'new look' in relations between India and the Community. This satisfaction was clearly apparent at every stage of the official visit made by the President of the Commission to India in April of this year, and was reflected in the general communiqué issued at its conclusion.

SITTING OF THURSDAY, 15 MAY 1975

Contents

1. Approval of the minutes	110	<i>tee on Public Health and the Environment (Doc. 49/75):</i>	
2. Documents received	110	<i>Mrs Orth, deputy rapporteur</i>	131
3. Presentation of a petition	111	<i>Mrs Walz, draftsman of the opinion of the Committee on Energy, Research and Technology; Mr Noè, on behalf of the Christian-Democratic Group; Lord Bessborough, on behalf of the European Conservative Group; Mr Lemoine, on behalf of the Communist and Allies Group; Mr Scelba; Mr Espersen; Mr Spinelli, Member of the Commission of the European Communities</i>	132
4. Oral Question with debate: Economic discrimination against EEC nationals and firms by the countries of the Arab League (Doc. 71/75): <i>Mr Broeksz; Mr Cheysson, Member of the Commission of the European Communities; Mr Jahn, on behalf of the Christian-Democratic Group; Mr Scholten; Mr Broeksz; Mr Cheysson . .</i>	111	<i>Adoption of resolution</i>	140
5. Regulation on the supply of milk fats as food aid — Report by Mr Deschamps on behalf of the Committee on Development and Cooperation (Doc. 101/75): <i>Mr Deschamps, rapporteur</i>	118	8. Directive on the commencement and conduct of the business of credit institutions — Debate of a report by Mr Scholten on behalf of the Committee on Economic and Monetary Affairs (Doc. 66/75): <i>Mr Scholten, rapporteur</i>	140
<i>Adoption of resolution</i>	119	<i>Mr Broeksz, on behalf of the Socialist Group; Sir Brandon Rhys Williams, on behalf of the European Conservative Group; Mr Spinelli, Member of the European Communities</i>	143
6. Oral Question with debate: Measures to aid the car industry — Oral Question with debate: Restructuring programme for the motor-vehicle production industry (Docs 30/75 and 72/75): <i>Mr Cousté; Mr Lemoine; Mr Spinelli, Member of the Commission of the European Communities; Mr Jahn, on behalf of the Christian-Democratic Group; Mr Suck, on behalf of the Socialist Group; Mr Normanton, on behalf of the European Conservative Group; Lady Elles; Sir Brandon Rhys Williams; Mr Bersani; Mr Cousté; Mr Lemoine; Mr Spinelli</i>	119	<i>Adoption of resolution</i>	147
7. Communication on problems of nuclear safety, and draft Council resolution — Debate of a report by Mr Willi Müller on behalf of the Commit-		9. Decision empowering the Commission to issue Euratom loans — Debate of a report by Mr Memmel on behalf of the Committee on Energy, Research and Technology (Doc. 79/75): <i>Procedural motion:</i> <i>Mr Behrendt; Mr Normanton; Mr Fellermaier; Mr Normanton;</i>	147
		<i>Mr Memmel, rapporteur</i>	148
		<i>Mr Lagorce; Mr Memmel; Mr Lagorce, on behalf of the Socialist Group; Mr Normanton, on behalf of the European</i>	

<i>Conservative Group; Mr Spinelli, Member of the Commission of the European Communities; Mr Memmel</i>	149	<i>Debate on a report by Mr Kasperit on behalf of the Committee on External Economic Relations (Doc. 95/75):</i>	
<i>Procedural motion:</i>		<i>Mr Knud Thomsen, deputy rapporteur</i>	158
<i>Mr Flämig</i>	155	<i>Mr Scott-Hopkins</i>	159
<i>Reference to committee</i>	155	<i>Adoption of resolution</i>	159
10. <i>Regulations on Community tariff quotas for bulls, cows and heifers of certain mountain breeds — Adoption without debate of the motion for a resolution contained in the report by Mr Baas on behalf of the Committee on External Economic Relations (Doc. 98/75)</i>	155	13. <i>Regulations on farmyard poultry, ovalbumin and lactalbumin, slaughtered pigs and the scale for grading pig carcasses — Debate on a report by Mr Bourdellès on behalf of the Committee on Agriculture (Doc. 75/75):</i>	
		<i>Mr De Clercq, deputy rapporteur</i>	159
		<i>Mr Scott-Hopkins; Mr Spinelli, Member of the Commission of the European Communities</i>	160
		<i>Adoption of resolution</i>	160
11. <i>Decision on the establishment by Norway of trawler-free zones — Debate on a report by Mr Knud Thomsen on behalf of the Committee on External Economic Relations (Doc. 65/75):</i>		14. <i>Regulation on certain products processed from potatoes — Report by Mr Früh on behalf of the Committee on Agriculture (Doc. 96/75):</i>	
<i>Mr Knud Thomsen, rapporteur</i>	155	<i>Procedural motion: Mr Scott-Hopkins</i>	161
<i>Mr Corrie, on behalf of the European Conservative Group; Mr Laban, on behalf of the Socialist Group; Mr Nyborg, on behalf of the Group of European Progressive Democrats; Mr Spinelli, Member of the Commission of the European Communities; Mr Scott-Hopkins; Mr Spinelli</i>	156	<i>Mr Laban, deputy rapporteur</i>	161
<i>Adoption of resolution</i>	158	<i>Adoption of resolution</i>	161
12. <i>Regulation on a Community tariff quota for apricot pulp from Israel —</i>		15. <i>Dates for the next part-session</i>	161
		16. <i>Adjournment of the session</i>	161
		17. <i>Approval of the minutes</i>	161

IN THE CHAIR: MR SANTER

Vice-President

(The sitting was opened at 9 a.m.)

President. — The sitting is open.

1. Approval of the minutes

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

Are there any comments?

The minutes of proceedings are approved.

2. Documents received

President. — I have received the following documents:

- (a) from the Council of the European Communities, a request for an opinion on the second list of requests for the carrying forward of appropriations from the financial year 1974 to the financial year 1975 (appropriations not automatically carried forward) (Doc. 100/75).

This document has been referred to the Committee on Budgets;

- (b) a report drawn up by Mr Pierre Deschamps on behalf of the Committee on Development and Cooperation on a proposal from the

President

Commission of the European Communities to the Council for a regulation establishing general rules concerning the supply of milk fats as food aid under the 1975 programme to certain developing countries and international agencies (Doc. 101/75).

3. Presentation of a petition

President. — I have received from Mr Virgile Barel a petition on the purification of titanium dioxide waste.

This petition has been entered under No 1/75 in the register provided for in Rule 48 of the Rules of Procedure and referred for consideration to the Committee on Public Health and the Environment.

4. Oral Question with debate :

Economic discrimination against EEC nationals and firms by the countries of the Arab League

President. — The next item on the agenda is the Oral Question, with debate, put by Mr Fellermaier, Mr Albertsen, Mr Broeks, Mr Dondelinger and Mr Giraud, on behalf of the Socialist Group, to the Commission of the European Communities (Doc. 71/75).

The question is worded as follows:

'Subject: Economic discrimination against EEC nationals and firms by the countries of the Arab League and the companies and firms established in those countries

1. Can the Commission give some idea of the extent to which economic discrimination is being practised by the Arab League against EEC nationals and firms?
2. Can the Commission answer the above question with special reference to the countries of the Arab League with which the Community is at present conducting negotiations (i.e., Algeria, Morocco and Tunisia) or is to open negotiations in the near future (i.e., Egypt, Lebanon, Jordan and Syria) on new trade agreements in the framework of the overall Mediterranean policy?
3. If the Commission is unable to give a full answer to the above questions, is it prepared to launch an investigation into these questions?
4. Has the Commission discussed, in recent years, in the joint committees with Morocco and Tunisia, the question of economic dis-

crimination, and what was the outcome of any such discussion?

5. Is the Commission of the opinion that there has been no further discrimination between the Member States, their nationals or firms in the trade arrangements applied by Egypt and Lebanon to products originating in the Community or to products destined for the Community since the relevant trade agreements came into effect?
6. If the Commission is unable to reply in the affirmative to Question 5, does it then still believe that the unilateral declarations regarding economic discrimination attached to the relevant trade agreements by Egypt and Lebanon are fully offset by the Community declarations which are also attached to those agreements?
7. If the Commission is unable to reply in the affirmative to Question 5, has it raised the question of economic discrimination in the joint committees with Egypt and Lebanon, and has this given rise to serious and persistent differences of opinion?
8. Can the Commission confirm that it recently submitted to the Council a proposal for a mandate to open negotiations with Egypt, Lebanon, Jordan, Syria and Israel, containing a proposal that encouragement should be given to economic cooperation between industries in the Community and in the above-mentioned countries and to investments?
9. If the Commission's reply to Question 8 is in the affirmative, is it aware of the contradiction inherent in such a mandate as long as Egypt, Lebanon, Jordan and Syria 'blacklist' industries and investors that have connections with Israel?
10. Is the Commission prepared to declare that, in its negotiations with Algeria, Morocco, Tunisia, Egypt, Lebanon and Syria, it will stand by the inclusion in these agreements of provisions prohibiting any discrimination between Member States, their nationals and their firms, and that these provisions will in no way be extenuated by exchanges of letters or the like?

I call Mr Broeks.

Mr Broeks. — (NL) Mr President, discrimination against Jews by the Arab League is far from new. It started in 1948, and was directed not only at the inhabitants of Israel, but against all Jews everywhere in the world. It went even further: not only were Jews not allowed into Arab countries, but in some Arab countries even

Broeksx

people with an Israeli visa in their passport were not allowed in.

The Arab Boycott Bureau set up in Damascus in 1948 not only inspired all this, but also works with a 'black list' of firms to be boycotted.

I shall not now go further into the way this Bureau works.

For years none of us took that seriously, and none of the countries nor the Community offered any serious opposition to it.

Some groups, notably the Palestinians, regarded this as a sign that they could go further. What took place at the Olympic Games alarmed the whole of Europe and the world, and the memories that many of us have were reawakened. We know that discrimination against the Jews always goes from bad to worse. None of us can now pretend not to know that any laxity as regards discrimination leads to worsethings.

We have put the European Commission a number of questions, and my remarks so far have been an introduction to our reasons for asking these questions. They will probably be clear to all. The effects of the oil crisis have led to an oil boycott against certain countries.

Although this boycott itself had little success, this was unfortunately not due to any coordinated action by the Member States; the Community's impotence in the face of this crisis is still a black mark on its books. But despite the slight success of the oil boycott, the Arab League, no doubt encouraged by the success of the oil crisis itself, and in the awareness of its growing financial wealth, again decided on a boycott, this time in the area of banking. It affects so-called Jewish banks or banks where Jews are in prominent positions.

Unfortunately, banks in France and Britain have given in to this boycott.

In Britain, it affected Rothschild & Sons, and Warburg & Co., who were excluded by Kleinwort, Benson Ltd from an issuing syndicate for Marubeni.

In France, Lazard Frères & Co was barred from an issuing syndicate for Air France by the Crédit Lyonnais and the Banque Nationale de Paris, and the same bank was later excluded from an issuing syndicate for the Compagnie Nationale du Rhône. The bank Lazard Frères & Co made an appeal to the French Government, which has great influence with both banks—they are practically state banks—that excluded Lazard Frères & Co, but unfortunately without success.

The question must, of course, be put whether the Arab League's demands could have been

resisted without difficulties or serious damage. The answer is yes—and not only theoretically. Resistance worked in two countries—America and Germany. Not resisting discrimination is always dangerous, and resistance is very seldom in vain. I should like to cite a recent example.

The Dutch Minister for Foreign Affairs, Mr Van der Stoel, was recently to visit Saudi Arabia, but that country refused to give an accompanying journalist, who was Jewish, a visa. The Dutch Minister did not make the visit. Subsequently, Mr Kissinger arrived, accompanied by another 5 Jewish journalists, who were all allowed in. Of course, the USA is powerful, more powerful than the Netherlands, but that can hardly be maintained for a united European Community, which means more economically to the Arab States than even America. Let us not underestimate ourselves.

The European Community has concluded association and trade agreements with a number of Arab States. These agreements normally include an anti-discrimination clause. This means that the agreement concluded may not lead to discrimination between Member States or, what is more—and I stress this—to discrimination against their citizens or companies.

I repeat, normally a provision forbidding discrimination against the Member States, their citizens or their companies is included. One can hardly say that the European Communities have been firm about making this very important provision a major issue in negotiations. I still recall a parliamentary committee meeting where we were informed of the EEC-Egypt Agreement and the accompanying correspondence. Many Members of Parliament were then, to put it mildly, extremely surprised that the Commission had agreed to a weakening of the anti-discrimination clause in a exchange of letters. At the time, this was regarded as a piece of face-saving by Egypt *vis-à-vis* the other Arab countries, but today it is quite clear that it means a lot more than that, and that any laxity in the matter is an invitation to dare further. It even incites irresponsible and criminal elements in the world to make their presence felt too.

Fortunately, awareness is growing all over Europe that it is our task to oppose such discrimination resolutely right from the start. This resistance can, and should, be made by a body as economically powerful as the European Community, when it is a matter of economic discrimination.

Negotiations are again on the agenda with many Arab States and with Israel. The Arab States are Jordan, Syria, Egypt, Lebanon, Algeria,

Broeksz

Morocco and Tunisia. The object of our questions is to ensure that these countries and Israel accept the anti-discrimination clause and genuinely apply it.

We hope that the Council too, in its forthcoming dialogue with the Arab States, will speak clearly on this subject.

Mr Scholten has put written questions on the matter, in particular to the Council. The Council answered that they did not know enough about economic discrimination. It is to be hoped that the Council is a little better informed now, and is drawing the consequences. As things are now, the bank boycott is coming from the Arab countries, but with every share the oil countries buy in European companies, the danger of these practices being brought to Europe increases.

Let it not be thought that it cannot happen here! Let us say to ourselves that it must not only be resisted here but that we, the Nine peoples of the European Community, should join to prevent racial discrimination anywhere in the world so far as is in our power.

We hope that the Commissioner not only rejects the discrimination personally, but that he will promise us in his official capacity that the European Commission will prefer not to conclude agreements rather than to weaken the anti-discrimination clause.

This is not only an obligation imposed on us by the preamble to the EEC Treaty and made incumbent on us by our economic position, but also an obligation prescribed by humanity.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, Mr Fellermaier, represented by Mr Broeksz, has raised a problem of the highest importance to which the Commission itself, as I would like to say at the outset, attaches the attention that it merits. It is also a problem of considerable complexity and so I shall ask you to allow me to outline the technical aspects before taking the general policy standpoint, as Mr Broeksz has very rightly done on behalf of the group putting this oral question.

Firstly, let us look at the mechanism of the boycott system which was instituted at a very early stage in the conflict between the Arab countries and Israel and which is at the moment based on a decision taken by the Arab League on 11 December 1954. As part of the economic and political measures for boycotting Israel, the

League can black-list persons, companies and ships with whom all relations are then strictly forbidden, penalties being otherwise imposed. This measure, as Mr Broeksz has very rightly said, is not directed against any specific country; it applies to the whole world. The lists are revised and updated periodically, new names being added and others removed.

These measures are defended by the Arab League as political and economic defence measures. Within the GATT, they have been explained and defended on many occasions by one or other of the Arab countries, particularly by Egypt. On those occasions it has been pointed out that the drawing up of blacklists was not the result of a sudden decision but of a survey conducted by the Arab League's regional offices, and the party concerned was allowed to submit its comments.

I must stress that the mere fact of having trade relations with Israel is not regarded as sufficient justification for boycotting measures. Armaments are a striking example, since the Arab states have had no hesitation in going to the same suppliers that sell war materials to Israel. The general rule is that, under penalty of seizure of the exported goods, exporters have to prove that the goods sold are not derived from Israeli produce and products. So much for the situation as regards the Arab League.

At the level of the Arab countries, the decisions of the League's central office have to be promulgated by ministerial order in each of the League Countries before they can be applied. The strictness with which the decisions are applied therefore varies from country to country. The act which provides for boycotting measures in Egypt (Act 506), for example, differs substantially from legislation in force elsewhere and from the measures enacted in North Africa, which, incidentally, are hardly enforced. When called for in the national economic or general interests, the governments of certain countries show they can be flexible and pragmatic. So much for the mechanisms.

Replying, now, to the question from the Socialist Group and beginning with points 1 to 3, I should stress that, by the very nature of these boycotting measures (which relate to companies and persons but not to products), it is impossible to determine the extent of their economic effects, because the place of a boycotted company may be taken by another company in the same country and therefore the loss in earnings to the relevant exporting country's economy may not be apparent. No exact reply can therefore be given to the question as put regarding either the extent of the boycott or its quantitative effects.

Cheysson

In fact, therefore, the boycotting measures are very different from those applied with regard to oil exports, because in that case it was a matter of a total ban on oil shipments to any Member State of the Community.

In reply to points 4 and 7 of the question, it should first be recalled that the Lebanon agreement is just about to be brought into effect and that, therefore, the Joint Commission has not yet met. The present Morocco and Tunisia agreements date back to before 1970—in other words, before the time when the Community, after debate in this Parliament, defined its position. They therefore contain no specific non-discrimination clauses. What is more, the Commission has never had an opportunity to discuss the discrimination issue in the institutions set up under the Morocco, Tunisia and Egypt agreements that are in force.

As far as Morocco and Tunisia are concerned, the reason for this, apart from the fact that there is no specific clause in the agreement, is primarily that, since the entry into force of the trade agreement with Morocco and Tunisia, the Community has never been aware of any difficulties under this heading in these two countries for nationals or companies belonging to Member States.

This is true not only for Morocco and Tunisia but also for Algeria, with whom there is no agreement at the present time.

In the case of Egypt, there are in fact special clauses, including a non-discrimination clause under Article 7 of the agreement, stating that the system of trade applied by the Arab Republic of Egypt to produce originating in or intended for the Community must not be the subject of any discrimination between Member States, their nationals or their companies. This is the ideal clause.

This clause is associated with two sub-clauses whose ambiguous character, as Mr Broeks said, might give rise to controversy. Nevertheless, we must admit that Egypt has formally recognized the principle of non-discrimination in trade, though reserving to itself the right to confirm the compatibility of this article with the requirements of protecting its essential security interests and with those of public morality and order. These exceptions to the application of the non-discrimination clause are of a standard nature, being recognized and reproduced in Article XXI of the GATT. They leave the door open for constructive interpretation.

With regard to the practical effect of these provisions, we must say very clearly that, since the recognition of our system by the contracting

parties, no new cases of discrimination have been reported with regard to trade activities covered by the agreement. But only transactions within the framework of Article 7 are covered—that is to say, trade relating to products originating from or intended for the Community. I would stress that Article 7, in its present wording, does not cover the banking and transport operations to which Mr Broeks has just referred, because in these cases there is no trade in products. Our trade agreements cover trade in goods and not this type of transaction, which is therefore not covered by the non-discrimination clauses.

Thus, within the bounds of our agreements, within which we are authorized to negotiate and where Community authority exists, it may be said that the provisions of the Egyptian agreement have operated satisfactorily and that the unilateral Egyptian statement is effectively offset by the corresponding Community letter.

Let us now, Mr President, return to the principles involved.

The Commission considers that discriminatory boycott measures are contrary to the spirit and principles of the cooperation which the Community wishes to foster with the Arab countries. This notion takes on its full importance if we move from relations with one country to a more ambitious approach, that of the Euro-Arab dialogue, Mediterranean policy, the general approach. In any agreement built on the desire for understanding with a group of countries, it is normal and even essential to ask our partners to respect our unity and our Community in the same way as we, for our part, undertake not to attempt to divide them and to respect the united front they wish to present to us.

In 1970, when the agreements with Egypt and Lebanon were being discussed, the Community defined its position. It recommended that all Mediterranean agreements to be negotiated in future should include a clause according to which the system of trade applied to products originating from or intended for the Community could not be the subject of any discrimination between Member States, their nationals or their companies. I would repeat that the Commission firmly espouses this principle and that it regards it as a vital factor in the building of the new Europe.

Let us now look at the future. As is noted in point 8 of the question by the Socialist Group, the Commission has proposed that negotiations be opened at an early date with four Arab countries in the Near East, alongside which there will be negotiation of an additional agree-

Cheysson

ment with Israel in order that the balance may be maintained. The new agreements will have wider scope than the present agreements. They will cover many sectors of cooperation, going beyond the field of trade. Non-discrimination clauses will therefore be applied over a broad front.

It is clear that the extension of cooperation is, by its very nature, incompatible with discrimination measures. The negotiation directives given by the Council on this subject will therefore, I have no doubt, be clear and precise. You can rely on the Commission following these instructions to the letter.

As to the agreements for which negotiations have just been concluded, you will remember that Article 24 of the agreement with Israel, like Article 7 of the Egyptian agreement to which I have just referred, lays down that there shall be no discrimination in the areas covered by the agreement. I would recall that the ACP agreement stipulates that, within the framework of our trade with them (we remain subject to this limitation), there shall be non-discrimination between states and no less favourable treatment than the most-favoured-nation clause in relation to other industrialized countries.

The negotiations in progress with Algeria, Morocco and Tunisia have led to very keen discussion on this point. The Commission has received a mandate as clearcut as I have just told you and intends to adhere to it. Some difficulties of wording have arisen. You will forgive me for saying no more in view of the fact that the negotiations are in full swing, but I can assure you that, with regard to the principles involved, there will be no retreating.

Mr President, the length and detail of my speech match the importance we attach to this problem. It is fundamental for our nationals, whom we have a duty to defend; it is fundamental for our companies and it is essential for the Community as such. And allow me to say that it is also important for the broad policy that we now wish to define, enshrining mutual respect of the Community will and commitment on the one hand and the collective commitment of our partners on the other.

I would repeat, then, that at the legal level the Commission will not accept any wording that could be interpreted as legitimizing or recognizing the boycotting system. The Commission will ensure that non-discrimination is established in conditions that comply with GATT practice and are compatible with the sovereign rights of states. It will do this within the limits to our agreements.

At policy level, going beyond the legal horizon, it is the whole grand design of our Mediterranean policy that is at stake, that is to say—not to repeat what was said yesterday—the will to cultivate close economic relations with all countries on the southern shores of the Mediterranean and the conviction that in this way we are serving the cause of peace. For this to be possible, our policy has to be clear. It must not be aggressive. We challenge no other country, we simply ask them to understand what we want and what we need. We shall go no further; it is up to them to understand and to tell us whether they are ready to be a part of this grand design, as they say they are. For my part, I am convinced that part of our own economic future and part of that of the countries on the southern shores of the Mediterranean depends upon the equilibrium of our relations with those countries.

(Applause)

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

Mr Jahn. — *(D)* Mr President, ladies and gentlemen, our group has made a detailed study of the Socialist Group's Oral Question to the Commission on economic discrimination against EEC nationals and firms by the countries of the Arab League and the companies and firms established in those countries. I think I can already say that we thank Mr Cheysson for the Commission's attitude on this radically important question, for a policy of conciliation throughout the Mediterranean area—a policy which, however, must be pursued in a true Community spirit.

As we have seen, it is a question of embargo as well as boycott measures. As we know, an embargo was imposed on deliveries of petroleum to Holland and Denmark in 1973. That has been somewhat smoothed out in the meantime, but the boycott imposed by the Arab League, which has been controlled since 1948 by the Arab boycott office in Damascus, mentioned by Mr Broeks, is an extremely subtle instrument which occasionally develops into a political weapon. According to our information, about 2 000 firms in countries of the Community are today included in these lists.

We can only support the Commission in the view it has expressed today, that it is of fundamental importance, not only for the EEC but for all Western countries and for all countries in the world, to combat such discrimination wherever it may be met with in the trade of our Community.

Jahn

We have heard how this boycott system is given flexible treatment in the various regions and the various states of the Arab world, how it is on some occasions applied with greater and on other occasions with less severity. In our view, if trade relations with Israel are not the only grounds for applying a boycott, there is all the more reason why we must try to throw light upon the underlying motives in order that all our political forces shall put up resistance to such a system. The great majority of the population in member countries of the Community is, I think, opposed to any form of blackmail, and we should bear in mind that the disastrous policies of fascism and nazism, which affected Europe and the whole world, began with an economic boycott of Jewish property, trading enterprises and individuals. At first, this boycott scarcely attracted any attention, but it was enough to constitute a terrible political weapon which threw an entire continent into the holocaust.

Boycotts and other measures of discrimination against Jewish banks in Britain, France, Germany and, of course, the USA have recently attracted public attention and provoked a great deal of discussion. In Germany, I can say that, mindful of the past, we have set our face against such measures, and with success. In Britain and France, however, this is not the case; of that, too, we are aware. I should like to say once more to Mr Cheysson that the time has now come to act jointly on a European scale and to coordinate our measures, as has just been outlined by Mr Broeks.

What opportunities do we now have in view of the economic, trade and cooperation agreements which are still to be concluded with the Maghreb and other Arab countries? In our view, the anti-discrimination article which has been referred to here so many times should be incorporated in all agreements—that is, in our view measures of retortion will have to be threatened if economic or financial enterprises from the countries of Europe which maintain business relations with Israel or are Jewish firms and for any of these reasons are discriminated against by the Arabs are boycotted.

We therefore welcome the Commission's intention to attempt, so far as is possible and, we hope, with the greatest possible clarity, to incorporate this in all future trade negotiations with the Arab world. The Christian-Democratic Group is not prepared to tolerate discriminatory measures against persons or firms on account of their racial or religious affinities or their political attitudes. The sooner this is made clear to members of the Arab League, the better it will be for us in the Community and for the spirit of conciliation with the Arab States, with

whom we have good economic relations and with whom we wish to conduct a peaceful and reasonable Mediterranean policy.

By way of conclusion, therefore, I should like to ask the Commission, as Mr Cheysson has already said, to take measures so far as we have opportunities for action within the Community—and here those opportunities should not be inconsiderable—and by introducing anti-discrimination stipulations restore a sensible basis for our relations, which at the moment are very far from being normal.

(Applause)

President. — I call Mr Scholten.

Mr Scholten. — (NL) Mr President, to the excellent presentation by my group colleague, Mr Jahn, who has excellently put into words the principle from which the Christian-Democratic Group approaches this matter, for which I should like to thank him, I should like to add a brief marginal note based partly on answers I received from the Commission to questions put by me in February.

The principle of non-discrimination on the basis of race, sex, creed or political conviction is one of the most fundamental values in a free society based on democratic principles. Unfortunately, we find that this principle has often been trampled on in the past and is still being so today. That is why it is a good thing to raise one's hand against this kind of thing happening in the world. When the international press reported in February on serious attempts by the Arab financial world to discriminate against Jewish banks, I felt I had to put questions on this to the Council and Commission. I was disappointed by the way these questions were answered.

In view of the importance of this matter, I had expected rather more both from the Council and from the Commission. The Council's answer was that it had too little information on the problem I had brought up to be able to assess its specific scope. That was all the Council had to say. In February I also put questions to the Commission. I heard from home this morning that the answer to the questions had arrived yesterday evening. The Commission can say nothing more than that it has no other information than has appeared in the press. I must state my disappointment at this. When such important principles are at stake, I expect the Council and the Commission to be more active in obtaining information.

They should themselves take measures to get the picture instead of confining themselves to noting

Scholten

these press reports. When such reports appear in the press, I expect the Commission to consider them immediately and try to find out exactly what is going on, so that it can take the necessary measures to allow Europe to choose its position on this kind of discrimination. I should like to emphasize that I also find the Commission's answer extremely cool in view of the seriousness of the problem. I particularly wish to ask the Commission to pay greater attention to this problem in the future. These are matters that affect human beings as such in their inmost being.

(Applause)

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I should like to thank Mr Cheysson for the answers he has given. I think that the answers are clear in themselves, and all of us can only welcome the direction they point in. I am also pleased because I have made it clear that it is not a matter of the Arab states alone, but just as much of Israel.

We want to nip discrimination in the bud anywhere in the world, because people of my generation have seen too much suffering caused by it.

It is also clear that Mr Cheysson is able to take a position which is not only clearer but also rather firmer than could be deduced from the answers to the written questions that Mr Scholten has just received.

But, Mr President, I should like to ask one further specific question. It concerns trade agreements on the one hand and more general agreements on the other hand, and its concerns our total policy towards the Mediterranean area. If trade agreements are concluded and an anti-discrimination clause is incorporated, does the clause still permit a boycott of banks in Europe?

Can the clause be worded in such a way that not only trade agreements come under it, and whatever else normally comes under it, but also services and capital? What I should like to know is whether the agreements can be made to incorporate a general clause which is more all-embracing than the usual one?

We were also very pleased to hear from the Commissioner that he will continue to be very firm about retaining this clause. That is absolutely correct. I can take it that the same attitude was taken towards Egypt. The clause has been included in the agreement. But if other states are going to start writing letters about it that we have to answer, doors are going to be left open that we would rather see shut.

My question is, then, whether agreements are going to be concluded where the anti-discrimination clause they contain cannot be weakened by subsequent exchanges of letters. That is a specific question that I am putting, on the basis of practice in the past. For as human beings we must, Mr President, and Mr Scholten and Mr Jahn have already said this in an excellent manner, resist not only what is happening here, but also the possible consequences if we make light of the matter at the beginning. Mr Jahn said some excellent things about this, and we who lived through all that at the beginning of the thirties have to underwrite that fully, for it is correct from A to Z.

When you know that the Arab League's Bureau has a list of more than 1 700 firms that they want to boycott, you understand that this is a very wide area. We hope, therefore, that we shall get a satisfactory answer to the more detailed questions we have put to Mr Cheysson. I sincerely thank him for the answers he has given so far, which we have noted with full agreement.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, my sincere thanks go to all speakers, because they have undoubtedly given the Commission greater strength, for it can now point to the support, directives and instructions that it receives from the European Assembly.

Allow me to go back over a few points.

Firstly, a distinction must be drawn between a general boycott directed at one or more countries (like that introduced by the Arab League with their oil embargo against two Member States of the Community) and a boycott aimed at companies or nationals such as that which applied, for example, with effect from 1954 under the provisions decided by the Arab League at that time. Both forms of boycott are incompatible with cooperation as we see it, though they are the result of different approaches and decisions.

Next, let us nurse no illusions. There is no way of asking for guarantees beyond the limits of our present scope—that is to say, beyond the field of application of the agreements that we have negotiated. Our legal services are categorical on this point and it is pure common sense. All the provisions that we have managed to obtain with regard to non-discrimination relate to trade, i.e., imports and exports, because our agreements are precisely limited to trade. In

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the future this will apply to cooperation in the same way, because we are now extending the agreements to cover cooperation. We cannot ask for guarantees in fields where, at the outset, we tell our partners we have no authority. How, for example, can we ask for guarantees in the field of banking when we refuse to enter into any discussion because we have no authority under this heading? I can imagine what the reaction of member governments of the Community would be if we proposed to negotiate agreements in or outside the Mediterranean covering problems of setting up banking establishments or the right to exercise the banking profession, etc. Provisions of this kind are not within the range of our possibilities at Community level; this is the national sphere. It is only at national level that guarantees should be requested.

We can, and we should (and once again I thank the Assembly for encouraging us to do so), demand non-discrimination clauses in those fields to which our agreements relate. But we have absolutely no power to intervene in areas where we have no authority.

On two occasions in my previous statement I said—and I would like Mr Scholten to know that what I said was not based on press reports but on information received from those concerned—that at the time we were unaware of any difficulties under this heading. As regards Morocco and Tunisia, as I said, the Commission has had no information of any especial difficulties regarding discrimination against nationals or companies of Member States. The same applies to Algeria. I also said that, since the entry into force of our agreement with Egypt, no new cases of discrimination have been reported in areas to which the trade concessions covered by the agreement relate. I therefore reiterate that the operation of the clauses of our agreement has been satisfactory.

I said, and I have just repeated it, that unfortunately the field covered by these clauses is confined to the areas in which we have authority.

As far as the legal aspects are concerned, I feel that we have said enough. The Parliament has agreed that the general directive in accordance with which we are instructed to demand this non-discrimination clause was satisfactory.

I should now like, as other speakers have done, to go beyond the legal aspects—as I did, incidentally, in my first address when I dealt with the policy aspects—and refer to the human aspects.

I believe, Mr President, that what is wanted of the Community is to pronounce a general policy

—the rejection of all discrimination. I must say I was very impressed by the references made by Mr Jahn and Mr Broeks to the situations that existed 40 years ago and which indeed originated in discrimination. I therefore believe that the Community should fight, with all its strength and at all levels (Community and national, Parliament and government, company and personal) against all forms of discrimination and therefore against discrimination in trade. I think that this should be done throughout the world.

And so, Mr President, though I do not want to accuse anyone, we ought to remember that other forms of discrimination exist elsewhere—with our companies sometimes as the victims. May I, for example, refer to the American legislation regarding trade relations with Cuba and the blacklists of companies trading with Cuba?

The one does not justify the other, admittedly; but we should take our stand against discrimination wherever it is practised—just as we are doing today in the framework of our Mediterranean policy and in relation to our partners on the other side of the Mediterranean.

(Applause)

President. — I have no motion for a resolution on this debate. The debate is closed.

5. Regulation on the supply of milk fats as food aid

President. — The next item is a debate on the report drawn up by Mr Deschamps, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission of the European Communities to the Council for a regulation establishing general rules concerning the supply of milk fats as food aid under the 1975 programme to certain developing countries and international agencies (Doc. 101/75).

I call Mr Deschamps.

Mr Deschamps, rapporteur. — (F) Mr President, it was only in April 1975 that we were informed by the Commission of the European Communities of a proposal for a regulation establishing general rules concerning the supply of milk fats as food aid under the 1975 programme.

This aid was to relate to 43 400 tonnes of butter-oil, but in the motion for a resolution submitted to us we reserve the right to make a greater quantity available if the need should arise. The motion also stresses the urgency for this aid.

Deschamps

We therefore request the Council to give its formal approval for this programme as soon as possible.

These are the proposals on which your committee yesterday unanimously delivered a favourable opinion. I trust that Parliament will take the same decision.

President. — Does any one else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

6. Oral Question with debate: Measures to aid the car industry—Oral Question with debate: Restructuring programme for the motor-vehicle production industry

President. — The next item is a joint debate on two Oral Questions addressed to the Commission of the European Communities:

— question put by Mr Cousté, on behalf of the Group of European Progressive Democrats (Doc. 30/75), and worded as follows:

'Subject: Measures to aid the car industry

On several occasions the Commission has expressed awareness of the difficulties experienced by the car industry. It has also revealed that it has been able to study the various measures of a national character taken by the Member States to alleviate the economic and social consequences of the energy crisis.

Can the Commission state what overall policy it has formulated to aid the European car industry and what encouragement or criticism it has offered, or intends to offer, concerning the measures taken by the Member States, some of which may be defined as aid within the meaning of Articles 92 *et seq.* of the EEC Treaty?

— question put by Mr Amendola, Mr Ansart, Mr Bordu and Mr Leonardi, on behalf of the Communist and Allies Group (Doc. 72/75), and worded as follows:

'Subject: Restructuring programme for the motor-vehicle production sector

In view of the importance of motor-vehicle production to the economy of the Community and the serious problems it is now facing, does the Commission not feel that the restructuring programme for which it has carried out studies and consultations:

— should begin with a series of immediate measures to offset the worst effects of the crisis, such as:

— combating inflation and conserving purchasing power,

— guaranteeing employment and non-discrimination for immigrant workers,

— improving working conditions and the upward harmonization of social legislation in the Member States,

— campaigning against high prices in the motor-vehicle sector and the illicit profits of the oil companies;

— Presupposes such fundamental measures as:

— democratic public control and democratic management of the large undertakings in this sector,

— a development policy for transport giving priority to public transport and ensuring that private and public transport complement each other as part of an attempt at diversification in this sector and a new conception of international cooperation;

— urgently requires, to deal with these problems, that all workers' representative organizations be consulted on the basis of tripartite meetings?'

I call Mr Cousté to speak to his question.

Mr Cousté. — (F) Mr President, I believe that this is the first time in this Chamber that we shall be discussing, on the occasion of an oral question, the situation of the motor industry—one of the big industries in our Community—and the measures which might be taken at Community level or, at the very least, the support that the Community might give to measures of a national character.

In January 1975, I took the opportunity to question the Commission by Written Question on measures in favour of the motor industry. The fact is that we already knew what were the consequences of the new situation of reduced economic activity and the effects of the energy crisis. But neither I nor my group were fully satisfied by the reply received at that time from the Commission.

The Commission, in fact, replied that it was aware of the various measures taken by Member States (it was thinking, I am sure, of the situation in Great Britain, Germany and France) and noted that the measures taken or envisaged at national level by the Member States could be defined as aid within the meaning of Articles 92 *et seq.* of the Treaty founding the European Economic Community (all of which is perfectly true), but it failed to add what I was hoping for. This is why we have put this question and why a number of my colleagues will be speaking today. The fact is that it did not say what general policy at Community level it intended to define and therefore follow in order to assist the European motor industry and what support it would in that way give

¹ OJ No C 128 of 9. 6. 1975.

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to the measures taken by Member States in certain cases—that is to say, principally under Articles 92 *et seq.* of the Treaty.

What, Mr President, is the reason for our insistence on this point?

There are several reasons, the first being that I know that the Commission intends to organize a symposium on car problems next October. This is all very fine, but we cannot wait this length of time. For, ultimately, what is at stake? This is a major industry in our Community, not so much because of the products and companies involved (although we could also extend our concern to commercial vehicle manufactures), but because the employment of thousands of men and women is involved and because the European car industry alone accounts directly for over one million male and female workers and indirectly, in the form of its suppliers, sub-contractors to the car industry, for a far larger number of male and female workers of all categories—engineers, white-collar workers, research scientists and sales staff—to say nothing of distributors and traders. We are therefore in a serious situation, because this is a major industry. The importance of the car industry expressed in terms of value added as a percentage of the total figure for all manufacturing industries in each Member State varies from country to country: it is 5.2 in Italy, 6.2 in Germany and 5.9 in France and Great Britain. If the suppliers to the industry are also taken into account, the percentage is obviously far higher.

As far as exports are concerned, we know very well that for car manufacturers they represent an average of about 10-11 per cent or even 14 per cent for Germany (which is a very high figure), 9.9 per cent for Great Britain and 11 per cent for France. This is therefore a very important sector, and the slackening in demand, which contrasts with the growth in previous years, is very substantial. In some sectors the drop in sales has reached the extraordinary level of 25, 32 and even 38 per cent, and here, of course, I am placing myself at the general level, for this is a problem calling for an overall view.

As a result of the drop in sales, production has also fallen. I have the figures for the first eight months of 1974 (confirmed, I believe, for the rest of the year) showing that production is down by about 19.8 per cent for Italy, 9.5 per cent and perhaps more (I am sure that our German colleagues will be able to tell us) for Germany and about 12 per cent for Great Britain—in other words, well over 10 per cent on average for the whole of the Community.

The problem we are faced with is not only quantitative but also qualitative, since the middle-range models are, generally speaking, more affected than small cars, which, on the contrary, are gaining ground on the market; above all the new models that are coming out fail to match the pattern of demand greatly affected by recent events.

All this brings us back to the basic question that I have already framed: what is the Community's general policy towards the measures taken by Member States and by itself? Workers have suffered serious consequences as regards their employment: shorter working-hours, additional days without work, temporary lay-offs, short-time working and large-scale dismissals announced by world-famous firms, and I am thinking in particular of a big German firm.

The consequences are therefore truly serious. In addition, there are the social consequences which this situation brings about in those industries supplying the car industry, i.e., artificial fabrics, glass, tyres, etc. It is like a house of cards with its walls collapsing.

Apart from the considerable difficulties as regards employment, the financial situation of car manufacturers is also compromised. Profitability, already not particularly high in certain firms prior to the events of 17 October 1973, is now being undermined. I am thinking of private car manufacturers, but the same could be said for commercial vehicle manufacturers. Price increases are not enough, with the result that these firms had difficulty in making ends meet in 1974 and are finding it impossible in 1975. What is more, when firms cease to make a profit, this automatically means that research and investment is cut, with, ultimately, repercussions as the social level spreading from the car industry and affecting a range of other industries.

In these conditions, outside help is essential—a manifestation of the interdependence of the various sectors from the economic and social viewpoints. In addition to the measures which governments have rightly taken, the Community should take action itself. I hope that in its reply the Commission will confirm this.

President. — I call Mr Lemoine to speak to the question put by Mr Amendola and others.

Mr Lemoine. — (F) Mr President, dear colleagues, the question we are discussing today concerns a particularly important sector affecting, at Community level, several tens of millions of people. In our nine-country Europe it is said that one out of every seven people gets

Lemoine

his living directly or indirectly from the motor industry. In France alone, 10 per cent of the active population is working in or for the motor industry, where the turnover totals Frs 40 000 million.

Whilst the period we are going through is characterized throughout capitalist Europe by an appreciable worsening of the crisis and by its repercussions in all sectors of society, it is clear today that the motor industry is particularly badly hit.

Long regarded as the industry of 'economic miracles' or 'economic expansion'—as in Germany, Italy, France or Belgium—the motor industry in the hands of the big multinational firms is now affected, in most countries, by shorter working hours, temporary plant closures, a halt to recruitment, non-renewal of certain contracts, lay-offs, etc.

This, to differing extents, is true of Volkswagen in Germany, Fiat in Italy, British Leyland and Chrysler in England, and Citroën and Peugeot in France, to say nothing of the situation in the USA and Japan.

Everywhere wages are being frozen and working-rates are being increased; everywhere the drop in purchasing-power is depressing sales and this is leading to unemployment. Over 300 000 motor-industry workers are affected in Europe by unemployment or short-time working. In 1974, production went down by 14 per cent, the number of cars sold and the number of new registrations declined steeply and the hoped-for recovery in April, traditionally a favourable month for car sales, failed to materialize.

What is the reason for this situation? It is clear that if we want to remedy the serious difficulties experienced by the motor industry we need to have a clear picture of the situation.

Contrary to the claims of official propaganda, the difficulties of the industry were foreseeable, they are not due to a shortage of oil or to chance. Long before the Middle East conflict, the scale of over-investment and under-utilization of production capacities, the gradual freezing of productivity, and the austerity measures taken in certain countries heralded the downturn in the cyclical situation, which up to then had been very favourable.

Producing durable and high-cost consumer goods, the motor industry is particularly badly hit by limitations on general consumption, whether this be due to increases in the price of petrol and cars, the higher cost of credit, heavier taxation, frozen wages or the present traffic diffi-

culties. All these phenomena help to intensify the difficulties of the car industry by reducing workers' purchasing-power. In France, for example, 38 per cent of households still have no car and growth in the number of vehicles in use is increasingly accounted for by purchases of second cars in certain households—up by 43 per cent between January 1970 and January 1974—rather than by the purchase of the first car—up by only 7.6 per cent over the same period.

This confirms, if confirmation were necessary, that the motor industry crisis is only one aspect of the general crisis of the capitalist world.

And yet, at a time when workers are hit by part-time working and lay-offs the process of concentration and group-forming is intensifying, always—or practically always—with active and massive support from national public funds and without the slightest trace of democratic control over the use of this money. Examples are Citroën-Peugeot, Daf-Volvo, Fiat-Kloekner and British Leyland-M.G.

At the same time, foreign investment by the big monopolistic firms is being stepped up. Citroën is represented in 19 countries, Peugeot is building an assembly plant in Nigeria, supplied from France by air-lift. This is reorganization—as seen by the employers—but it means unemployment for workers in the industry. The American monopolies are offloading some of their present difficulties—their production fell by 30 per cent in 1974—onto their European subsidiaries and have launched into a real commercial war. Thus, it is at a time when the big firms, exclusively for motives of maximum profit, are exporting capital and investing and setting themselves up in other countries, that European workers in the motor industry are hardest hit. Greater government assistance to monopolies, the partial assumption, at Community level, of social problems, and the development of monopolistic cooperation stand out against a more general background of policies of austerity and reduced consumption by the general public.

There is no doubt at all that the motor industry monopolies and the governments of the capitalist countries are now doing their utmost to use the crisis for capitalist purposes, i.e., as a way of holding back wages, building up a reserve army of unemployed, increasing working-rates and intensifying the exploitation of the workers in order to speed up restructuring, redeployment and capital exports.

We have no alternative but to reject such a policy outright and we think, as indicated in

Lemoine

the question put by the Communist Group of this Assembly, that it is possible immediately to offset the worst effects of the crisis. In the first place, it is possible to take immediate measures, to increase purchasing-power by raising wages, lowering the tax burden and combating inflation; by defending and developing employment against short-time working and lay-offs and against all discriminatory policies with regard to immigrant workers; by improving working conditions and the upward harmonization of social legislation in the Member States; by campaigning against over-high prices in the motor-vehicle sector and against the illicit profits of the oil companies.

But such a policy implies measures to weaken the sway of capital—for example, by instituting public control and democratic management of the big firms, a transport development policy giving priority to public transport and ensuring complementarity between the use of public transport and private cars, together with the introduction of new conceptions of international cooperation.

Mr President, at Billancourt, Turin, Wolfsburg, Valladolid and in the British Leyland factories, workers in the motor industry are at this moment fighting for their right to work and for their dignity. At Billancourt, workers in the motor industry in European countries recently met on the initiative of the Communists. They defined a platform for their struggle against the restructuring and redeployment measures which the big private-enterprise companies in the motor industry are imposing on them. The Communist Group is wholly behind them in their fight against the control of the national and multinational groups in the motor industry with the object of creating a workers' Europe in opposition to the monopolists' Europe.

President. — I call Mr Spinelli.

Mr Spinelli *Member of the Commission of the European Communities.* — (I) Mr President, I am grateful to the authors of this question for enabling us to open a debate on an important aspect of the Community economy. This debate can clearly only be of an introductory nature; we shall need to go into the matter in greater detail later on.

The Commission has become aware of the far-reaching repercussions of the present economic crisis on the activities of the motor-vehicle industry. We have undertaken an examination of the situation and prepared a preliminary document, which we are already discussing with the trade unions, employers and experts in order

to define the situation and prospects of this industry and the policies to be followed at both national and Community level.

At this time I can only give an interim reply, as our study is still continuing. That is why I said the debate would have to be continued. I do not intend to discuss in detail what the Member States and the Community could or should do; I shall simply consider the general characteristics of the crisis in the motor-vehicle industry in order to give some guidance on the policy to be followed in the matter of aids and to define a number of criteria; this is already a specific commitment of the Community.

The motor-vehicle industry is experiencing a two-fold crisis: a conjunctural crisis and one of a structural nature. From the conjunctural angle, the crisis in the motor-vehicle sector is simply one aspect of the general crisis affecting our economy. We are in a situation of inflation and recession, restrictions on consumption and reductions in the level of employment; the motor-vehicle industry is particularly hard hit. It is therefore evident that the answer to these problems is not only of concern to the motor-vehicle industry but concerns the economy in its entirety, while taking account of special aspects characterizing the motor-vehicle industry. This industry has been hit by rises in the cost of raw materials, by the sharp rise since the middle of last year in the cost of one of the most important raw materials, steel and also by the exceptional rise in the cost of oil, and thus of petrol, which has led to a reduction in the output of motor vehicles. The rate at which cars are purchased has fallen considerably, and this of course has aggravated the crisis.

Against this background it is obvious that the redundancies and short-time working which have sometimes become necessary must be followed by re-training measures for the benefit of workers who have lost their jobs to enable them to take up new activities. This general group of social and industrial measures may also include—and this has already begun—certain types of intervention and financial support by some Member States. This answers the immediate requirement of not aggravating the crisis in this sector too far, but obviously action must be taken in the long-run.

After referring to the serious fall in sales and exports, I would mention, as an immediate prospect, that since the beginning of this year there has been a modest upturn, or rather a certain lessening of the gravity of the crisis. I would stress that these conjunctural measures must be taken in such a way that they do not conflict with the medium-term prospects of the

Spinelli

automobile industry, otherwise the crisis may be temporarily alleviated but run the risk of becoming even more serious later on.

Until now, the motor-vehicle industry has been a leading sector of the entire European industrial system, and its rapid development has influenced other sectors of the economy. We must therefore recognize that it will be difficult for the motor-vehicle industry to give up this role: the problems of production and consumption in the motor-vehicle sector concern the European industrial system in a way that goes beyond the present questions of energy costs and inflation.

I should like to mention a few of the major problems facing the motor-vehicle industry. Beginning this review at the level of the factories, it is worth noting that production-line working has developed in its most intensive and coherent form in the motor-vehicle industry. This has, of course, led to an increase in productivity, but at the same time work in the factory has been mechanized in a far-reaching and serious manner. The result of this deterioration in the quality of work has been that gradually, in all countries, local workers have given way to migrant workers from poorer regions within the Community or, to an increasing extent, from third countries, especially those in the Mediterranean Basin but in the case of the United Kingdom, also from the former British Dominions. For some time, this enabled the deterioration in working conditions to be faced, but only temporarily, because the need to bring about a far-reaching change in working methods in the motor-vehicle industry has become increasingly urgent. This will necessitate a considerable effort: the break-down of work into minute operations will be replaced by team-work, on the lines of the present experiments at VOLVO in Sweden and FIAT in Southern Italy, or else increasing use will be made of robots, so that human labour will be replaced by complete mechanization.

Finally, there is the serious problem of the development of the motor-vehicle industry. Further development will inevitably become more appropriate in the regions from which labour originates instead of in the regions to which it has to migrate. For the sake of regional and general development, it will be desirable for these industries to be established where the workers are instead of making workers travel to the places where industrial establishments or capital exist.

All these problems will require of the industry a great financial effort for renewal, but that is not all: we know that the motor vehicle has

been, and still is, an important factor as regards the environment.

Moreover, we must not forget safety measures at a time when there is a measure of crisis, the need for them will arise even more intensely in a few years' time. The symposium to which Mr Cousté referred will look at safety measures and the need for general discipline. But an even greater discipline will be necessary in the motor-vehicle industry to make vehicles safer and less polluting; this will necessitate higher costs and a certain change in the equilibrium reached up to now. This problem will also have to be borne in mind.

Another serious point is that the motor-vehicle industry has developed in a way which basically negates the usefulness of the vehicles produced. We need only think of the enormous efforts made to produce faster and faster cars at a time when actual speed on motorways, highways and in our cities is continually falling because of the chaotic development of traffic; the result is that traffic is moving increasingly slowly in our big cities.

It is evident that we have reached a turning-point at which it is no longer possible to think in terms of the development of an individual means of transport as we have done up to now. A change in our transport system will be necessary. This major effort will have to be made by our local authorities, regions and countries and will have to be fitted into a wider community policy. It is however, apparent that the prospects of a type of transport differing from that we know at present will lead to changes in the industry concerned.

When we stress, as Mr Amendola has done in his question, the need for a transport policy concentrating to a greater extent on public transport—a policy which I also recommend—we must remember that this will imply a reduction in private transport and therefore a decline in the market oriented towards the purchase of an individual means of transport.

This, then, is yet another prospect for far-reaching change.

Finally, I come to the problem of the European motor-vehicle industry in relation to international trade. Unlike the American industry, whose output is directed almost exclusively to the domestic market, since exports of American cars are relatively small, the European and Japanese industries are strongly export-oriented. In my view, we must recognize the likelihood that in the next five decades every country with a minimum degree of industrialization will tend to produce its own motor vehicles; this

Spinelli

aim has already become clear in many cases and meets the requirement for local jobs to which I referred earlier.

While the possibilities for development of the motor-vehicle industry on a world-wide scale are large because there are still vast regions which have a very basic level of motorization, we do not believe that these markets will automatically be open to European and Japanese industry. This appears all the more true when we remember that the large number of developing countries will have much greater financial resources than at present, while some countries are close to the point of economic take-off, if they have not already reached it. The development of the motor-vehicle industry outside Europe will therefore be considerable and this will limit the possibilities for international expansion of our own industry. No one can say at this time whether we shall retain all our external markets or whether we shall lose some of them, and if so to what extent. We do know, however, that it will no longer be possible to cover the development in the use of motor vehicles throughout the world through massive exports from our own countries.

All this shows that, beyond the immediate situation, the motor-vehicle industry will need a major effort of reconversion, adaptation and choice of development centres. All this will also imply a need for intervention, and here—we must be watchful—the great risk lies in measures taken at national level based to some extent on an isolated vision of the market. This would only make the industry incurably sick and capable of survival only through constant support. What is needed is an overall vision and plan to maintain competitiveness and retain the market.

As far as this problem is concerned, it is altogether irrelevant whether an industry is nationalized or not, and the Commission has no power or intention to interfere in this connexion. You know in fact that the nationalization of any industry falls within the area of responsibility of each individual state and the Community as such has nothing to say in the matter. That is not the problem. Even if an industry is nationalized it is still open to the market and faces problems of competition; that is why it must be fitted into an overall pattern.

I hope that the Commission and Parliament will consider as soon as possible the problem of the means of action which should be available to the Community as such when dealing with these major processes of structural change. At the present stage, which is one of developing our own ideas on this industry, I shall confine

myself to the characteristics referred to above. I would simply add that the aid and financial intervention given up to now have been closely examined by the Commission. The Commission intends to define a policy, to which I have already referred and which is now being worked out. The aid given—or more accurately the financial intervention, since we shall have to consider in detail whether this constitutes in whole or in part aid—up to now has been as follows: in Germany, an intervention of 210 million DM has been decided on for Volkswagen; this sum, 50 percent of it provided by the federal government and the other 50 percent by the Länder, will be used to facilitate the re-training of redundant workers and for programmes to employ these workers. This political prospect of re-training is a positive step and is being looked at by the Commission.

In France, the government has decided to grant a substantial loan of 1 000 million francs to Citroën and of 500 million to Renault. We are in contact with the French authorities to ascertain the details of this loan and ensure that they conform to the general rules governing such aid.

In the case of British Leyland there is a plan to extend the state guarantee to 200 million pounds sterling, to grant a loan of 200 million pounds sterling for the acquisition of shares so that the public authorities can control this activity; it is also planned to give a further loan of 500 million pounds sterling to initiate a new phase, but the terms of this loan are not yet public. The Community has nothing to say on the subject of nationalization, which is a matter for the national government alone.

Regarding the other aspects, we are in contact with the British authorities. Although many points have not yet been clarified, we are sure that it is in the interests of the United Kingdom to make sure that the aid granted complies with the principle of ensuring the same degree of competitiveness for all and not of dividing the European economy into a series of compartments with different aid procedures. In this case the result would be to the advantage of the richer countries capable of providing massive aid as against the other countries which are in a situation of financial and economic weakness.

As you can see, Mr Cousté, we are here following a specific policy even though—understandably enough—we have not yet defined a final position.

May I add that in working out our economic policy in general and that for the motor-vehicle industry in particular, we are aware of the need

Spinelli

for participation by the workers' representatives and by industrial leaders. As I have said, in this preparatory phase, we already have an ongoing dialogue—which is certainly profitable—with the unions and with employers. It is too early to say whether the result will be tripartite agreements, since all the parties concerned must give their consent. It would be pointless to give an undertaking of the kind at present without knowing whether it can be respected. But these tripartite meetings reflect participation between the various social and economic interests concerned, including the unions.

That is the stage we have reached in the development of our general policy. As to the individual undertakings, in respect of which Mr Amendola's question calls for greater democracy and participation, may I recall that the Commission formerly proposed, in agreement with Parliament, the presence in the European company of workers' representatives enjoying joint responsibility and also proposes the general introduction of a similar system in all limited companies.

This is a first step in the desired direction—a first step to ensure that all the partners in an industrial activity share responsibility for running the company.

I believe my remarks will have made it clear to the European Parliament that the Commission is following this problem closely and developing its own policy in this sector of key importance.

(Applause)

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

Mr Jahn. — *(D)* Mr President, ladies and gentlemen, I thank Mr Spinelli for this first provisional review of the situation. He said that in the car industry there is a crisis which must be seen in the context of the world economy. For the first time for 20 years, we are confronted with a serious reduction in manufacture and sales on the European automobile market. As investigations have revealed, this situation is due not only to the energy crisis, to petroleum embargos or the rise in steel prices, but to a world-wide economic phenomenon—inflation. On the other hand, in view of certain developments in some branches of European industry, we should not forget that in certain plants—I am expressing myself in general terms—we have been too late in turning our attention to these problems—in other words, management is at fault. The situation became particularly clear—and this has been alluded to twice already—

when the Volkswagen Works in Germany introduced large-scale measures of rationalization. At the moment we cannot say how far these rationalization measures will in the end go, not only in the automobile industry but also in other branches. One thing is clear: throughout the EEC and, indeed, throughout the Western world, there has been a shift in buying from one price-range to another, and last year the production of small and medium-range cars fell by 14.2 per cent. Here it is very difficult to take counter-measures. It is impossible to foresee—no one is clairvoyant—what the purchaser's preferences in the coming months will prove to be. At any rate, a slight advance may be seen with regard to the medium and large types of car, not though with regard to the small types.

I would say to Mr Spinelli that we must ask ourselves how this development can be checked without making any economic mistakes. We must all be concerned to ensure that the aid granted, whether in the form of subsidies or credits, does not distort or otherwise disturb competition on the European market. Here I must refer to the figures which have just been officially conveyed to us. The two loans in France, one 1 000 million French francs over 15 years for Citroen and the other of 500 million francs for Renault, the 200 million pounds in England—that is a tremendous sum—for Leyland and in Germany the 210 million DM from the Federal and Provincial governments for the Volkswagen Works must prompt us all to ask the Commission to investigate carefully whether the level of these subsidies will not disturb the foundations of competition and whether, in the regulation announced by Mr Spinelli, we should not take measures to harmonize the European automobile market. In this connection I must point out—that I do here not as a European but as a German parliamentarian—that the French Government is subsidizing its automobile industry even though this industry has suffered a recession of only 5 per cent—that is, speaking broadly, has not been affected at all.

On the French market, demand remained stable during 1974, and no change in the situation is expected for 1975. We welcome this development, and congratulate our French friends.

The Italian market collapsed in the autumn of last year, and 200 000 cars are still waiting for orders. Here, no particular change is expected until 1976.

Mr Spinelli has told us something about the internal organization of the car industry and of what has got to be done; but production-lines, team-work at the Volvo and Fiat works, etc., are, of course, all no more than a part of the measures that have to be taken. We must ask ourselves

Jahn

quite seriously whether it is not possible for us in the Community to agree on common export conditions for this important branch of industry. For the most part overseas trade has suffered heavily and more or less collapsed beneath the effect of measures which in part had been very one-sided.

Here, as also in other spheres, we have to consider whether we should not try to keep our heads above water in the face of general competition by means of cooperation in the construction of automobile plants overseas and in the Third World, that is, by cooperation on the part of the big automobile firms of Europe. I would say to Mr Spinelli that, when we talk about the need for first examining national measures, we in Germany have taken structural and regional measures of support, for it is a matter of finding not only medium-term but also long-term solutions.

I have a few more questions which have not been answered. First, how does the Commission envisage the possibility of getting the European Investment Bank to distribute support throughout the automobile industry? Secondly, how can the regional and social funds be drawn upon to create new places of employment? The situation must be studied; otherwise, how can we continue this discussion further in the absence of the Commission's overall analysis and overall proposals, which, we hope, will reach us at any rate before October?

In conclusion, the issue concerns aid for the motor-car industry, the re-planning of general structures and the securing of employment not only for German, French, Italian or English workers but for European workers in the broadest sense of the term. A joint policy must, I believe, here be found.

(Applause)

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

Mr Suck. — *(D)* Mr President, ladies and gentlemen, I too thank Mr Spinelli for his provisional report. It was interesting for us to hear an objective account of the situation in the motor-car industry in the world in general and, more particularly, in Europe. We are all aware of the difficulties and of the way they have come about; what we want now is to find a way of getting out of this crisis without distorting competition.

We all know that the world-wide recession has become considerably more acute. The measures taken in the various industrial countries were

primarily intended to combat inflation and balance-of-payment difficulties, whose effects on production were aggravated by the sudden increase in the price of petroleum. In particular, these measures affected the automobile industry, which is confronted not only by cyclical but also by structural problems. Nevertheless, the situation is not the same in all the firms in this sector. The change in the world's selling markets has certainly hit many very hard, but most of all those that had failed to restructure their production in good time and, because of the high investment costs entailed, to build up appropriate capital reserves and make investments to meet the cost of rationalization measures in their production. Difficulties of rehabilitation also play a part, and these are partly responsible for tensions among the workers.

The fall in production varies from one Member State to another. As we have just heard, it amounts to 10-20 per cent of last year's production, although I should like to point out that in the Federal Republic of Germany it has been eliminated, at least at Opel and, to a certain extent, by Mercedes. The labour situation in these two relatively large enterprises is much better than in a number of others. The situation at the Volkswagen Works has already been discussed, and I will say nothing further on the structural and regional measures taken by the various provincial governments.

In connection with the subject of dismissals and part-time working, however, we should not forget that the German automobile industry partially introduced permanent part-time working some years ago on account of the restructuring referred to above. The situation, therefore, is by no means new.

In the view of the Socialist Group, the situation in the automobile industry, considered in the light of the overall situation in the Community, is sufficiently serious to warrant the adoption not only of medium-term but also of immediate measures.

I was glad to hear from the Commissioner that he had already had talks with the trade unions, professional associations, employers' and consumer associations. In our group's view, talks on this broad basis are needed if we are ever to achieve a meaningful, self-consistent automobile policy for the coming years in Europe. If we are prepared to cooperate, the crisis may be overcome.

(Applause)

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

Mr Normanton. — On behalf of the European Conservative Group, I congratulate Mr Cousté on having raised this important issue at this part-session, not because it relates to the automobile industry but because we should be looking at all industry. We should concentrate on principles more than on details, but our comments on the automobile industry, as Mr Spinelli said, are equally relevant to industry and industrial problems throughout the length and breadth of the Community.

Mr Spinelli pointed to two areas of difficulty, but I believe there are others. He pointed to the cyclical problems which hit industry of all kinds in conditions where supply exceeds demand and world trade conditions deteriorate, and in which the energy and oil crisis makes an impact over which the industry has no control. These are cyclical difficulties which industries the world over face from time to time.

Another area which must be considered relates to structural conditions which lead to a falling off in demand for the product when those conditions are not right, or because the methods of production are not appropriate, or the techniques require change, or because of bad management and incompetent direction in industry.

There is another matter of which we should be acutely conscious at the present time. Certainly my colleagues from the United Kingdom are very much aware of it. I am referring to a situation which I can only describe as one in which sheer wilful irresponsibility is the cause of the trouble. I draw attention to the situation in the Chrysler factories in the United Kingdom, and I hope to return to that matter in a few moments.

Where there are cyclical problems in an industry, the object in times of low demand should be to preserve the productive capacity of that industry and to improve its investment in plant and productive efficiency, not only in technical and financial terms but in human terms. This highlights the importance of a social policy for each Member State and—what I would prefer—a social policy in this respect for the Community, and on a Community basis.

In times of cyclical decline in industry the policy of the community—'community' in a generic sense—must be maximum compassion for those who, through no fault of their own, find themselves in distress. That means the provision of unemployment aid to those individuals who suffer.

Secondly, do not the periods when men and women who would otherwise be working at full pitch and tempo in their factories find them-

selves on short time and have time on their hands provide a glorious opportunity for them to acquire new and higher skills, not only in a technical but in a non-technical sense? That opportunity must not be lost. It highlights the need for a social policy that is realistic and forward-thinking. Furthermore, there is a responsibility for the Community—the Community rather than individual autonomous independent state operations—to re-think our policy on world trade.

It strikes me as stark, raving stupidity that Japanese cars come into Europe or when Iron Curtain countries should produce cars for sale in Europe at a time when access to those markets is barred, in practice if not in law, to European continental products. Therefore, there is an area where the Community has a responsibility to be realistic and to deal with this in a realistic manner under cyclical conditions.

But the structural ones, I think, are the ones where the Community has a very urgent role to play. Mr Spinelli and the Commission declared earlier this year that 1975 will be the year for the formulation of an industrial policy for the Community. Here is an area in which restructuring, development in the motor industry in particular and industries in general, and particularly the laying down of guidelines for state aids, will in 1975 demand urgent attention by the Community—and, I emphasize, by the Community and not by the individual states, because these problems cannot be solved on a national, independent, autonomous basis, state by state; that would merely aggravate the situations affecting the industries which are in distress. Only by a common policy—a Community-oriented policy—can solutions in this field be found.

There can be restructuring of the industry and the encouragement or, rather, the facilitation of mergers. I do not mean mergers for political reasons. The British Leyland Company at this moment is a classical example of the way in which mergers should never take place. The situation was dominated by the then Minister for Industry, Mr Benn, who initiated that merger for political reasons and not on commercial, industrial and technical grounds, which should be the basis of all mergers in any industrialized community.

Thirdly, under the heading of structural change, we must recognize that approaches to Community taxation and fiscal policies must be common throughout the Community as regards corporate taxation. In difficult times and in times of change we must enable companies, from their own resources, to provide the wherewithal to facilitate and encourage this.

With your permission, Mr President, I end my contribution by returning to the question of

Normanton

sheer wilful irresponsibility. The real lesson which I think stands starkly before us today is that no government, and no community, helps any industry by adopting nationalistic policies of subsidy and the like. This, as I see it, is a policy for the grave, not for growth. The motor industry is—and, indeed, other industries in Europe are and should be—an area for continued growth.

Had Wedgwood Benn been alive 2 000 years ago I hazard the guess that the dodo would still have been walking the world. That is not the policy for the Community—Europe—which we believe in and for which we hold ourselves collectively responsible.

(Applause)

IN THE CHAIR: MR SPÉNALE*President*

President. — I call Lady Elles.

Lady Elles. — Mr Cousté has rendered Parliament a service, as has the Communist and Allies Group, by putting on paper the proposals for a restructuring programme; because the document of the Communist and Allies Group provides some of the answers not to the many problems besetting the car industry but why there is, or will be, a crisis in this industry. The attack by Mr Lemoine on capitalism is really as irrelevant and unsound as his support for a Marxist economy which has proved itself a failure in all the COMECON countries.

Members will be aware of the planned undermining of the car industry by Communist parties throughout Western Europe. I draw attention to an article in *The Times*, well-founded on fact, by Lord Chalfont, referring to the metal-workers' trade-union meeting at Vichy, where there was a call for united action against multinational companies, especially in the car industry. In February, at Düsseldorf, I regret to say, a British member of the Communist Party demanded a full-scale nationalization of the British car industry with, not surprisingly, no redundancies.

It is clear that the interdependence of the different sectors in the industry makes it a very easy one to disrupt. We have proof, even in our country, of 700 clerical workers on strike causing nearly 13 000 workers at British Leyland to remain idle. But the vast majority of men and women in our country and in Western Europe do not wish to remain idle if they have confidence in their immediate and political leaders. They want security and guarantees, and

conditions of work which are not in flagrant divergence from their home life, where the standard of living has risen rapidly. They should be given encouragement to exercise their democratic rights without coercion and without fear of retaliation, and should be able to express their will in their workers' organization. This must depend on better management and more constructive policies.

The problem of overmanning in the car industry is not going to be solved either by creating redundancies or by pouring in state finance to bolster up declining sectors; and neither will massive retraining schemes by Member States solve the problem. Indeed, places at training establishments remain empty.

Unimaginative bureaucratic state enterprises have failed to answer the needs of the people. Retraining is useless without an end in view for an available job. But Mr Hillery admitted on Tuesday that there is no apparent employment policy in the Community, or at state level, to guide people into new jobs—a situation which is coupled with a decline in investment to create new jobs. In the United Kingdom it is easily explained by the question mark hanging over our country since February of last year and by economic and fiscal policies which are a positive discouragement rather than an incentive to investment to provide needed jobs, and which have provided the excuse for nationalization and consequent industrial incompetence and decline.

Even the possibility of the new use of the European Social Fund, under Article 4, to the extent of 52 million u.a. will be of no avail until efforts are made to understand and meet the fears and concerns of ordinary people whose jobs are threatened. The human problems involved in a policy of mobility of labour are never taken into account sufficiently, if at all. The change of school for the children, the disruption of the household, and the loss of the friendship of neighbours are all important factors. These aspects, if overridden and neglected, form the seedbed of discontent.

When formulating employment and industrial policy those responsible, whether at Community or at Member States level, and whether in the public or private sectors, must remember that economic development at the expense of social and human needs is a recipe for industrial and economic dislocation and disaster.

(Applause)

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — The questions that have been tabled this morning on the car industry could give rise to a sterile debate on

Rhys Williams

the virtues of planning of market forces. We have to recognize that in our mixed economies political and monetary authorities have an important part to play, even if only in creating the conditions in which market forces can work fruitfully.

The motor industry provides a classic example of a highly capitalized industry which needs a stable environment if it is to succeed, but political forces have undoubtedly impinged on the way the market operates.

The Middle East crisis, which has made such a dramatic change in the running costs of motor vehicles, is a political crisis. Politicians must recognize that leaving major international situations open and unsolved may well have economic as well as political consequences.

The motor industry must be given access to a healthy and smoothly functioning capital market with a steady flow of savings not only for industrial investment in the industry itself but so that personal investment can be maintained at a steady level, bearing in mind that the purchase of a car by a private buyer represents capital investment, and that his plans are guided no doubt by reference to interest rates and the structure of the monetary market as it affects his personal spending-power.

Over the years the motor trade has suffered, certainly not only in Great Britain, from the alternations of clumsy monetary control of the kind that we know as 'stop-go'. Obviously, we have to think in terms of currencies' stability, not just within our home markets but in the world markets, because the car industry must be concerned with a world market. Each manufacturer must have a large and secure home base and a significant and profitable export trade.

National markets, however carefully subsidized or protected, cannot meet the needs of the industry in the long run. On the other hand, if we look abroad there are grounds for optimism. The world demand for motor vehicles is vast, unsatisfied and growing. The Community home market could provide a secure base for our own motor industry, but we must achieve a stable and realistic pattern of external exchange rates within the Community if we are to take advantage of this huge Community home market.

Recent exchange-rate changes have, of course, inevitably made difficulties for traders even working across the national boundaries within the Community. We have to work towards a rational rebuilding of the world monetary order as well. Here it is worth referring again to the Lomé Convention, because it has a real bearing on the consistency with which developing coun-

tries can place their orders for the products of our own Community industries.

Government interference on a national scale, as a number of other speakers this morning have brought out, is, in the long run, a drug which will bring only dislocation and decline to the motor industry. Surely we have learnt the lesson from experience before the war, both industrial and political, that if we retreat into Schachtian nationalism—in those days it was called National Socialism—not only are the tensions which build up industrial but they have dangerous international consequences as well.

Political pressure within the Community must exert itself consistently to achieve a stable, predictable and prosperous internal market on a continental scale. That is the way in which the European Parliament can make a constructive contribution to creating an atmosphere in which our motor industry can thrive.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — *(I)* Mr President, ladies and gentlemen, I begin by expressing my especial thanks to Commissioner Spinelli for the detailed information he has given us today. I think we are all aware of the importance of this debate; today for the first time—as several speakers have stressed—we are trying to adopt an organic approach to one of the principal problems of Community industrial policy. The motor-vehicle sector—as we have heard—has been the key element in our economic life and in our industry in particular. Clearly, then, at a time when we are seeking to advance the construction of the Community and to achieve political unification through the faster establishment of economic union, problems such as those we are discussing today concern a whole series of complex aspects, all of which are equally important. This is the time for a critical reappraisal of all that has happened in order to direct all our Community and national measures and also—as Sir Brandon Rhys Williams rightly pointed out just now—our relations with the associated countries as a function of the repercussions of this problem.

I believe that today's debate has shown first and foremost the Commission's intention to make its own action more organic and decisive than in the past. This is an important observation. Secondly, the statements made by Commissioner Spinelli have shown that this process of reappraisal and definition of an organic policy for this sector is taking place through a close dialogue with representatives of the employers and workers. The scope of the dialogue has become

Bersani

such that Mr Spinelli, without giving any specific definition, has not ruled out the possibility of a platform for permanent consultation on a more advanced level than we have seen up to now in other sectors of industrial policy. This, too, seems to me to follow the line traced out by our Parliament which has repeatedly recommended close involvement of both sides of industry not only at the level of the individual undertaking but also in the definition of the major guidelines for the Community's economic and industrial policy. We are aware of the need to enter this new phase, in which the Commission will feel obliged to define its policy with the participation and cooperation of both sides of industry. We, too, feel obliged to give our opinion and help to give more precise guidance in this sector.

A number of colleagues have referred to specific national situations, and if I were to follow their example I would have to speak at great length in view of the enormous importance of this sector of industry to Italy, not only because of the volume of its output, turnover and impact on international trade, but also because of the social and other repercussions of the development of the motor-vehicle industry. We need only think how the social, if not the moral and cultural, fabric of large cities in Northern Italy, such as Turin and Milan, has been completely changed by enormous and excessively rapid concentrations of structures essentially linked with the development of the motor-vehicle sector.

But to return to the Community level, where our responsibility is more immediate, as is our authority to intervene, there can be no doubt that the motor-vehicle sector has a whole series of fundamental effects which must be a matter of deep concern to us at the level not only of industrial policy but also of regional, social and commercial policy, to say nothing of external relations. I believe that various aspects of the problem can be situated in this wide context. I would stress two of them: as regards the need to lay down our regional policy, I believe that, inspired by the excellent argument put forward by Commissioner Spinelli, we should benefit from this crisis to recognize, in a more far-sighted manner than up to now, the need for more widely-spread siting and a restructuring which will take much greater account of the social requirements and their development. Secondly, the participation and dialogue with both sides of industry, especially with the workers more immediately affected by the present situation, must become the key element in this phase.

In conclusion, may I say to Commissioner Spinelli that we appreciate the effort he is making

to introduce into this delicate sector, which is a key factor in our industrial system, a new structural element consistent with our view of the Community as a body not only of enterprises but of men and energies devoted to improving living conditions in our continent.

(Applause)

President. — I call Mr Cousté.

Mr Cousté. — (F) Mr President, since I am responsible for starting this discussion, I think I should, very briefly, make three comments.

Firstly, the Commission's reply regarding its overall policy with regard to the European motor industry still seems to me to betray too slow a gait. The problems are urgent; unemployment and anxiety are spreading; national measures have been taken and will have the effects that we can imagine: all this is not followed up, in my view, with the promptness called for by the situation.

Secondly, thanks to the explanations given by Mr Spinelli, I now fully understand the significance of the symposium on the problems of the motor industry which is to take place next October. I recognize that he is right to invite representatives of government, experts, industry, trade unions, consumers, and the scientific and university world. But I regret that he has not, for one moment, thought to include Members of this Parliament. If we are to be consulted and to deliver opinions on problems concerning the life of the Community, I think we have a right to be represented. The very fact that a very large number of parliamentarians of all groups have taken the trouble to speak on this question is a sufficient indication of their reactions to the problem that is presented and, still more perhaps, of the inadequacy of the solutions proposed.

Lastly, over and above the case of the motor industry that we have brought up, there is the whole problem of the future of industry in Europe, not merely in its relations with the developing countries and the desire to cooperate with countries in a position to build up their industry, but in its initiating and innovating function through which it improves the extent to which it meets consumer requirements.

In this respect our policy cannot afford to be slow to act. On the contrary, all private and other initiatives should be kept in motion as part of an overall perspective in which, as some of our colleagues have pointed out, the Community bodies need to have a clear vision of the future and the possibility of taking action through the European Investment Bank. In one word, what

Couaté

we want is not a case-by-case answer to problems, however dramatic and important they may be—today the motor industry, tomorrow the computer industry, then the food industry and perhaps the textile industry. All this is not enough; here as elsewhere, we need an overall vision and the means to act.

(Applause)

President. — I call Mr Lemoine.

Mr Lemoine. — (F) Mr President, I should like to add a few words by way of conclusion, following the address by the representative of the Commission.

It would be easy for us to go along with the main lines of the picture that Mr Spinelli has just painted. Nevertheless, the crisis that he has referred to is not exclusively sectoral, it is indeed a crisis affecting the whole of production in all capitalist countries. But Mr Spinelli has not identified its causes.

I agree, Mr Spinelli has said that the crisis was a twofold one—both cyclical and structural; but the characteristics he has pointed to as symptomatic of a cyclical crisis—unemployment, inflation, recession, productivity freeze—have become the constituents of a structural crisis. The structural crisis—and one could not have a better example than the motor industry—has its origins in the excesses of a capitalism concerned to extract maximum profit in the shortest possible time and no longer capable of using scientific and technological progress to develop production.

Because the discussion has not been focussed on the fundamental cause of the crisis, this pursuit of maximum profit at the cost of uncontrolled competition between the big multinational groups and in contempt of human labour, the measures proposed offer no solution to put the crisis right. At the very most, they merely shift it geographically, if they do not in fact aggravate it.

For our part, we shall continue our campaign for the adoption of immediate measures to promote and defend the interests of the workers and the public. These measures are set out in the Oral Question tabled in the name of the Communist and Allies Group by Mr Amendola and Mr Ansart.

President. — I call Mr Spinelli.

Mr Spinelli, Member of the Commission of the European Communities. — (I) Mr President, I would like to thank all the speakers for their observations and for their comments on my

earlier speech. We have taken careful note of everything that was said and shall remember it in our further work.

May I say to Mr Couaté that the symposium will deal primarily with problems connected with technical barriers; I shall inform my colleague Mr Gundelach of the desire expressed by the Members of this Parliament to be able to participate in the symposium. My modest advice would be not to commit this Parliament too heavily to such technical debates as those which will be held at the symposium.

For the rest, may I say that we shall work with the idea of laying down a coherent policy. Our declared aim must be to set coherent targets rather than simply make forecasts. I shall not go into detail, but I hope that Parliament will help us to maintain this coherence and cohesion. Of course, this will not be a final solution but simply a start towards better industrial development in the European Community.

I am sure that we shall have an opportunity to debate this matter again in greater detail later.

Thank you, Mr President.

President. — I have no motion for a resolution on this debate.

The debate is closed.

7. *Communication on problems of nuclear safety, and draft Council resolution*

President. — The next item is a debate on the report drawn up by Mr Willi Müller, on behalf of the Committee on Public Health and the Environment, on the communication from the Commission of the European Communities to the Council on technological problems of nuclear safety, and draft resolution (Doc. 49/75).

I call Mrs Orth, deputizing for the rapporteur.

Mrs Orth, deputy rapporteur. — Mr President, ladies and gentlemen, I have had to step in for my colleague, Mr Müller, who is unfortunately ill. I am very sorry, because he would certainly have presented his excellent report better than I am able to do. I therefore propose simply to look very briefly at the points which the Committee on Public Health and the Environment stressed particularly when examining the Commission's text on technical problems of nuclear safety.

In principle, our attitude to the Commission's text is positive, as it meets the demand

Orth

repeatedly made by this Assembly that full account be taken of the interests of protecting the population and environment as well as of safety requirements in connexion with the rapid growth of nuclear power-stations. We must, however, point out that the adoption of the resolution proposed by the Commission will not be sufficient in itself. The Commission should rather put forward without delay specific proposals for harmonizing national safety provisions with a view to ensuring optimum protection for workers and for the population at large. Our committee has noted with satisfaction that the Commission views the safety of nuclear power-stations simply as one aspect of general safety in the production and utilization of nuclear energy. In the explanatory statement accompanying its draft resolution, the Commission rightly points out that general safety in the nuclear-energy sector must cover not only safety measures as such but also the disposal of nuclear waste, the dispersal of residual heat, the transport of radioactive substances and the temporary closing down of nuclear power-stations.

In point 3 of our motion for a resolution, we urge the Commission to put forward at an early date specific and comprehensive proposals for common safety measures in these areas. We are particularly interested in the risks involved in the transport of radioactive materials being cut to a minimum.

We welcome the Commission's proposal that the Council should authorize it to negotiate with the competent authorities in the USA on a protocol dealing specifically with safety in nuclear energy. We therefore urge the Council to give the Commission the necessary authority without delay.

In addition, we are convinced that it would be desirable for the Commission to enter into contact with third countries bordering on the Community with a view to reducing to an absolute minimum the risk extending across frontiers to the population because of inadequate safety in the nuclear-energy sector.

We believe that it is impossible for enough to be done in this area. Our main criticism of the draft resolution is that no commitments are given and no time-limits set. The committee fully agrees with the statements made in the resolution, but considers that action is necessary rather than mere declarations of intent.

The committee also wishes to thank the Committee on Energy, Research and Technology for its opinion, which is attached in full to this report. As you will see from Chapter II of the explanatory statement, we have taken extensive

account of the observations and requests made in this opinion drawn up by Mrs Walz. In this connexion I would draw your attention to points 1, 6 and 7 of the motion for a resolution.

May I end, however, by addressing an urgent appeal to the Commission and Council to cease at long last placing this Assembly under unacceptable pressure of time through the late submission of proposals and the setting of short time-limits; this was particularly disagreeable in this instance. The European Parliament requires a certain amount of time to discharge its obligations and deliver well-founded opinions under the consultation procedure laid down in the Treaties. This is not the first time we are addressing this request to the two Community Institutions, and we hope that in future our request will be heard by the Commission and Council. At all events, we felt it essential to protest energetically in point 8 of the motion for a resolution against the increasing tendency for consultations to be made at a late stage.

(Applause)

President. — I call Mrs Walz, draftsman of the opinion of the Committee on Energy, Research and Technology.

Mrs Walz. — Mr President, ladies and gentlemen, in document PE 40.051, the Committee on Energy, Research and Technology has drawn up an opinion on the Commission document; as Mrs Orth has just said, extensive account has been taken of this opinion in the excellent report by Mr Müller. We believe that the principle underlying the Commission draft deserves broad approval. The purpose of the improvements proposed by us in the area of energy and research policy is simply to ensure greater precision and better legal protection.

Allow me, however, to add a few fundamental observations on the subject, especially as in recent weeks a wave of opposition and unrest has spread through Europe in connexion with the construction of new nuclear power stations; this opposition is not directed solely against nuclear power-stations but sometimes also against all forms of power-stations, waste dumps and disposal centres for nuclear waste. The peaceful use of nuclear energy has been accompanied from the outset by safety provisions of a kind which have not existed for any other technological development before. Opposition has not been provoked either by damage caused up to now. By the end of 1972 we had operational experience corresponding to 864 operating years as a total for all the 127 power-reactors throughout the world. Up to now there has been neither a fatal incident nor any large-

Walz

scale accident, let alone a major disaster. However, even major disasters are included in the probability calculations. The result of these calculations shows that with 1 000 operational nuclear power-stations one such accident could be expected over a period of between 1 000 and 10 000 years. In other words, the possibility of such an accident is purely hypothetical. According to the Rasmussen Study, it is 150 times more likely for us to be struck by lightning as we sit here.

As regards the radiation level, in the immediate vicinity of nuclear power-stations, it corresponds to an annual dose of 1 millirem and is comparable to the exposure to radiation on a flight from Europe to the United States. For this reason the discoverer of nuclear fission in Germany, Professor Heisenberg, recently said that, precisely because of the environmental pollution involved, he would rather live next to a nuclear power-station than to a coal- or oil- fired station. He also rejected the criticism that the decision in favour of nuclear power-stations had been taken too quickly. For 25 years the shortage of conventional energy had been predicted and no other energy technology had undergone such thorough research as nuclear energy. Heisenberg is also supported by an energy manifesto published in January 1975 by 28 famous American scientists, including 11 Nobel prize-winners, who warned against false prophets and facile announcements of easy solutions to the energy shortage using sources of energy which today seem exotic. All these considerations have led to the conclusion that there is no alternative to the increased use of nuclear energy to cover energy requirements until the end of this century. Energy savings are also not a solution, although there is an urgent need for research into the possibility of such savings. Although initially such savings can get rid of the superfluous luxury of a prosperous society, they will subsequently endanger our own jobs or those of our neighbours and therefore be of far-reaching importance.

We can no longer simply step out of our cars and ride bicycles to restore justice in transport, as Ivan Illich demands in his book entitled *Energy and Equity*. This movement against technology would not only demand sacrifices of a transitional generation but also lead to the starvation of hundreds of millions of people, because the birth-control measures which we ourselves adopt and expect the developing countries to follow are seen by the latter simply as a new weapon directed against them; they are therefore resented.

What, then, can be done in this apparently hopeless position? Information must be given

on a much greater scale than hitherto on the imaginary and also on the real dangers of nuclear energy; these dangers must be decisively reduced and on no account shrouded in secrecy.

These dangers do not reside in normal operation or in the buildings and structures: they reside in the duration of the decay times of plutonium, caesium and strontium; they lie in transport, in provisional and final storage and in the control of misuse. The transport risks must be reduced by combining nuclear centres in the same area and the plants must be supervised by proper personnel. A start must already be made at this stage on concreting the water reservoirs for the intermediate storage of highly active waste.

Ladies and gentlemen, life entails taking risks and the assessment of risks. Without such assessment life would not be possible. For this very reason the population requires facts, honest and unadorned facts, which have so far seldom been given to us by the scientists in a readily understandable form. For several decades, this information has not been given by different branches of natural science, technology and the economy. There were probably three reasons for this: Firstly, the scientists and organizations responsible did not consider it desirable to give systematic information on new areas of work; secondly, the citizens themselves did not call for such information; thirdly, the mass media—press, radio and television—have given only general and haphazard reports; too often they have been more interested in pure sensation than in giving real guidance.

However, the citizens can and must demand genuine guidance—not sensationalism but careful and accurate information; failing this information we shall be moving towards a time at which electricity will have to be intermittently switched off because energy supplies, and hence the security of our jobs, will no longer be guaranteed. It is not a question of promoting uninterrupted growth: we must save energy and moderate our claim to a comfortable life, because the resources are just not sufficient. But even if we aim at zero growth and demand a shift in priorities, we still need nuclear energy to prevent a far-reaching deterioration in our standard of living.

(Applause)

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

Mr Noè. — (I) Mr President, Commissioner, ladies and gentlemen, the communication from the Commission now under consideration has

Noë

been brilliantly presented in a report by Mr Müller, to whom I am grateful; I should also like to thank Mrs Orth for the statement made to us and Mrs Walz for the work done in the Committee on Energy.

This communication deals essentially with the safety of nuclear power-stations: it concerns both the areas in which the fuel is prepared—where the problems are less because the work is done in closed compartments so that there is no contact between man and the fuel—and the power-stations as such. In the power-station the essential safety problem is to prevent the occurrence of the following sequence: lack of cooling, fusion of the core, creation of a situation which might lead to an explosion of the entire reactor vessel and the escape of a radioactive cloud. That is a terrifying sequence, but the probability of its taking place is almost nil; the cooling-system is in fact one of the key parts of the power-station and if this system undergoes a crisis in operation the process of fission is immediately reduced by a substantial degree and after very few seconds reaches 70% of its initial power, after which it is stabilized at lower values following an exhaustion curve. However, if there were not—as there always is—a second cooling-system designed for these lower values, even with the exhaustion to which I referred, sufficient heat would be developed to cause liquefaction of the core and create real problems. However, as I said, the second cooling-system exists and has been tested. The risks which may arise are therefore as follows: firstly, damage to the general installation; secondly, failure of the secondary cooling-system, thirdly, damage to the general reactor vessel—also designed to withstand exceptional situations—either because an aircraft has dropped a bomb on it or because someone has forgotten to close a door or for other reasons of this kind. As you can see, the likelihood of such an event is very small.

The Rasmussen Report, to which Mrs Walz referred, has been drawn up on this subject in America; and I believe that problems of this kind cannot be discussed without considering that report. It is a voluminous report, is accompanied by a series of other documents and represents a study in great depth. I do not consider it appropriate to discuss the report here—for one thing I am only familiar with the conclusions. But I think that in future we shall have to consider the problems examined in it in greater detail. The final results are, however, of very great interest, because they contain probability calculations comparing the risk of nuclear activities with the risks presented by other activities or situations.

I think it worth while to quote some conclusions from the report here, to which Mrs Walz has in any case already referred.

Assuming the existence of 100 nuclear plants, the frequency of a disaster will be once in 10 000 years, i.e., 100 times as infrequent as disasters due to the possible leakage of chemical substances harmful to man. The latter occurrence is 100 times as likely, giving a frequency of once every 100 years. The same frequency is found for a disaster caused by an aircraft crashing on inhabited buildings; I am not referring to the crash of an aircraft resulting in the death of passengers, but to the death of citizens struck by a crashing aircraft. Higher frequencies are found for disasters due to the collapse of a dam—a disaster which is liable to occur every 20 years. The possibility of death by fire is far more frequent, while that of major storms is still more likely (not in this part of the world but especially in other areas).

All these figures help us to assess the level of safety of nuclear plants. To reach a final judgement, Mr President, we should, of course, need to know how much care has been taken in drafting this report, because the results are directly dependent on that aspect. There is no time to consider the matter in detail today, but I think it would be useful to return to it on another occasion.

Why does the nuclear sector have a high level of safety? Because there is no other technological or industrial activity where the question of safety has been dealt with so carefully. Half the cost of a nuclear plant goes on safety equipment. The motor-vehicle industry has never even remotely approached a target of that kind; between 50 000 and 60 000 people are killed on our roads each year, because it is only very recently that safety measures have been taken in this sector.

I now come to the Commission's proposals, which, although the Treaties only place on the Community an obligation to control fissile materials and radiological aspects (it is only in these two areas that we have obligations), rightly to my mind draw attention for the first time to the safety of nuclear power-stations. This is a praiseworthy initiative even though it is not easy to settle the details, as each country has its own standards. The three Committees which have been working in recent years on attempts at standardization have only made limited progress. In the end safety standards are reflected in technical standards for the design of reactors; Mr Müller was quite right to define as an objective in point 2 of the resolution (even if this is not the main objective) the task of eliminating and preventing barriers to trade.

Noë

This, too, is an object which we must pursue without any illusion that common standards will be sufficient to see the market for nuclear power-stations opened throughout the Community. We all know in fact that other reasons such as the protection of employment in the establishments in different countries always make it extremely difficult to open markets, although this target must not be lost sight of in the interests of the industrial strength of our Community.

Moreover, these standards are extremely complex, because they must deal with a developing science. There is, for example, a considerable difference from regulations on dams. The science of civil engineering and the related technologies involved in dam design are now well established and known, and each country has regulations on dams similar to those obtaining in other countries. There cannot be any doubts in the drafting of these regulations because—as I have already said—the matter is sufficiently well known. Here, however, we are faced with a technology undergoing constant development. Take the example of cooling for a 1 000 000kW nuclear power-station in comparison with the cooling-system for a 200 000kW reactor. This constant development is always raising new problems.

Another example: in the case of fast-breeder reactors, which are being considered by the Community, we do not yet know what power will be chosen and the level of power at which these reactors can be competitive with others; nor do we yet know the conditions of safety in the high power ranges where these reactors will probably be operating. There is thus a mobility which makes the entire sector extremely complex and a dynamic approach is needed to follow it.

I have already spoken of the control of dams, a sector with which I am familiar because I have worked in it throughout my life; and in this connexion I would add that while the design standards in this area are known and established, so that the relevant regulations are practically watertight and not open to criticism or modification, considering the care and studies devoted to the nuclear industry and comparing them with the observations made of the phenomenon of ageing in dams (and it is ageing which has caused the collapses already observed in various countries with, as we all know, tragic consequences), I must say that the risk of similar collapses may increase further in the next few decades because the knowledge we have of the consequences of the process of ageing is, in my modest opinion, in no way comparable to the knowledge achieved in the nuclear sector.

In conclusion, I shall revert to a proposal which I made in Luxembourg a few weeks ago to the effect that—and this will answer Mrs Orth, who rightly complained of the undue haste with which we have to work—in a few months' time Parliament should take the initiative—in agreement, of course, with the Commission, for the Commission has its own targets and has already, for example, presented work on the recycling of plutonium and on different kinds of radio-active waste; the initiative which I believe Parliament should take is to prepare a general report on all the problems of safety, including those in the transport sector, which have been somewhat neglected up to now but are nevertheless important; two months ago, for example, the United States suspended deliveries of enriched fuel simply because a Congressman rightly criticized the fact that an aircraft carrying a cargo of plutonium, coming I believe from Europe, had landed at New York airport in the vicinity of housing areas, with all the risks this might have entailed for citizens.

Problems connected with transport should therefore also be covered in this 'own-initiative' report. I also believe that the chairman of the Committee on Energy, Mr Springorum, intended to ask his committee to draft a report on the regeneration of materials used in the core in addition to fuels. We should then have sufficient elements to return to this subject and answer—this is a political fact—the apprehension felt by the population on which the press often has a negative influence. A few days ago, for example, I read the following words in a newspaper which will remain nameless: 'In a single year a nuclear power-station produces a quantity of radioactive poison one thousand times greater than the Hiroshima bomb.' Apart from the objections which may be raised to the quantity indicated in this statement, which there is no means of checking, it presupposes that the poison is able to escape from the reactors, whereas in fact it is held inside them, with, as we know, wide safety margins.

Having regard to this situation, I therefore repeat the proposal that Parliament should draw up an 'own-initiative' report and in so doing perform a task of information which will also have political implications.

(Applause)

IN THE CHAIR: MR SANTER

Vice-President

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

Lord Bessborough. — We in the European Conservative Group welcome the Commission's communication and the motion for a resolution contained in Mr Müller's report. I congratulate him on it and also Mrs Orth for presenting it.

The main aims of harmonizing safety criteria and avoiding wasteful research are much to be encouraged. As Members of a popular Assembly, we must be aware of public anxiety about the safety of nuclear power stations. They were originally sited in areas where the population was sparse and the safety problems consequently fewer, but now not all nuclear power stations can be so isolated.

The safety record of our installations in Britain has been exceptionally good for nearly a quarter of a century. I believe that the siting of such power-stations is the subject of considerable public debate at present in the Strasbourg-Basle region and, indeed, in France generally. Safety standards, as Mr Müller points out in the second paragraph of the motion for a resolution, have become much more a matter for public concern.

I agree with Mrs Walz and Mr Noè that the danger should not be exaggerated. The dangers inherent in all new forms of power have been a source of misgivings for those who are ignorant of that science. There was great perturbation when Benjamin Franklin first harnessed electricity from lightning. Nuclear energy has proved much safer than coal-mining or even oil drilling in deep water. Even if the American light-water reactor appears to have more trouble than other types, I still do not think that the kind of fears expressed, for example, in a leading article in yesterday's *Dernières Nouvelles d'Alsace* are altogether justified. I would point out that there have been no fatal accidents. This is not to say that every conceivable precaution should not be taken. That is why I welcome the report.

I wish to make two further brief points. The first relates to harmonization of national safety provisions. It is important for us to realize that harmonization will take some time, and therefore when we talk of harmonization we should be thinking, in the main, of nuclear reactors of the future, and in particular of fast-breeder reactors. It is comforting to note from a recent article by the Chairman of the United Kingdom Atomic Energy Authority, Sir John Hill, that the word 'fast' does not mean that fast-breeder reactors will be difficult to control. Indeed, present studies indicate that even severe accidents would do no more than melt fuel. There would — I say this particularly to Mr Noè — be no explosion. But as these are the

sort of reactors which will be proliferating, and not necessarily in under-populated areas, we need to do everything we can to raise and maintain safety standards.

Although Mr Müller refers, in the explanatory statement, to the need for harmonization of safety standards in light-water reactors, I submit that this will not be such an urgent need in view of the fact that national licensing positions are already well established and discussions on safety between the various national bodies take place regularly.

Secondly, I question the assumption in the Commission document and in Mr Müller's report that there is a lack of collaboration and awareness in Member States of both the standards and the research programmes of other Member States. In the view at least of the British atomic energy industry, there has never been a greater awareness of the need to work together in all aspects of safety.

The Commission document is useful, therefore, in emphasizing the need to improve cooperation and collaboration. Thus, this is yet another instance of a question in respect of which there is evidence on the one hand of public concern about safety standards and, on the other, of the belief in the industry concerned that every consideration is being given to public safety.

I believe the present debate is useful in bringing together those points of view and in demonstrating that although we, as a Parliament, need to give the highest priority to public safety, we need not be entirely sceptical about the willingness of the industry concerned to seek for itself the highest possible safety standards.

I welcome the report.

(Applause)

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

Mr Lemoine. — (F) Mr President, plans for building and operating nuclear power-stations raise major problems in the Community countries as they do throughout the world. These many problems, in our present state of knowledge, have not always been fully solved, and further research and study is still necessary. This applies particularly to the protection of human beings and the environment, plant safety, the transport and disposal of waste, and possible pollution and radioactive substances in effluents. It is also true that there is some fear of nuclear energy among the public. It is against this background that the Communist Group wishes to make a number of comments on the report that has been tabled.

Lemoine

Firstly, with regard to the principle itself, we consider that science and technology are vital factors in social progress. We are resolutely in favour of scientific and technical progress, and we believe that the development of nuclear energy could already play an important part in covering the energy requirements of individual countries and of the Community as a whole; but we see the development of the nuclear industry and the building of power-stations as part of an overall policy taking the use of all indigenous energy resources into account. We reject the 'all-nuclear' approach, which results in the abandonment of other energy resources which are available within the Community and which still make a considerable contribution. Coal should continue to play an important part for a very long time. This highlights the responsibility of those who have wilfully written off coal production in some Community countries. It is essential, in our view, to provide for coordination between the various sources of energy—oil, coal, hydro-electric power and nuclear energy—in terms not of competition but of complementarity.

I will make a further comment. Whilst we are in favour of the development of nuclear energy, we believe that it is essential for the nation to have control of it. When the French Government, for example, abandons, at the very moment when several European countries wished to introduce it, the French natural uranium system developed by the Commissariat à l'Énergie Atomique in favour of the enriched uranium system this unquestionably militates against our independence in this area. France will be dependent on American imports for a very long time. Recent events, such as the American embargo on nuclear fuels, are a clear and cruel illustration of how Europe depends on the United States of America. This abandonment of the French system guarantees the dominance of the big multinational companies, like Westinghouse and Pechiney, in the nuclear industry, just as governmental oil policy is also dependent on the big multinational companies.

Another point is that the safety of the Westinghouse nuclear power-stations is a subject of keen controversy. In the United States, accidents, stoppages and power-cuts are increasing in number. In these conditions it seems to us undesirable for our countries to become test sites for this American trust.

We feel it is essential that power-stations should be built which provide every guarantee of safety, and for this there has to be real public control, independent of power-station builders and operators, so that we may be sure of the

reliability and safety of the plant that is constructed.

In our view, there should be three objectives: human safety, by preventive protection not only of workers at power-stations but also of the surrounding residents; technological and scientific development, with the establishment of industrial technological standards for the nuclear industry and through the constant concern to develop exchanges of scientific and technical information with scientists and engineers in other countries, regardless of their social system; and lastly ecological protection—in other words, the prevention of pollution of all kinds and its adverse effects on water and the environment. This question is an important one for this Assembly, not only because we are meeting in Strasbourg but also because several countries, and some Member States of the Community in particular, are concerned by the concentration of 16 power-stations on the banks of the Rhine. Public feeling is running very high throughout this area. In the first case, pollution affects the waters of the Rhine, since higher temperatures might cause bacterial proliferation and accelerate a decrease in ecological renewal. Secondly, the fog caused by the excessive number of cooling-towers will bring about climatic changes in Alsace, with adverse effects on agriculture, one of the main sources of wealth in this area.

Safety is another worry for the public. These fears are warranted by the hurried building of power-stations by privately-owned firms—Framatom has won a number of contracts in the framework of the VIth Plan—since such firms are not subject to any independent public control and have no law but that of profit.

At the same time, we are also concerned to conclude agreements of advantage to both sides with countries exporting raw materials and with the Socialist countries in a framework of co-operation involving all the countries concerned and with due regard for national sovereignty, through loans granted to national research organizations in member countries so that systems providing greater safety may be developed and the degree of our independence of the big private nuclear groups and the United States be increased.

All these problems, therefore, need to be tackled, for many of them have not yet been solved. I give you two examples: waste management and storage and the dismantling of power stations after 20 years' service.

In other words, our scientists need to be given the time and resources they need to study and solve these problems. This is what the trusts, in their thirst for profit, do not want.

Lemoine

A relevant point is that already—and this should awaken our vigilance and insistence—some official circles are finding that present safety standards are too restrictive and making it difficult for the nuclear industry to become competitive.

To conclude, we hope that a democratic nuclear policy will allow research to flourish with the object of meeting our countries' economic and social requirements. To achieve this object in France, for example, the joint programme of government of the Left provides for the nationalization of the nuclear industry. These, Mr President, are the few comments that I wished to make on Mr Müller's report.

President. — I call Mr Scelba.

Mr Scelba. — (I) Mr President, listening to the statistics quoted by our colleagues on the risks of nuclear power-stations, I was reminded of the words of a great poet in the Roman dialect, Pascarella, on the subject of statistics. He said that statistics are a means of showing that each Italian citizen eats two chickens when in fact most of them had no chickens to eat at all.

Returning to the subject of power-stations or the risks they entail, I would like to point out that a single major accident could endanger a large city or even a whole country. Only yesterday a French newspaper contained an appeal by 23 nuclear physicists stating that two basic problems had still not been solved: the problem of the safety of nuclear power-stations and that of the safe disposal of radioactive waste. Faced with the authority of these physicists, we all have the right to ask the Commission to proceed with the utmost caution in this area; we should call upon it to acquaint all the Member States with our doubts and concern so that a common discipline can be arrived at.

President. — I call Mr Espersen.

Mr Espersen. — (DK) The report under discussion states that lack of information and public misgivings are a considerable obstacle to the development of nuclear energy. I am not convinced that we should consider them to be obstacles or in any way unpleasant. In my opinion, the public's uncertain and cautious reaction is quite understandable and if it makes us tread warily, as Mr Scelba said, I do not think it is at all a bad thing.

I say this because in Denmark, which does not have any nuclear power-stations yet, the scientists most involved in the problem of nuclear energy and the authorities that collaborate with

the International Atomic Energy Agency tell us that we should have conventional nuclear reactors. They say we should not have breeder reactors because they are not safe enough, and are far too dangerous to operate. They say there is absolutely no question of using breeder reactors. This obviously gives the public some reassurance, since this form of nuclear energy production is considerably more risky than other forms.

That is the explanation we are given, and so it is obviously surprising to read in point 8 of the explanatory statement: 'The next decade is likely to see the introduction in the Community of large numbers of high-temperature reactors and fast breeders. The latter will undoubtedly solve many problems connected with the limited availability of uranium, and it is claimed they will cause less pollution when generating electricity than uranium reactors.'

In some of our countries, therefore, the public is told that breeder reactors are far too dangerous and should not be considered, let alone used. But in the Communities there is talk of having large numbers of breeder reactors within the next decade. I can quite understand that the public is rather uneasy.

I should be interested to find out, either from the Commission or from Lord Bessborough, whether, as the report, which I support, states, we shall have a large number of breeder reactors in the Community within the next decade. Does the Commission think these plans are realistic? Is this what we have to tell the public?

President. — I call Mr Spinelli.

Mr Spinelli, Member of the Commission of the European Communities. — (I) Mr President, ladies and gentlemen, I begin by thanking Mr Müller for his report, Mrs Orth and Mrs Walz for presenting the subject and all the other Members of the European Parliament for their observations, which have indeed been instructive to us. I would point out right away that, as stated in paragraph 13 of the explanatory statement in Mr Müller's report, the technological problems of nuclear safety, which are the subject of the communication from the Commission to the Council and are under discussion today, are only one aspect, if an important one, of the wider and more general problem of safety in the production and use of nuclear energy for peaceful purposes. This communication forms part of the nuclear action plan presented by the Commission in February 1974. In this connexion I would remind you that the Commission stands by its promise to present,

Spinelli

in the current two-year period, a series of proposals on all aspects relating to the acceptability of nuclear energy in relation to the health protection of workers and the population and protection of the environment. However, as I have already had occasion to tell this Parliament in answer to certain oral questions, I consider it the task of the Commission to go further than the presentation of these proposals and encourage the conduct at European level, on the basis of exhaustive and rigorously objective considerations, of the major nuclear debate which is at present in progress but is being fragmented both in terms of the arguments used and geographically, with the result that public opinion is becoming increasingly confused.

May I assure Mrs Walz, Mr Lemoine, Mr Scelba and Mr Espersen that the Commission is closely examining the way in which it can intervene authoritatively in this important nuclear debate so as to compare in accurate and realistic terms the advantages and risks connected with the development of nuclear energy and enable the decisions to be taken with the fullest possible knowledge of the facts. At the present time there is in fact a danger that a different line will be followed in the different countries simply because attention is concentrated on one single aspect. I do not wish to prejudge the future; perhaps in the end we shall reach the conclusion that nuclear development should be slowed down or perhaps that it can be continued with sufficient safety. However, before reaching the final decision it seems desirable for this important debate to be held at European level. The Commission will no doubt take appropriate steps.

Today, more than ever before, there is a risk that because of the increasing recourse to nuclear energy and the rapid technological developments in this sector, the safety devices and measures will develop in increasingly divergent ways from country to country. If there are any areas in which it is necessary to go beyond national sovereignty and simple national controls, this, Mr Lemoine, is one of them. Otherwise the result may be to create obstacles to trade, to encourage duplication in programmes of applied research and to create divergences and disparities in regard to the procedure for issuing permits, the level of protection and information of public opinion. Community action must therefore be strengthened to prevent these trends from becoming irreversible. That is the intention of the Commission's communication. In fact, with the exception of the research programmes carried out at the joint centre—which, although important, are

limited in scale and object—this is the first time that the Commission has presented to the Council a general document on nuclear safety. In this connexion, I would stress that the Euratom Treaty does not contain a single article dealing specifically with nuclear safety, although that is certainly one of the objectives of the Treaty as a determining factor in the development of the nuclear industry.

As regards the first type of action, namely, the harmonization of safety techniques and standardization of equipment, the Commission's communication is based on the idea of harmonizing technical standards and legislation and not of a Community normative power. The harmonization measures are intended to be preventive. Their purpose is to achieve a satisfactory degree of technical harmonization before the safety standards are gradually laid down in specific form. At present, legislation on nuclear safety only deals with administrative procedures for the obtaining of permits to build and operate nuclear plants. The technical standards are still far from being laid down in the form of regulations or legislation, and it would not be appropriate to have definitive legislation in a sector which is undergoing considerable development. There is still a broad margin for action at Community level which we propose to make use of. To this end other actions are being studied, such as the implementation of a Community mechanism for the rapid and systematic exchange of information on nuclear incidents or the creation of technical data-banks referring to equipment damage.

As to the second line of action referred to in the communication, aimed at the coordination of applied research programmes, may I say at once that this would be additional to the Community Research Programmes already under way or due to be initiated shortly in the area of the safety of nuclear plants. These include the Ispra programmes (approx. 27 million u.a. between 1973 and 1976) on the safety of water and fast-breeder reactors. Only recently, the Commission proposed to the Council the extension for a further five years of the Dragon Agreement concerning the development of high-temperature reactors. A major part of this programme—and I would draw your attention to this, Mr Espersen—will be devoted to the study of safety problems affecting this type of reactor.

Finally, the Commission intends to present to the Council before the summer a proposal for a common programme dealing with the safety of fast-breeder reactors, to be carried out on a contractual basis as an addition to the research already in progress at the joint centre. I hope that these details will fully answer the concern

Spinelli

expressed by the rapporteur in paragraph 10 of his explanatory statement on the subject of the safety of advanced reactors.

I wish to add a final comment on the subject of international cooperation. The Commission cannot accept the reference to Article 116 of the EEC Treaty made in paragraph 6 of the motion for a resolution and would therefore like the words 'pursuant to Article 116(1) of the EEC Treaty' to be deleted from this paragraph. This article refers in fact to cooperation with international economic organizations only and is therefore restrictive in relation to the possibilities of action which we require in this field.

The requirement to coordinate research on safety, a great deal of which is conducted at national level, not only exists but has become more acute and is receiving especial attention from the International Atomic Energy Agency.

The problem is in essence the same as the one I dealt with a few months ago in connexion with the programme for radioactive waste. The identity of the Community is particularly threatened today. On the one hand, there is a return in strength to bilateralism and, on the other, multilateral initiatives of an intergovernmental nature which are superimposed in a confused manner on the difficult process of European unification.

The communication which the Parliament is now examining, together with that already considered on the subject of energy research and radioactive waste, is intended as a reply to this need, although within the limits of the present stage of European unification. I cannot hide from you, ladies and gentlemen, the fact that the reservations expressed by one state to our proposals which you have approved on the subject of radioactive waste and the difficulty of making progress with the programme of energy research as well as the programme for the development of other forms of non-nuclear energy—solar and geothermal energy and the more rational use of coal—are a disturbing element on the road towards the affirmation of a political and economic personality of Europe *vis-à-vis* the rest of the world.

While asking Parliament to vote in favour of the communication now before it, we also hope that the Member States will cease their delays and thus enable a coherent and open European position to be adopted in the forthcoming negotiations.

Finally, I would say to Mrs Orth, who regretted a certain timidity in dealings with the Council, that she will only be right if no action is taken at an early date on this communication, together

with the other proposals to which I have referred in my speech. I would repeat that the document under consideration is only a first step and has the specific aim of drawing the Council's attention to all the technological problems connected with nuclear safety and the need to deal with those problems in a coherent and harmonized manner at Community level.

My answer to Mr Noè is that in March we assessed the Rasmussen Report with a group of our best qualified experts and forwarded our evaluation to the USAEC; we expect to have a meeting with Mr Rasmussen in the next few months to discuss his report.

(Applause)

President. — Does any one else wish to speak? I put the motion for a resolution to the vote.

The resolution is adopted.¹

8. *Directive on the commencement and conduct of the business of credit institutions*

President. — The next item is a debate on the report drawn up by Mr Scholten, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission of the European Communities to the Council for a directive on the coordination of laws, regulations and administrative provisions governing the commencement and conduct of the business of credit institutions (Doc. 66/75).

I call Mr Scholten.

Mr Scholten, rapporteur. — (NL) Mr President honourable members, in an article in the Dutch newspaper *Bank en effectenbedrijf*, the Vice-President of the European Commission, Mr Simonet, who unfortunately could not be present at the discussion of this report today, named four reasons why harmonization of banking legislation, with particular regard to the supervision of credit institutions, is reasonable and urgent in Europe.

In the first place, legal harmonization of banking legislation in the nine Member States is important and interesting for the credit institutions affected themselves. Banks are traditionally already strongly internationally committed. That commitment can only become stronger in a future economic and monetary union.

Secondly, at the present stage of development an exclusively national supervision of credit

¹ OJ No C-128 of 9. 6. 1975.

Scholten

institutions, entirely directed at the domestic scene, is no longer sufficient.

Thirdly, coordination is necessary in view of the increasing activity in the Community of banks from outside it.

Fourthly, coordination of banking legislation is also an important contribution, from the purely political point of view, to the further development of Europe.

This proposal for a directive constitutes, as the first sentence of the explanatory statement says, a further move towards the creation of a common market in banking. The fact that this is a step forward is regarded as positive by the Committee on Economic and Monetary Affairs. As regards this positive assessment of the proposal, I do not want there to be the slightest shade of doubt. This does not, however, mean that there has been absolutely no criticism from among us.

Originally, the Commission intended a much further reaching proposal than the present one. With the idea that monetary union could be achieved in the fairly short term, it began with a very detailed draft that regulated everything. After working on it for a fair amount of time, it shifted to a much more modest conception. Both the retreat from the prospect of monetary union and the accession of three new Member States made the Commission see that it was completely impossible to do everything in one go. I think that the decision to return to the step-by-step method was a realistic one. But I must state two things with some disappointment: considerable delays in the process of coordination have arisen and, moreover, the directive before us is a very modest step forward. It is a step forward, but certainly not a big step.

In the same issue of *Bank en effectenbedrijf*, Mr H. J. Muller stated, in my view correctly, that this method threatens the danger of surface success from the achievement of surface harmonization. Genuine harmonization, according to Mr Muller, might be difficult to achieve, since the starting-points have been insufficiently uniform from the outset. The Committee on Economic and Monetary Affairs understands in view of the circumstances that everything cannot be done at once, but would nevertheless make an urgent appeal both to the Council to adopt this directive as soon as possible and to the Commission to work out and submit to us as soon as possible further-reaching proposals for coordination. In this connection, I should particularly like to mention two topics: the freedom that stockbrokers and commission agents also have to have to be able to carry on their jobs across frontiers, and the settling of the special

problems arising from concentrations and mergers in banking.

This directive owes its importance to four main points: firstly, the introduction of a uniform and objective policy on commencement of the business in the whole territory of the Community; secondly, the centralization of supervision of branches in other Member States under the authorities of the country where the headquarters are; thirdly, the harmonization of solvency and liquidity regulations; fourthly, the setting up of a contact committee at European level. The Commission attaches particular importance to this last point. In the words of the explanatory memorandum, 'the creation of a contact committee could even be regarded as the main point of this Directive.' Personally, I find this a bit of an exaggeration. However important the creation of the contact committee—I shall come back to it shortly—as regards the structural development of the European banking markets in the future, other points are certainly just as important in the somewhat longer term.

Before going into a number of specific points in greater detail, I should like again to state explicitly that the object of this directive is the coordination of Member States' provisions in the area of banking legislation, to the extent that these provisions have to do with guaranteeing creditors' interests. The object is therefore not monetary policy in the sense of policy on regulating the value of the currency.

Now that a choice has been made in favour of the step-by-step approach to coordinating legal supervision of credit institutions, it is comprehensible that there are definitions of only a limited number of functional concepts in this directive. It is nevertheless to be regretted that a number of very important definitions are missing. I am thinking here particularly of the description of the term 'own funds'. A definition of this term is very essential in banking. A bank's own funds are the guarantee of its soundness, and they play a part in determining the bank's ability to provide credit. One of the questions which will face the Commission when defining the term 'own funds' is whether in the case of cooperative banks the unlimited liability of members can be regarded as part of 'own funds'.

Ideas on this question have differed hitherto. Some people consider that 'own funds' should cover only those parts that a credit institution can dispose of unconditionally, directly and permanently. Others, on the contrary, think that members' liability is genuinely part of a cooperative bank's own funds. Your rapporteur has a lot of sympathy for this last standpoint. This

Scholten

question is particularly important for agricultural banks.

Another important point about the term 'own funds' concerns the assessment scales to be applied to determining 'own funds'. This is an essential matter, particularly for the savings banks in Europe.

The conditions on solvency and liquidity to be set must not be allowed to disturb normal competition conditions. The number of exceptions to the main rule of supervision must therefore be kept as small as possible.

Against this background, the Committee on Economic and Monetary Affairs proposes that the exemption of Post-Office Giro institutions be dropped. In some Member States, these offices are increasingly coming into free competition with private banking. With this in mind, we consider that supervision should be arranged in the same way.

The Committee on Economic and Monetary Affairs understands that technical problems temporarily exclude certain groups or types of credit institutions from the application of the directive. However, only temporary—and I should like to stress that word—use should be made of this possibility. This exemption must certainly not be allowed to become permanent. It would be an unacceptable situation in Europe if the savings banks in say, Germany, were subjected to supervision, but those in France permanently not.

The Commission itself has proposed in Article 2 of the directive a special procedure to ensure that any deferment of application of the directive shall not last too long. The Committee on Economic and Monetary Affairs would like to make this procedure still stronger.

It appears from the Commission's proposal—and particularly the explanatory memorandum—that it is taking account of the necessity of possibly devising sector-by-sector banking legislation in the future. I would strongly regret such a development. The result of this kind of sector-by-sector development cannot help being that differing provisions apply to different sectors. The danger of distortion of competition is then very close.

A very important point is the question of the so-called '*besoin économique*'. In a free market that in principle has freedom of establishment, the authorities may not apply the criterion of economic needs of the market. Using this criterion would turn a common banking market into a laughing-stock. The Commission essentially agrees with this, but does not yet wish to lay this down for reasons of caution. As

rapporteur, I am particularly pleased that the Committee on Economic and Monetary Affairs has been prepared to make matters clear on this point.

Finally, I come to the proposal to set up the Contact Committee. This is an important proposal. The committee has a three-fold task:

- 1) harmonizing policy in specific cases;
- 2) studying questions that arise with the introduction of the directive; and
- 3) advising the Commission on further coordination.

The Committee will be able to play an important rôle for the Commission as a sounding-board to test opinion on developments in coordinating banking laws. I should, however, like to draw attention to one important point.

The first task I mentioned means that the committee will have access to documents relating to the supervision of banking, in particular regarding individual banks and probably individual customers of banks. The supervising authorities are all now bound to complete confidentiality by their national laws, as regards *individual* data obtained in the course of their activities. They have a considerable interest in strictly observing this obligation, since that is the only way they can rely on full cooperation from banks in the provision of the necessary information. This consideration is the main reason why in most countries there is a strict separation between bank supervision on the one hand and governmental bodies on the other. It is essential to maintain this principle at European level; otherwise there can be no open exchange of information between the supervisory authorities.

In the opinion of the Committee on Economic and Monetary Affairs, the creation of the Contact Committee as the Commission envisages it cannot satisfactorily meet this essential condition. That is why we have proposed some amendments on this point.

The obligation to continue measures towards further coordination and harmonization exists just as much for the Commission after the setting up of the Contact Committee, although here I follow in the footsteps of Dr Peter Troberg when he said that the initiative to proceed to further stages of coordination ought to come more than has so far been the case from banking and credit practice itself.

The way towards a single European banking law is still long and full of obstacles. I am fully aware that at this moment in the Community there are still nine banking-systems, side by

Scholten

side and largely separate from each other. I am also aware that the harmonization of economic supervision will only have real sense and meaning if, among other things, mutual restrictions on capital movements disappear and stable exchange-rates exist within the Community. Unity of currency and freedom of capital movements are essential conditions for creating a common banking market in the Community.

It will therefore be of interest for the report by the Spierenburg Group, brought out last week in the Netherlands, to be brought up for discussion at international level too.

Even though at the moment we are still far from the final stage we all have in our minds, I think it is very important for this first modest step towards the coordination of economic supervision to be taken.

In the present situation, the step-by-step approach is the only possible one. I sincerely hope that the Commission will prove justified in its expectation that it will be possible to separate the fields where problems are likely to be minor from those where the difficulties are greatest.

In the light of these considerations, the Committee on Economic and Monetary Affairs advises you, unanimously with one abstention, to take a decision approving the resolution submitted to Parliament.

(Applause)

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

Mr Broeks. — *(NL)* Mr President, our group has no need to dwell on this report. But on the other hand it is also the case that very important things that take place in this Parliament frequently receive too little attention, either because of the time when they are dealt with, or because we are already agreed.

Today our group fully supports the proposal submitted. We endorse Mr Scholten's words of agreement and his criticisms.

We could therefore have let silence suffice, were it not that we wish to bring out openly the fact that we regard this first step as very important. Along with Mr Scholten, we hope that other steps will follow very quickly. We partly share his scepticism regarding the possibilities. We must thank Mr Scholten for his report and for the excellent explanatory statement.

President. — I call Sir Brandon Rhys Williams to speak on behalf of the European Conservative Group.

Sir Brandon Rhys Williams. — On behalf of the European Conservative Group I congratulate the rapporteur for the admirable way he has piloted this very technical report through the committee and introduced it in our part-session.

The draft directive represents only a small step forward, but it is one with big possibilities and one with implications, too, which must be treated with care. We are moving slowly towards the creation of a genuine Community capital market. Many people have felt despondent in recent months about the progress of the Community towards economic and monetary union; but perhaps they are falling back from the over-ambitious plans which we adopted a year or two ago.

We are now taking more realistic steps forward: the adoption of a new unit of account is one, the draft directive is another. It is not possible to move forward, in spite of what we have read in the Marjolin Report, towards liberation of movements of capital in personal hands; but we can move forward, under supervision, by institutional means.

At the Community level obviously there are big implications for movement of capital in the new regional policy, which is still only in the process of evolution. I feel, too, that the success of the European Investment Bank is an example which should be followed up, possibly by amendment of the European Investment Bank's Statute to allow it greater freedom, possibly by the development of a sister institution which would be able to make soft loans in accordance with agreed Community policies.

Besides those institutional developments at Community level, there is an essential role for the private institutions of the capital markets. That is what the draft directive is all about.

The step forward which is now proposed is, of course, of particular significance for the City of London. London has built its prominent position on the basis of freedom, but it also has, in the Bank of England, a formidable and respected organ of guidance and control.

The implications of the draft directive for change in the United Kingdom are small. The only provision which is clearly not met by the present UK system is the requirement for prior authorization before entering business. In particular, there have never been restrictions on freedom of establishment for branches or subsidiaries of foreign banks in the United Kingdom. Article 3 of the draft directive will require the introduction in the UK of a positive system of bank licensing associated with a ban on banking activities carried out by unlicensed institutions.

Rhys Williams

We can say with confidence, I think, that this measure would be widely welcomed in the UK.

I wish, first, to make some observations of a general character on the contents of the draft directive and then, if time allows, to deal with some particular points.

The draft directive has no direct bearing on the freedom of action of each Member State in regard to monetary policy, but inevitably it will work towards harmonization of conditions across the Community with the passage of time. This will exert pressure on national monetary authorities and may have some unforeseen results. But the development will be all to the good and will help to create an integrated Community capital market, which ultimate economic and monetary union requires.

There may also be implications for the management of foreign exchange. These matters are hard to assess, but by developing Community-wide monetary institutions in the private sector we shall be giving wider scope for the manipulation of leads and lags. These are aspects of the new policy which will have to be kept under constant review.

This brings me to the question of the ratios established under the draft directive. We should not try to legislate meticulously in this field now. The scheme that has been brought forward by the Commissioners is more modest than the original plan, but is more practical and depends on a stage-by-stage approach which is more realistic. Authority will have to rest with the supervisory body set up by the draft directive. We are outside the field where legislation would be useful at present.

So we are to take a further step in Community institutional evolution through the creation of the new Contact Committee. At first it seemed to me that this would be just one more committee in the monetary sphere, but I believe that it is in fact a necessary development of the activity of the Committee of Central Bank Governors, and that the Contact Committee will have an important and positive role. It is vital to leave to experts the interpretation of rules in this highly technical field where the environment is so fluid and changes from day to day.

The question, then, arises as to the role of the Commission. I think that the Commission's role in banking should be to observe and to guide, but not to participate. I say this with particular emphasis because I have been disturbed by activities and tendencies on the part of the Commission in recent months — for instance, the Commission's direct involvement in the

handling of the Community loans scheme. I think that was an undesirable step, and I know that other Members agree with me. We believe that it is not right for the Commission to become directly entangled in banking negotiations. However, the Commission must be represented on the Contact Committee.

The Contact Committee is to comprise two representatives of the supervisory authorities of each Member State, plus two representatives of the Commission and one or more advisor for each. The Committee obviously cannot be enlarged beyond that: one might say that it is already tending to be a little on the large side when we consider the delicate work which it may have to undertake. It is right that the Commission should not be represented where particular cases are being considered. The Commission, outside the Contact Committee, must be open to receive opinions and recommendations from the credit institutions and their representative bodies to formulate plans for further progress. Much remains to be done, after the directive is in force, to widen the scope — for example, to take in the activities of stock-brokers. We hope that we shall also move on to consider other implications of the step we are taking, such as Community policy towards mergers and competition in credit institutions. The Commission and Parliament must be ready to exert pressure if any particular national monetary authority is seen to be applying the rules in a protective or restricted way. There is a danger that this might happen.

In essence, we are leaving individual central banks and monetary supervisory authorities in the Member States with a great deal of discretion over what happens in their own money markets. It is right that we should leave that discretion with them, but it would be wrong to allow it to be misused.

I should like to deal with one or two particular points. The addition has been suggested, in Article 1, of the rather controversial words 'or make investments'. I and others have looked at this suggestion. We feel some doubt as to what it might imply. Although we have not gone so far as to propose an amendment for those words to be deleted, we believe that the Commission should study carefully whether it is advisable at this time to leave a fluffy edge on the definitions in the draft directive. What I am saying corresponds to professional opinion in Denmark and Britain, which holds that it would be undesirable if the extension of definition were to remain. I put this point forward as a serious consideration, though not as a formal amendment.

Rhys Williams

We support the rapporteur in insisting that Post Office Giro institutions should be covered by the directive. Furthermore, we suggest that the exclusion of regional development institutions should apply only to those whose only function is in this field, otherwise there might be room for doubt.

A question which has given concern relates to the qualifications of those who may take part. Experience is probably the most important qualification, and we feel that it is important to emphasize that experience is more important than formal qualifications or even, perhaps, personal standing.

As for the delay in granting authorization, it seems that six months is a rather long period to give the officials to arrive at their conclusions. We suggest that six months should be the maximum. We believe that in most cases it should be much less. One would hope that 12 months would be the longest delay permissible in arriving at a final decision over an application to open a branch in another centre. On the other hand, where withdrawal of permission is concerned under Article 8, it seems that only six months during which the new institution has to set up its office and enter into active life might be rather too short a period. This stipulation deserves further consideration.

I stress that these latter points are of a minor character only. Broadly speaking, the European Conservative Group warmly welcomes this draft directive and Mr Scholten's report. It promises a most significant advance in a most important field, and we consider Parliament should call on the Council to ensure that it is quickly implemented.

President. — I call Mr Spinelli.

Mr Spinelli, Member of the Commission of the European Communities. — (I) Mr President, ladies and gentlemen, I begin by thanking Mr Scholten for his excellent report. Ten years have passed since this Parliament delivered its opinion on a first directive on banks, which aimed at eliminating restrictions on freedom of establishment and freedom to provide services in the banking sector. That directive was adopted only two years ago, in June 1973. I sincerely hope that the directive under consideration today will be adopted much more quickly, since, on the one hand, the first directive has had only modest practical effects because of the divergences between banking regulations in our countries and, on the other, recent banking crises in several Community

countries have stressed in a clear manner the need for supervision of credit establishments at European level. The coordination at which we are aiming with this directive should therefore at the same time facilitate the tasks of the bank supervisory authority and help those credit establishments which intend to extend their networks to the entire Common Market. In other words, the directive should promote integration in the banking sector, which, at the present time, is seriously impaired by the simultaneous existence within the Community of nine widely differing sets of supervisory regulations.

While this programme is ambitious, the proposal for a directive submitted to you is, as a number of speakers have rightly pointed out, fairly modest, but this text is no more than a first step towards a more far-reaching coordination which we must achieve by successive stages. The motion for a resolution indicates in this connection a number of practical measures which will receive the Commission's early attention. These include in particular standards designed to ensure the maintenance of adequate solvency and liquidity for the credit institutions and the standardization of minimum requirements regarding the resources owned by these establishments. I would add that, as your rapporteur wishes, and as in the case of the text now submitted to you, each proposal for future coordination will naturally include consultation of the professional organizations of the credit establishments at European level.

The problem of exchange agents will be dealt with in another directive. But might it not be possible to achieve more substantial progress already in the first stage of coordination? I wish to be quite clear on this point. I consider that the text presented to you is a valid point of departure, and we are entitled to hope that it will be accepted by the Council in a reasonable time. Your rapporteur wants mention to be made in the proposal for a directive that the examination of requests for authorization of a new credit establishment by the Member States should involve no reference to the economic requirements of the market. This criterion gives, of course, a greater power of discretion to the authorities applying it. Like your rapporteur, the Commission, too—as is stated in the report and explanation of its proposal—would like this criterion to be eliminated, but at the same time it is aware that a proposal for its outright elimination in the first phase would have no likelihood of being accepted by the Council. The Commission considers it more constructive to indicate a path which will lead to a progressive reduction of the discretionary powers available to certain individual states rather than proposing their total abolition from the very

Spinelli

start; this would be unacceptable to at least three countries: France, Italy and Ireland. The activity programme which the credit establishments must submit to the authorities will enable us to define more clearly and thereafter to standardize and render more objective the elements of appreciation which are at present hidden behind the vague term of the needs of the market. For that reason, I can only regret that we are being asked to delete this term, which is the first step towards the elimination of non-objective criteria. At all events, we must realize that any attempt to proceed too far and too fast in this rather delicate and politically sensitive area would be tantamount to an indefinite postponement of any progress at all.

The same comment holds good for the criticism of the exemption provisions concerning the area of application. The declared purpose of these exemptions is to enable the Member States to refrain provisionally from applying the directive to certain credit establishments subject to special rules and authority. Clearly problems would be raised if these establishments were subject to the coordinated rules: we wish to give the Member States the time they need to solve these difficulties; otherwise, a long list of credit establishments would have to be expressly excluded from the directive, and I am sure your Committee on Economic and Monetary Affairs does not want that.

The differences between us and your rapporteur on these points are not differences of substance but centre strictly on questions of expediency. There is, however, one single but fairly important matter on which we are unable to endorse the views of your rapporteur for basic reasons of principle: this is the matter of the rôle of the Contact Committee. The committee which the Commission would like to set up should essentially have a dual rôle: on the one hand, to solve the specific and practical problems of application of the directive and, on the other, to pronounce on the general orientation of future coordination. This does not mean—and I would like to set your rapporteur's mind at rest on this point—that the Commission intends to abandon its right of initiative in respect of future developments of Community legislation in the banking sector. It wishes quite simply to benefit from the experience of competent authorities in this area.

That being so, it is obvious that the Commission must play a full part in the work of this committee. Your rapporteur, however, proposes that the Commission Representatives should be excluded from meetings of the committee when the latter is considering problems connected with the exercise of control in the banking

sector with particular reference to individual cases. The approach to coordination in the future will depend on practical experience; any attempt to exclude the Commission from participation in one of these two essential functions of the committee would amount to jeopardizing the entire mechanism which we have designed. In this connection the argument is raised of the need to maintain secrecy in all matters pertaining to banking control in individual cases; but let me stress that the result would not be to protect private interests but to maintain exclusive rights of national administrations, from which the Community Administration would be excluded since only national officials were present. Let us not forget that Article 214 of the Rome Treaty requires Commission officials to maintain exactly the same professional secrecy as officials of national supervisory bodies. The Commission did not want to set up a supernational supervisory body in the banking sector, although such a solution might be seen as the ultimate conclusion of our coordination work. It simply wanted to set up a body for consultation and cooperation at the technical level. I would therefore strongly urge you to reexamine this important point, since the Commission could not abandon, without infringing the Treaty, the rôle given to it by that Treaty. At the level of relations between the Institutions, in voting even the partial exclusion of the Commission from a Community body such as the Contact Committee, the Parliament would be creating a precedent liable to have serious consequences for relations between the Institutions.

I therefore venture to hope, Mr President, that this will not happen.

As to cooperation between the Contact Committee and the European Monetary Cooperation Fund, I can accept the proposal of omitting reference to the principle of such cooperation in the text of the directive and leaving the definition of this matter to the internal rules of procedure which the committee will itself draw up. In fact, such cooperation would, of course, be necessary; however, I would not like you to be left with the impression of a disagreement between your rapporteur and ourselves. There are many points on which we do agree and in connection with which I feel some of the improvements suggested can be adopted.

Let us look quickly at the various amendments. In the case of Article 1, the area of application of the directive could be widened by adding investment operations to the activities listed and by deleting the exception which we included for postal cheque offices. I agree to the proposal concerning the funds owned by coopera-

Spinelli

tives. As regards Article 2, the possibility of postponing application of the directive for certain types of establishments, not for an indefinite period but for successive two-year periods, could be accepted. As to Article 3, the need for each new banking company to have a capital separate from the private assets of its members could also be accepted, but we are not for the present favourably disposed to deleting the criterion of economic necessity for the reasons I have just outlined. As to Article 10, the suggested closer definition effectively improves our text and I am grateful to your Legal Affairs Committee for making this suggestion. With reference to Article 11, on the other hand, except in the case of the sentence in paragraph 3 relating to the links with the European Monetary Cooperation Fund, the amendments proposed cannot be accepted by the Commission for the reasons I have just given.

Mr President, the Commission has made a fairly cautious proposal; we might be criticized for not having gone far enough, and I consider such criticism positive and constructive because—let me repeat this—the Commission, too, is resolved to go further. It is simply proposing a first step which will be followed by other proposals in the near future. Thus, with your assistance, it can be sure of bringing to a successful conclusion the vast undertaking of far-reaching co-ordination of the legal framework governing bank systems in the Community.

President. — Does any one else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

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

The House will rise.

(The sitting was suspended at 1.15 p.m. and resumed at 3 p.m.)

IN THE CHAIR: LORD BESSBOROUGH

Vice-President

President. — The sitting is resumed.

9. Decision empowering the Commission to issue Euratom loans

President. — The next item is a debate on the report drawn up by Mr Memmel on behalf of

the Committee on Energy, Research and Technology, on a proposal from the Commission of the European Communities to the Council for a decision empowering the Commission to issue Euratom loans with a view to a Community contribution towards the financing of nuclear power stations (Doc. 79/75).

I call Mr Behrendt on a point of order.

Mr Behrendt. — *(D)* Mr President, on behalf of the Socialist Group I request that this report be referred to committee, for the following reasons. An Amendment No 1 has been tabled by Mr Normanton and Mr Osborn to paragraph 2 of the motion for a resolution, and the question raised therein has not yet been discussed in committee. All groups in this parliament therefore take the view that the report should be referred to committee in order that the problem may first be discussed there.

I formally request reference of the report to committee.

President. — I call Mr Normanton.

Mr Normanton. — May I, on behalf of the European Conservative Group as well as on my own behalf as proposer of the amendment, suggest that for the benefit of the House, and more particularly for the guidance of the committee at a future and early date, you, Mr President, agree to take the amendment briefly? I would, in anticipation of that being your wish and the wish of the House, at the end of moving that amendment be prepared to agree to withdraw it and refer the whole matter for consideration. I suggest that by doing so we shall be enabling the journal of this House to reflect a significant feeling on a very important matter, and it may serve as a good guideline for discussions in the appropriate committee.

President. — I call Mr Fellermaier.

Mr Fellermaier. — Mr President, Mr Normanton's wish is understandable, but it contains the very reason why the matter should be referred to committee. There are the experts, and either the experts will be impressed by Mr Normanton's argument and speak in favour of the amendment or the author of the amendment himself will be prompted by the discussion to withdraw it. The House would therefore do well to follow Mr Behrendt's proposal and refer the matter to committee without entering upon a debate on the subject now.

President. — I call Mr Normanton.

¹ OJ No C 128 of 9. 6. 1975.

Mr Normanton. — On a point of order, Mr President. May I ask whether I have interpreted Mr Fellermaier correctly? Am I correct in assuming that the procedure of this House allows a Member to move a resolution or amendment and, with the approval of the House, at an appropriate stage in the debate to request the House's approval to withdraw it? Surely the procedure of this House allows this to happen and give the mover the freedom, if the House agrees, to withdraw the amendment. It is strictly a matter for your guidance, Mr President, but my parliamentary experience in my own House suggests that this would be strictly within the Rules of Procedure.

President. — I call Mr Memmel.

Mr Memmel, rapporteur. — (D) Mr President, I cannot speak on behalf of my group, only as rapporteur, and therefore have to say that Mr Normanton's amendment embodies a view which should be discussed in the Committee on Budgets or the Committee on Economic and Monetary Affairs but which is without interest for the Committee on Energy, Research and Technology. This committee has, however—in my view, wrongly—been made the committee responsible, and since that is so we have to deal with the matter.

If Mr Behrendt's proposal to refer the matter to the Committee on Energy, Research and Technology, the committee responsible, is adopted, then the Committee on Budgets and perhaps also the Committee on Economic and Monetary Affairs will have to be asked for their opinions, since the point of view advanced by Mr Normanton is of interest only to these two committees.

President. — Do you support Mr Fellermaier on this, Mr Memmel?

Mr Memmel, rapporteur. — (D) I agree that the matter be referred to committee.

President. — I call Mr Lagorce.

Mr Lagorce. — (F) Mr President, ladies and gentlemen, I rise to present the opinion of the Committee on Budgets. As Mr Fellermaier has just said, we in the Committee on Budgets are astonished that this matter was not referred to us for an opinion, because it is one which has financial and budgetary implications.

The Committee on Budgets has examined at length and very carefully the problem which has been raised, but the amendment tabled by the European Conservative Group was not referred to the committee.

That is why I support Mr Behrendt's and Mr Fellermaier's request for reference of this amendment to committee for further examination, as the Committee on Budgets has not had time to examine it.

President. — I put to the vote the proposal to refer this matter to committee.

The proposal is rejected. —

I call Mr Memmel.

Mr Memmel, rapporteur. — (D) Mr President, ladies and gentlemen, I shall be very brief. What this item calls for is not a debate on nuclear energy, or indeed on energy at all, but merely a discussion on whether the Commission is to be empowered to issue loans towards the financing of nuclear power-stations.

I shall begin by making three points. First, the Commission's proposal concerns a contribution by the Commission towards the financing of nuclear power-stations to the extent of 30% at the most: there is no question of financing them completely.

Secondly, we are concerned here with a question of granting permission, in accordance with Article 187 of the Euratom Treaty, to raise loans, not of giving approval to loans already raised.

Thirdly, on 17 January 1972, the European Parliament expressed a positive reaction to a similar proposal to raise a loan—admittedly of only 100 million u.a.—on the basis of a report by Mr Adams on behalf of the same committee. I draw attention to this at the beginning of my written explanatory statement, to which, incidentally, I would refer Members in order not to take up too much of their time now.

There are two main differences between this document and the one dealt with on that occasion. First, the sum concerned on 17 January 1972 was one of 100 million u.a.; today it is five times that amount—500 million u.a. Secondly, it was legitimate on that occasion to assume that nuclear power-stations would be built in sufficient quantity, particularly as the energy crisis, of which our committee had consistently been warned, had not yet broken out on the scale we have today. Today we know how necessary nuclear power-stations are and we also know what their construction costs.

Apart from this, it has recently become clear that the planning and construction of nuclear power-stations is lagging seriously behind. We must therefore make a serious attempt to ensure that at least that which is still possible is in fact carried out, and in this respect the Commission's proposal provides a valuable instrument.

Memmel

The criticisms made by our committee with regard to the 1971 proposal have in the meantime been taken into account by the Commission in their entirety. From the point of view of energy policy, therefore, we can give an unqualified approval to the present proposal.

This proposal, however, has also certain budgetary and financial aspects, which the Committee on Energy, Research and Technology cannot afford to let go unregarded. First, there is the question of the European Parliament's budgetary and supervisory powers—that is to say, a highly political problem; secondly, in our committee's view, the exercise of these powers provides this Parliament with a means of actively intervening in the Community's energy policy—so far as this exists. Our committee therefore supports the demands of the Committee on Budgets, which has been asked for its opinion: this opinion will be presented on behalf of the Committee on Budgets by Mr Lagorce.

In paragraph 1 of the motion presented by our committee, we note that the Commission has taken into account our earlier demands in this field. In paragraph 2, we make certain demands regarding economic policy based on the fact that we have no wish to contribute to the financing of experiments, only of plants which will really help to ensure a proper energy supply. In paragraph 3, we state unambiguously that Community borrowings and lendings are to be entered in the annual budget. The reason for this is Parliament's determination to protect its rights. We know that with regard to loans there are certain limitations imposed by the ECSC Treaty, and so we demand that an entry be made in the annual budgets to cover Community borrowings and lendings in line with the relevant legal rules—that is, in line with these limitations. Paragraph 4 contains the usual request to the Commission to take over our proposals for amendments in accordance with Article 119 of the Treaty. Finally, paragraph 5 may seem a little unusual, since it is here a question of applying the budgetary rules. We call for application of the appropriate procedure if no account is taken of this Parliament's wishes. Putting it specifically, if the Council fails to adopt the Commission's proposal as presented to us and supplemented by us, it will have to expect an application of the conciliation procedure. This would also be the case if the Commission made some change, such as omitting an article from its own proposal, and the Council adopted the proposal as modified by the Commission against this Parliament's wishes.

Of particular importance to us in this connection is Article 4 of the draft Council decision, which reads:

'Incomings and outgoings in respect of borrowings and loans under this Decision by the European Atomic Energy Community shall be entered in the section of the Budget of the Communities which relates to research and investment expenditure.'

Article 4 of the draft Council decision of 1971, which we adopted on 17 January 1972, had almost exactly the same wording. There is not the slightest reason for removing this Article 4, which has been proposed to us and which we shall probably approve once again. The Commission would therefore oblige us by confirming, in its response to this resolution, that it has no intention of altering in any way Article 4 of the draft decision. I say this because there have been rumours of some such intention, and I should be grateful if the situation could be made clear.

Finally, on behalf of the Committee on Energy, Research and Technology I ask the House to vote without reservation for this motion for a resolution.

(Applause)

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

Mr Lagorce. — (F) Mr President, ladies and gentlemen, we all know that at present Parliament only enjoys real powers in the budgetary field. We also all realize what reluctance it is meeting in its legitimate desire to increase its budgetary powers, to the point that it has sometimes been obliged—as in the case of the Regional Fund—to exercise its rights in the matter and ignore the hesitation of the other Institutions.

What is the real, the effective part of its budgetary powers? Are we aware of their present limitations and the threats to these powers in the short or medium term?

These powers are only exercised over financial and Community activities in so far as these are actually covered by the Community budget. Several of these activities, and not the least important, are not included in the budget and Parliament cannot therefore exercise its budgetary prerogatives in such matters. These extra-budgetary activities include all the operations undertaken by the European Investment Bank, all the financial activities of the ECSC and all the financial transactions under the European Development Fund. In 1973, these various activities involved finance of the order of 1 100m u.a., which is more than 21 per cent of the total Community budget for that financial year.

Lagorce

The extra-budgetary sums, which are already considerable, may increase rapidly in the future, particularly if the proposed development of the Community loan policy takes place outside the budget, as the Commission and the Council at present seem to envisage.

The petro-dollar loans contracted by the Community on the capital market, for relending to Member States suffering from balance-of-payments difficulties as a result of the rise in the prices of oil products, have already been placed outside the Community budget. Thus, sums of the order of 3 000m u.a.—more than 50 per cent of the 1975 Community budget—fall outside the normal budgetary procedures and therefore outside Parliament's powers of authorization and control.

And now the Council and, apparently, certain circles within the Commission would like the Euratom loans to be placed outside the budget as well. The result would be a substantial number of financial transactions effected outside the budget and amounting to 4 500 to 5 000m u.a., which is equivalent, on the basis of the 1975 financial year, to almost 80 per cent of the normal budget.

How would these circumstances affect the true scope of the European Parliament's budgetary powers? We know too well in our Member States the changes which have been made to budgetary texts submitted to the national parliaments. We know that in many cases the creation of subsidiary budgets and special accounts, the removal of certain financial transactions and the operations of certain public offices from the budget, etc., in short multiple distortions of the principle that all financial transactions should form part of the budget, have dramatically reduced the scope of our parliaments' powers of authorization and control in the sphere of national public finance.

This unhappy experience should teach us something at Community level and make us particularly vigilant to maintain the integrity of the Community budget, which must continue to reflect faithfully all the financial means and financial transactions of the Community over which Parliament intends to exercise real powers of authorization and control.

As regards the particular case of the Euratom loans, I shall merely recall—as has been done in the opinion of the Committee on Budgets—that budgetarization is legally required both by the Euratom Treaty and by the Financial Regulation. Parliament will perhaps be surprised at the Commission's ambiguous attitude to this question of budgetarization when the texts—as well as precedents in this sphere—are clear and

precise. I shall not quote them here in order not to hold up the debate.

I should like to draw your attention particularly to the importance of paragraph 3 of the motion for a resolution. The wording of this paragraph formally reserves parliamentary rights and prerogatives as regards Community policy on Euratom loans and therefore, more generally, the energy policy which the Commission and the Council intend to promote.

You all know the importance of such control at a time when public opinion in the Member States is increasingly concerned about nuclear energy and the establishment of numerous nuclear power-stations in our countries. At Community level, it is essential that public opinion, through us and through the budget, should know and really influence the development of nuclear policy.

Ladies and gentlemen, we are all parliamentarians. The national parliaments of which we are members have a dual rôle, which is their *raison d'être* in a democracy: they initiate legislation and they exercise control over the executive.

Here, in the European Parliament, our rôle as initiators has already been reduced to nothing or to very little. We are left with control over the executive bodies, and this is exercised in particular through examination of the Community budget. I would therefore ask you whether we are going to allow this control function to be reduced? Are the efforts which we have made, in particular under the stimulus of President Spénale, substantially to increase our budgetary powers to be reduced to nothing? In regard to the resources of the European Regional Fund, we already have the disturbing impression that the Council does not take seriously the increase in these powers, since it is disputing the European Parliament's right to have the final say in this area. I believe that we must put a stop to this tendency to restrict our powers and particularly in the budgetary field.

As elected representatives, we are responsible to public opinion in our respective states. Do you believe, ladies and gentlemen, that the peoples of our nine countries will go to the ballot-box enthusiastically to elect by direct universal suffrage a Parliament which they know is powerless in the face of an executive of irresponsible officials who will have the real power in a Europe which is not the Europe of the peoples but only a Europe of technocratic administration?

The Socialist Group believes it is its duty to insist to you all that the budgetarization of the Euratom loans should be accepted, since it is

Lagorce

aware that by remaining firm in this position it will make a further, although modest, contribution to the construction of that European Union which we are all here ardently calling for.

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

Mr Normanton. — Mr President, on behalf of the group I should like to say that we certainly support in principle the genuine need—and the serious attempt contained in this report by Mr Memmel—to make a positive contribution to an energy policy for Europe. We support without question this hope and this aim on his part.

It is only when we come to the mechanics of how it should be done that we cross swords with Mr Memmel. Our belief—I have tried to correct this in the form of an amendment—is that the regular practice pursued by the Commission of making political decisions relating to money, raising loans on behalf of the Community and then being responsible for administering the distribution of those moneys, is not in conformity with the best procedure which I feel should apply in the Community.

I took encouragement from what Mr Lagorce said in his comment a moment ago. The amendment on the order-paper is really a composite amendment, if we recognize that it covers budgetary procedures and also refers to the administrative and constitutional structures of the Community; while of course we recognize that it has one consistent feature in that it relates to energy and the means by which energy shall be promoted.

It is for this reason that we have put forward this amendment. We wish to differentiate between the two functions in financing the expansion of nuclear power.

That first function is for the Commission. The Commission has responsibility for making technical and policy decisions and recommendations and, as such, can present them to this Parliament for consideration. We feel very strongly that the financial machinery for implementing those decisions should be in the hands of an entirely separate institution. For the Commission the criteria would be technical and political, but for the institution responsible for raising and distributing money, the criteria would be banking and financial, and based upon the viability of the product.

We feel very strongly that these two functions should be clearly separated. Indeed, we note that the European Investment Bank is a bank which is in business. It has very clear terms of reference, on the basis of which it has a

criterion for raising money and lending the funds it raises. The criterion is viability related to the ability of the recipient to service and refund the loans which are made available.

That sort of procedure, in my judgment and from my experience, short though it may be, is not quite the procedure upon which the Commission has in the past made decisions in these matters. The Commission has a long experience in the raising of loans, an experience which we do not question. We know perfectly well that it has great financial strength to act as colateral in the international money-markets, upon the basis of which it can pledge that strength for the raising of loans outside the market and throughout the world. However, it would be irresponsible for us to ignore the fact that cases have frequently been brought to our notice the accountability of which—the verification and checking of the accounting for the funds—has on many occasions left much to be desired.

That is why we must separate the two functions: political and technical with the Commission, yes, but the financial negotiation, the settling in detail of the financial terms of raising and lending moneys, in the hands of bankers and of financial experts.

In that sense we felt we had no alternative but to move the amendment. As I said at the beginning, it is a composite amendment. By no stretch of the imagination does it fit perfectly into the series of resolutions which sum up Mr Memmel's report. However, there is no other way within the procedure by which we can press home this fundamental point of principle, that is, the division of responsibility, with each area completely independent and operating within clear and precise terms of reference.

I have one further point. I am sure Mr Fellermaier was making an honest and conscientious mistake—and one or two other Members may have had this impression—when he said that the point enshrined in the amendment had not been discussed in the Committee on Energy, Research and Technology. It had been discussed and put forward by me fairly briefly though no doubt very inadequately. Time was not on our side. In that discussion it was rejected.

There was therefore no other course left to the European Conservative Group but to bring to the attention of the House and the Commission, the European Investment Bank and all the agencies of the Community, the glaring need for this fundamental principle to be established.

Had the Rules of Procedure of Parliament permitted it, as would have been the case in the Parliament at Westminster, having presented

Normanton

and placed my point on the record, in the normal course of events I would have requested the rapporteur and the House—having taken note of the point of view—to agree to a withdrawal of the amendment. Indeed, if Mr Memmel were prepared to act similarly, I would have requested permission for his report to be withdrawn and returned to the appropriate committees for deeper and more intensive consideration of my point.

I know that, procedurally, the House will recognize that the amendment—and we may well win approval for it—is tabled not in a spirit of defiance of the House but in pursuance of a determination to develop the constitutions of the European Community. However, if it is carried, I recognize that procedural defects will follow.

Therefore, I hope that by whatever quirk of the procedures of this House, we shall find means by which we can allow this report and amendment to be withdrawn and referred to the appropriate committee.

President. — I call Mr Spinelli.

Mr Spinelli, Member of the Commission of the European Communities. — (F) Mr President, the Commission of the European Communities is happy that the Committee on Energy, Research and Technology has recommended that Parliament should adopt the Commission's proposal.

This proposal is a specific and important element in the implementation of the new energy policy adopted by the Council on 17 December 1974 and designed to reduce the Community's dependence on imported energy to 50% and, if possible, to 40% by 1985. To achieve this object, the Council has decided that by 1985 the Community should aim to have nuclear power-stations with an installed capacity of at least 160 GWe and if possible, 200 GWe, a capacity on which the calculations of the Commission have been based.

The Commission is aware of Parliament's concern to see Community resources invested only in viable projects. Let me reassure you by reminding you that at present the price of nuclear electricity is largely competitive with the price of electricity produced from coal or hydrocarbons; this is an assurance of the viability of investments in nuclear power-stations.

As indicated in Article 3 of the draft decision, the Commission will grant loans in accordance with technical and economic criteria designed to achieve the optimum use of nuclear energy in

accordance with the characteristics of each of the requesting power-systems.

Your committee considers that the financing facilities should also benefit not only electricity generation but also distribution. In the Commission's view, such a request might exceed the legal possibilities of the proposal. However that may be, since electricity producers are also electricity distributors, loans granted for the construction of power-stations will assist the finances of the undertakings to the same extent and thereby indirectly enable them to develop their distribution networks.

The distribution networks at present in existence in Europe are also, for the most part, able to accommodate the introduction of nuclear power-stations without the need for substantial improvements.

As for the principle of budgetarization, the Commission has noted with interest the discussions within the appropriate parliamentary committees and has noted the conclusion which has been drawn, namely, that transactions associated with these loans should be entered in the expenditure and revenue of the Community's budget. It considers that, irrespective of any formal provision to be included in the text of the draft decision, the question of including these operations in the Community's budget is a legitimate one. The form in which the borrowing and lending transactions might be included in the budget would have to be considered, however, in relation to practical and possibly also legal problems.

On the one hand, it would seem desirable not to encumber the budget with sums which, in fact, only represent temporary transactions, for which the expenditure and revenue are in principle absolutely in balance. Also, loan transactions should show a certain flexibility and not be subject to over-rigid, constrictive financial forecasting, since they depend both on the demands for loans and the possibilities existing on the capital market.

One solution, reconciling inclusion in the budget and its procedural consequences with the practical requirements, might be to create an article within the budget of the Communities in the statement of expenditure and revenue—possibly sub-divided into several items—giving it a 'token entry' with an appropriate note. The Commission will consider carefully the decision reached by Parliament.

Coordination of the Community's loan activities is ensured in practice by the fact that it is the same bodies which negotiate and manage the various loans—namely, the Commission and its specialist departments, your parliamentary com-

Spinelli

mittee and Parliament itself, the Council and its specialist committee.

To take account of Parliament's legitimate desire to be given an overall view, the President of the Commission's speech on the Community's programme will draw attention each year to the various aspects of the Community's financial activity in the year which has passed and its planned activity for the year to come.

Parliament's control over this financial activity is ensured, as far as the ECSC is concerned, by the discussion of the annual report of the auditor and, as regards the EEC loans, by the opinion which Parliament delivers; as regards Euratom, control is provided by Article 5 of this draft decision.

As regards the financial activities of the European Investment Bank, there are no legal provisions for parliamentary control and your committee does not seem anxious for parliamentary control of a banking organization. As regards the proposed amendment to Article 5, I can state in any case that the Commission is prepared to give Parliament all the information necessary on the transactions made. The form in which this information is given will depend on the solutions finally adopted for implementing the proposal. In any case, the Commission will proceed in such a way that Parliament is truly able to exercise fully its powers of control.

I now come to Mr Normanton's amendment, various aspects of which I should like to consider. The experience of the ECSC has shown that the credit which the European Community has in its own name enables it to mobilize capital on the international market to which business firms and even states do not necessarily have direct access, and this at the most advantageous rates. The management of the financial activities of the Community is considered on the international market to be highly satisfactory, for an AAA rating, the highest, has been assigned to recent ECSC loans on the New York market. I would therefore invite Mr Normanton to reconsider his assessment of the Community's management of the loans it has contracted.

In 1974, the ECSC borrowed more than 600 million u.a. for loans to the iron, steel and coal industries. These important transactions took place without a hitch and with a small administrative staff. The same staff arranged for the launching of the Euratom loans, thus giving Euratom the benefit of all the capital and all the contacts established during the 20 years of financial activity of the ECSC.

The European Investment Bank has certainly contributed to the financing of nuclear power-stations, but only within the framework of

regional policy, because that is where its responsibility lies. Having regard to the considerable needs for capital investment in the new energy sectors, including not merely nuclear energy but also, for example, the exploitation of the North Sea deposits, all the existing means must be used to provide industry with the maximum funds.

Requests have already been made to the Commission by the principal companies responsible for the generation of electricity in Europe. The financing needs in this sector have also been emphasized in recent memoranda by the large financial organizations, for example Euro-partners, the Dresdner Bank and the Central Capital Market Committee.

Contacts made on the international market with possible capital-lenders show that substantial funds are at present available to the Community for this purpose at attractive rates. Utilization of the specific financing possibilities included in the Euratom Treaty will in fact add to, and not compete with, the Bank's own operations. As ECSC experience proves, the European Community has borrowing facilities available to it in its own name, in particular on the international capital market, and these are additional to those of the financial institutes, which could not be mobilized without its own intervention.

The guarantees which Euratom would have to give for these loans would consist of a bank guarantee, possibly actual first-rate securities; long-term electricity sales contracts will also come into consideration, if necessary.

In 20 years of financial activity the ECSC has suffered almost no loss. The risks of a call upon budgetary resources to cover the default of a debtor are therefore slight, especially since the principal electricity-generating companies have considerable financial breadth, even nationalized undertakings.

However, going beyond all these considerations concerning the financial credibility of the Community, I must add others which, to a certain extent, are even more serious and prompt the Commission to urge you to reject this amendment, or at least refer it back for more detailed discussion.

The text is based on a misunderstanding of the Euratom Treaty, in the sense that it claims that the European Investment Bank shall have sole responsibility for issuing the loans in question. Here the Commission draws its direct responsibilities from the Treaty, and it intends to exercise them as part of its policy of developing the peaceful uses of nuclear energy. It would be very serious if Parliament, instead of

Spinelli

assisting the Commission in the defence of the Treaty, approved statements conflicting with what is expressly stated therein. Under Article 172(4) of the ECSC Treaty, 'Loans for the financing of research for investment shall be raised on terms fixed by the Council in the manner provided for in Article 177(5). The Community may borrow on the capital market of a Member State, either in accordance with the legal provisions applying... etc.'

Regarding Commission loans, I would remind you that Article 182(5) states that 'the Commission may freely make use of any amounts in the currency of third countries derived from loans it has raised in such countries.'

The Commission will not renounce this right. Its action in this area has a financial aspect which cannot be separated from the common energy policy of which it forms a part. The ways and means of this policy would not be the same as action by the Bank, which has its own objectives. On the other hand, financial action by Euratom and by the Bank will be coordinated to the extent that they are related to one another.

For all these reasons, Mr President, I would ask Mr Normanton to withdraw his amendment, acceptance of which would mean that Parliament intended to reduce the powers which the Treaty grants to the Commission.

President. — I call Mr Memmel.

Mr Memmel, rapporteur. — (D) Mr President, I now address myself exclusively to the amendment tabled by Mr Normanton and his group. This Parliament has always taken the view that the raising and granting of loans is a matter for the Institutions of the Community. In this it follows the custom obtaining in Member States, which make use of their own state banks only for the purpose of placing loans.

Secondly, we in this House have always taken the view that Parliament's supervisory powers must be strengthened by whatever means are at its disposal. We are not, therefore, going to castrate ourselves and forego the opportunity of exercising such supervision by means of the budgetary powers which are at our disposal. This is, however, precisely what we should be doing if we were to forego the procedure for dealing with borrowings and loans as laid down in Article 4 of the Commission's draft and authorize the Investment Bank to carry out the Community's lending policy. Neither the Treaties nor the Statute of the European Investment Bank provide us with any means of controlling the Bank's activities. Nor is that our intention:

a parliament cannot, after all, supervise the activities of a bank.

Perhaps you will permit me a personal observation in view of the fact that the amendment tabled comes from the Conservative Group, whose leader, my much-respected friend Mr Kirk, recently declared, to the applause of this House, that a parliament does not ask for rights but takes them. The adoption of this amendment tabled by the same group would, however, mean the very opposite of the principle put forward by Mr Kirk. Moreover, the British parliament has a praiseworthy tradition of fighting for its rights, and in this fight an important part has been played by the assumption of budgetary rights. I would therefore ask the Conservative Group why it wants to go against this tradition in this particular case.

Fourthly—this is the decisive point, and here I entirely share the Commissioner's viewpoint—the amendment is in clear contradiction with the Statute of the European Investment Bank, Article 18 of which states: '... the Bank shall grant loans... for investment projects... to the extent that funds are not available from other sources on reasonable terms'. That is to say, only if the Commission cannot provide these funds itself—a purely hypothetical case—is the Bank, according to its own Statute, free to act. All other possibilities envisaged seem to me to contradict the Bank's own Statute and are therefore to be rejected.

Those speaking on behalf of the amendment tabled have stated that this amendment represents an economically reasonable solution. To this I must say that the loan is to amount to a total of 500 million u.a., which is a considerable sum. According to Article 4 of the Statute of the European Investment Bank, the Bank's total capital amounts to 1 000 million u.a. That means that the loan would require as security half the bank's capital without further backing. According to Article 4 again, Member States are liable only up to the amount of their share of the capital subscribed and not paid up.

However great our confidence in the solvency of those contracting these loans, the Commission, with its unlimited liability and with its customs revenues and its own resources generally as backing, seems to me to be the more suitable borrower.

For all these reasons, which are not of some high-flown philosophical but really down-to-earth nature, I ask the House to reject the amendment tabled by Mr Normanton and Mr Osborn on behalf of the European Conservative Group.

President. — I call Mr Flämig.

Mr Flämig. — (D) Mr President, I speak on behalf of the Committee on Energy, Research and Technology, which is the committee responsible for this report and whose deputy chairman I have the honour to be.

After all that we have heard in the course of this debate, it seems to us necessary to discuss these problems once more in committee. In view of what has been said by Mr Spinelli and Mr Memmel on the one hand and by the European Conservative Group on the other, this item does not seem to be ripe for a final discussion today. I therefore ask you, Mr President, in accordance with Rule 26 of our Rules of Procedure, to refer this report to committee, that is, to the committees concerned.

President. — Having been requested by the committee responsible, reference to committee is automatic.

10. *Regulations on Community tariff quotas for bulls, cows and heifers of certain mountain breeds*

President. — The next item is a vote on the motion for a resolution contained in the report drawn up by Mr Baas, on behalf of the Committee on External Economic Relations, on the proposals from the Commission of the European Communities to the Council for

- I. a regulation on the opening, allocation and administration of the Community tariff quota for 30,000 head of heifers and cows, not intended for slaughter, of certain mountain breeds falling within subheading ex 01.02 A II b) 2 of the Common Customs Tariff, and
- II. a regulation on the opening, allocation and administration of the Community tariff quota for 5,000 head of bulls, cows and heifers not intended for slaughter, of certain alpine breeds falling within subheading ex 01.02 A II b) 2 of the Common Customs Tariff (Doc. 98/75).

Does anybody wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

11. *Decision on the establishment by Norway of trawler-free zones*

President. — The next item on the agenda is a debate on the report drawn up by Mr Knud Thomsen, on behalf of the Committee on External Economic Relations, on the recommendation from the Commission of the European Communities to the Council for a decision approving the exchange of letters between the European Economic Community and the Kingdom of Norway concerning the establishment by Norway of fishing zones closed to trawlers at certain times of the year (Doc. 65/75).

I call Mr Knud Thomsen.

Mr Knud Thomsen, rapporteur. — (DK) Mr President, the subject now under discussion in Parliament is not particularly momentous: there has been an exchange of letters between the Commission and the Norwegian government. But the matter is quite interesting from a political point of view in that it shows the strength of our countries when they act together.

The facts are as follows: In October last year the Norwegian government announced that it wanted to establish zones closed to trawlers in waters off the Norwegian coast outside the 12-mile fishing-limit. The European Communities immediately informed Norway that as a result consideration would have to be given to changing the concessions for imports of certain Norwegian fishery products.

The outcome of the negotiations between Norway and the European Communities was that Norway agreed to reduce the number of zones closed to trawlers from four to three, to reduce the size of the three remaining zones, and to limit the period during which the zones should be closed to trawlers.

What large fishing nations in the Community such as the United Kingdom, especially Scotland, and Denmark had been unable to do towards limiting Norwegian intervention considerably was achieved by the European Communities by virtue of their strong bargaining position as a result of their large imports of fish products.

After the exchange of letters, the Commission recommended the results of the negotiations to the Council, which once again requested the opinion of the European Parliament.

The matter has now been discussed by the Committee on External Economic Relations which has approved the Commission's proposal. Since, however, the question of extending or limiting fishing-rights is very delicate from a political

¹ OJ No C 128 of 9. 6. 1975.

Knud Thomsen

point of view today, I should like to point out to Parliament that in the waters off the Norwegian coast under discussion, 'permanent fishing-gear' is used and not, as stated in the English text, 'passive fishing-gear'.

What decided our committee was that the safeguard requested of Norway was of a non-discriminatory nature, since Norwegian trawlers were also prohibited from fishing. In the exchange of letters, the Commission also draws the Norwegian Government's attention to the fact that the Community's original letter of 16 April 1973, in which it gave autonomous preferential treatment to certain Norwegian fish products, would in no way be altered by the attitude adopted by the Community towards closing those zones to trawlers.

In other words, the Community maintained and reserved its right to change the concessions on Norwegian fishery products and in this case, when granting concessions, it does not prejudice any aspect of the law of the sea.

I can add here that the Committee on Agriculture puts forward the same views in its opinion.

The exchange of letters also provides the information that the Norwegian government has exchanged bilateral notes with the Federal Republic of Germany, France and the United Kingdom on trawler-free zones, and is willing to do the same with other Community countries.

I must admit that I do not understand why such an exchange of notes is necessary with the individual Community countries when the agreement between Norway and the Community on trawler-free zones has been accepted by the Council, and I should like to ask the Commission whether it can give an explanation.

Finally, there is one last question I would like to ask, although I am already convinced that the Commission will find it difficult to answer. There might be other instances where assurances were required from other countries in other respects—for instance on the protection of spawning-grounds against over-fishing or of specific types of fish—and I should therefore like to ask the Commission whether any general conclusions can be drawn from the position it has adopted in relations between Norway and the Community.

(Applause)

IN THE CHAIR: MR YEATS

Vice-President

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

Mr. Corrie. — Mr President, on behalf of the European Conservative Group I support in principle the statement just made by the rapporteur, Mr Thomsen. I realize that everybody wants to get off home. However, I should like to comment on various aspects of the report and suggest that the Community has now set a precedent by giving Norway trawler-free zones. I wonder whether we could have further details on these zones. How large are these areas, and are they places where other countries have traditionally fished? Can we hear what 'passive' fishing-gear actually is, what fish it catches, and who is catching fish with 'passive' fishing-gear? Is it only the Norwegians?

Will closing these areas help the conservation of other fish breeds in these areas? What breeds of fish were traditionally caught by trawlers in these areas? For how long are the zones to be closed, and at what times of the year?

As you will realize, Mr President, I have good reason to ask these questions. At the last part-session we had a short debate on fishing round British waters. This is a very delicate subject. If Parliament accepts the report it will make the subject even more delicate. Nevertheless, I hope that Parliament does accept the report.

I say that passing this report will make the subject even more delicate because of the problems of over-fishing in the British waters of the North Sea and off the West Coast of Scotland. There is now a desperate need to protect the remaining herring stocks. Conservation has become of prime importance. Once again, the scientists severely overestimated the stocks last year and the politicians aggravated the situation by increasing the quotas to try to please all the fishing nations.

Those days have gone. The seas have been swept clean by industrial fishing. The scientists now tell us that the total herring catch off the West Coast of Scotland for the coming year should not exceed 66,000 tons. Last year they suggested 240,000 tons.

When are we going to wake up to this problem—next year, when there are no herring left to fish? What are Scottish fishermen now asking the British Government? They are asking for trawler-free zones for four months a year without discrimination to allow stocks to build up. They are prepared to jeopardize their livelihood for the sake of conservation. They are prepared to stay out of their own traditional fishing-waters for four months so that others can benefit. Are other nations prepared to do the same? Would the Commission consider supporting such a move? I only say, 'consider'.

Corrie

If we as a Community can give this right to Norway—a country outside the Community—to have trawler-free zones, I sincerely hope that we shall seriously consider doing the same for Member States if and when it is asked for.

The North-East Atlantic Fisheries Conference takes place shortly. The politicians attending that conference must listen to the fishermen. The fishermen have a far more realistic assessment of the situation than any boffin sitting behind a desk with a slide-rule telling the men at sea how many tons of fish they can catch. The scientists have been wrong too often. Surely fish for human consumption must come first. All industrial fishing for herring should be banned until stocks are built up again.

Here we have the irony of the situation today. Norway fishes about 90% of her herring in the areas of which I am speaking. Much of her fishing is for industrial purposes. Now she is getting trawler-free areas. When the moment of truth comes, will the Commission use its weight to protect Member States in the same way?

On 19 February Sir Christopher Soames said, 'Conservation and all that that means will play a most important part in all international regulations on fisheries in the future'. He went on to say, 'Up to now this has not played anything like a sufficient part'.

I suggest that conservation is now the most important part of any fishing negotiations. In the British Treaty of Accession, the Act—Article 103—instructed the Commission to report to the Council by 1982 'on the economic and social development of the coastal areas of the Member States and the state of stocks'.

If nothing is done this summer by the Community to conserve stocks in coastal waters, that report will simply say, 'No stocks or industry left to report on'. That must not be allowed to happen.

Mr Lardinois said at the last part-session, 'There are clear signs of over-fishing with a disastrous effect on our fish supplies, especially of herring'. He went on to say, 'I believe this is a Community responsibility', and Parliament 'may count that the Commission will put forward proposals in this area'. The fishing nations of the Community eagerly await these proposals. The report opens up new avenues to be looked at by Community fishermen.

(Applause)

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

Mr Laban. — *(NL)* Mr President, my group is in agreement with the exchange of letters be-

tween the EEC and Norway, closing the fishing-zones to trawlers for a certain period without any discrimination. The major object of this arrangement is to avoid destruction of permanent fishing-gear in these zones.

There are also a number of side-effects that concern us all, as Mr Corrie has already pointed out on behalf of the European Conservative Group. The stopping of trawling in these zones obviously means that less fish are taken from them. Smaller fishermen are protected against damage to their gear. They can thus rely on better catches and probably also on a higher income so that this is also linked with a bit of regional policy.

I endorse Mr Corrie's plea to conclude this kind of agreement not only between the EEC and third countries, but also—to protect fish stocks, therefore also without destroying permanent fishing-gear—to conclude them without discrimination inside the EEC. I think that should be very possible. It certainly is for the North Sea, on which several Member States border, and I should think it is also possible for the Mediterranean. Separate arrangements could be made for that.

I hope that the Commission will look into the request made by the European Conservative Group and supported by my group. That may also help towards restoring fish stocks in our waters and thereby towards improving the position of our fishermen.

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

Mr Nyborg. — *(DK)* Mr President, I should like on behalf of our group to support in principle what Mr Thomsen has said.

I find the remarks of my colleague and friend, Mr Corrie, very interesting, but that is not what is at issue now: that is not what we have to discuss.

What is at issue is the Norwegian desire to protect certain areas. In brief, the report by the Committee on External Economic Relations approves the establishment of fishing-zones closed to trawlers at certain times of the year. Although this might be seen as interference with freedom of trade, it must be admitted that since the action requested is of such a special nature and since, as far as I can understand, the aim is to protect permanent fishing-gear in those areas, there can be no hesitation about supporting the proposal.

Nyborg

When we also consider that the ban will apply to Norwegian trawlers as well as to trawlers from other countries, there is no question of any type of discrimination, and thus there is nothing to prevent approval of the arrangement.

I recommend on behalf of my group that we vote in favour of the proposal for a decision.

President. — I call Mr Spinelli.

Mr Spinelli *Member of the Commission of the European Communities.* — (F) Mr President, I should like to make a brief reply on behalf of the Commission, first to thank the speakers, and secondly to say that we accept their views.

Bilateral agreements between states are a special aspect of community life and we cannot prevent them. Our task is to define the community's position.

Mr Corrie has raised a number of questions, but unfortunately there are so many that I cannot answer them today. If he submits a written question, we shall be able to reply to each point.

However, I should like to reply to one major point. We have explained the reasons for the negotiations with the Norwegian Government and those for the reduction of zones above the 12-mile limit. We have never received from Great Britain any request similar to that made by the Norwegians, and the British Government itself agreed to Norway's proposals. The British Government simply asked the Commission to draw up, as a matter of urgency, a report on how common fishing policies should apply to new zones above the 12-mile limit. On 15 April, the Council agreed to this study and the Commission has already proposed a code of conduct which has just been published, which will be debated before this Parliament, and which must be observed if fishing in these new zones is to be subject to regulation. The Commission has also studied the adjustments necessary for the integration of this code in the common fishing policy.

Mr Corrie's questions could be considered in the light of what I have just said.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I thank Mr Spinelli, the Commissioner, very much for what he has said. He was a little imprecise in his reply. May I take it from what he has said that he will write to my honourable friend and give him the answers to the precise questions that he has

asked? On the main and the most important point, did I understand him to say that there had not been a request by or through the United Kingdom of Scottish fishermen to have a fishing-free zone for herrings off the western coast of Scotland?

I do not expect him to answer this question now, Mr President, but will the Commissioner give an authoritative answer within a very short space of time, that he and his colleagues in the Commission will sympathetically consider any application by the United Kingdom for a zone similar to that which has been asked by the Norwegians in respect of herring fishing off the western and north-western coast of Scotland?

President. — I call Mr Spinelli.

Mr Spinelli, *Member of the Commission of the European Communities.* — (F) Mr President, I can personally confirm that the British Government has so far not submitted any such request, and I can assure you that if it does it will be studied very carefully and without delay, in the same way as any other request from a Member State concerning an important problem.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

12. *Regulation on a Community tariff quota for apricot pulp from Israel*

President. — The next item on the agenda is a debate on the report drawn up by Mr Kaspereit, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within subheading ex 20.06 B II c) aa) of the Common Customs Tariff, originating in Israel (Doc. 95/75).

I call Mr Knud Thomsen.

Mr Knud Thomsen, *deputy rapporteur.* — (DK) Mr President, the rapporteur, Mr Kaspereit, is unfortunately unable to be present today, and I shall therefore briefly introduce this proposal for a regulation for Parliament's approval.

¹ OJ No C 128 of 9. 6. 1975.

Knud Thomsen

It deals with 150 tons of apricot pulp traditionally imported from Israel by only one Community country. This is a yearly amount and this year the amount will be only half: 75 metric tons from 1 July.

When such a tariff quota is opened in the Community it is normally allocated to the nine countries on the basis of average imports over the previous three years. Since some countries have not been members for three years, another scale has been proposed on this occasion, and this has been accepted in full by the Committee on External Economic Relations.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — You will notice, Mr President, that the Committee on Agriculture was asked for its opinion on this matter. You will also notice, as will the House, that there is no opinion attached to this document. The reason is that there were certain problems which arose within the Committee on Agriculture in coming to an agreement on this matter, and therefore no opinion is attached. I understand it was the view of the committee—perhaps some of my colleagues in the committee will bear this out—that further consideration of this matter was required.

I am not speaking for the committee in any way whatever, but purely as an individual. I believe that the small quantity involved could be allowed to come in perfectly adequately without disrupting the whole of the trade within the Community.

Nevertheless, I can understand that some of my colleagues feel that principles are involved which go deeper than the mere consideration of a certain amount of apricot pulp. There is a gap, and no opinion has been offered by the Committee on Agriculture because of the problems that arise when one considers the matter.

President. — Does anybody else wish to speak?

I put the motion for a resolution to a vote.

The resolution is adopted.¹

13. *Regulations on farmyard poultry, ovalbumin and lactalbumin, slaughtered pigs and the scale for grading pig carcasses*

President. — The next item on the agenda is a debate on the report drawn up by Mr Bourdellès, on behalf of the Committee on Agriculture,

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

- I. a regulation on the production and marketing of eggs for hatching and of farmyard poultry chicks,
- II. a regulation on the common system of trade for ovalbumin and lactalbumin,
- III. a regulation fixing the basic price and the standard quality for slaughtered pigs for the period from 1 November 1974 to 31 October 1975 and
- VI. a regulation determining the Community scale for grading pig carcasses.

(Doc. 75/75).

I call Mr De Clercq.

Mr De Clercq, deputy rapporteur. — (F) Mr President, ladies and gentlemen, I would first like to present Mr Bourdellès' apologies for his absence.

The proposals to which this report relates were unanimously approved by the Committee on Agriculture. There was, of course, no question of their being rejected, since they aim to prune and codify the plethora of existing texts, i.e., to simplify the study of these texts for those who have to apply them.

Unfortunately, however, they do not solve the basic problem, i.e., the profitability of the production sector dealt with in this report, particularly as regards eggs and poultry-meat. This sector of agricultural production, i.e., battery production, is to a large extent not subject to the organization of markets at European level, which explains the present disarray.

All attempts at organization, even at national level, have failed, since it has not been possible to reconcile the interests of the various groups involved in the egg and poultry-meat sector (feedstuff manufacturers, incubator operators, breeders, slaughterhouses and traders).

Eggs and poultry-meat represent a very important sector in the Common Market—one which could be developed still further. In view of the instability of the world market in cereals and because of the potential outlets in the Arab countries, it would be preferable to export egg and poultry-meat products to those countries rather than cereals.

As a result, the Committee on Agriculture approves the proposals from the Commission of the European Communities and would be grateful to it if it would translate them into action.

(Applause)

¹ OJ No C 128 of 9. 6. 1975.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — It is getting late; therefore, I shall not detain the House for more than a few moments.

I agree with the report that it is right to consolidate and clarify the regulations, but since the report was published things have happened in the egg industry, as Mr De Clercq said in his admirably concise remarks. There is certainly a great deal of unhappiness among those who operate in the poultry egg industry in the Community. I do not need to underline the situation.

It is unfortunate that Commissioner Lardinois is not present, but I understand the reasons which have kept him away. I must say that I should be reluctant to stay in the House with only half-a-dozen Members present. If everybody else had gone, I would have gone, too. I extend to Mr Spinelli my full sympathy for having to reply to a debate on a subject which is not within his field.

The situation is grave for egg-producers, both in the United Kingdom and elsewhere. The House will know that there is a great deal of resentment in the United Kingdom over the importation of French eggs in shell. This has caused a break in prices in the United Kingdom which has been almost as great as the break in prices taking place in France. We also must consider the question of subsidization and the equalization fund given by the French Government to French egg-producers.

As I understand the situation, the Commission has taken the various items on which the French Government are giving support and examined them with a view to referring them at a later stage to, as it were, a higher court. Furthermore, the French have said that they would take measures to see that 2 million laying fowls are taken out of production. The difficulty is that at the present time French brown eggs are being imported into the United Kingdom from Brittany and are causing chaos. I received a telex only recently regarding a meeting in Brussels at which a number of members of European farming unions walked out in high dudgeon from a meeting with Mr Lardinois. French, Italian, German and British producers walked out in disgust because they felt the Commission was taking no action.

I wish to underline to the Commission the gravity of the situation, not only in the Community as a whole but particularly in the United Kingdom. It is important that Mr Spinelli, as the Commission's representative here, should take up this matter with his colleagues. The Commission has already taken action in respect of the

wine coming from Italy to France. Special subsidies are being provided to turn that wine into industrial alcohol. Will not the Commission consider the suggestion of breaking out the shell eggs and turning them into egg powder or liquid egg and giving them special subsidies so that they may be stockpiled as part of food aid? This is a matter on which the Commission could take action. There is a surplus of these eggs, and if they were broken out, as I suggest, they could be stored and sent to those regions of the world which need food aid. There are certainly many areas of the world which would find such aid acceptable, and there would be no religious complications. That might be a solution to the problem.

If the Commission does not take action very soon, within a matter of days, there will be grave trouble not only in the United Kingdom but elsewhere. We are beginning to see signs of violent action on the part of producers who feel that their livelihood is being threatened.

It would be simple for the Commission to announce this plan along the lines of the requests I have made, and it would solve the problem. I beg them seriously to consider this as a matter of urgency. It will not be very expensive, but it will be extremely useful.

President. — I call Mr Spinelli.

Mr Spinelli *Member of the Commission of the European Communities.* — (F) Mr President, I repeat what has already been said: the proposals submitted represent simply a codification aimed at simplification; they do not concern the policy to be pursued.

The Commission is well aware of the critical situation in this sector, not only in the United Kingdom but also in the rest of the Community. This problem is receiving the full attention of my colleague Mr Lardinois, and I shall pass on to him all your comments. I am sure that he will put forward proposals for solutions in the very near future.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

14. *Regulation on certain products processed from potatoes*

President. — The next item on the agenda is a debate on the report drawn up by Mr Früh,

¹ OJ No C 128 of 9. 6. 1975.

President

on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation on the common organization of the market in dehydrated fodder to cover certain products processed from potatoes (Doc. 96/75).

Does anyone wish to speak?

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

Mr Scott-Hopkins. — Mr President, does one not have to move a report? Can one just let it go as it is? I do not oppose this, because I think it is a good idea; but surely we cannot say that a report does not have to be moved by the House?

President. — I can refer Mr Scott-Hopkins to a decision of the Bureau adopted on 26 April 1967 and, indeed, on certain other dates which was to the effect that the oral presentation of the report distributed within the prescribed time-limit shall in principle be dispensed with unless circumstances require it or unless a fundamental explanation is essential.

In those circumstances it appears that it is not necessary that it be moved.

Mr Scott-Hopkins. — With respect, Mr President, no one is asking for an oral explanation. God forbid that we should have that at this late hour. But at least one has to have somebody move the report. Unless it is moved, it has no credence at all in the House.

Mr President, even in your House one has to have a motion. One need not explain it, but one has to move it. Certainly one has to move it here, otherwise it does not see the light of day.

I am more than willing to act as the person to move that the report be heard, debated and voted upon.

President. — Thank you, Mr Scott-Hopkins. On this specific point I think it is fair to say that, unlike the position in your House and mine, the report has been sent here by a committee, and that creates a different situation.

I call Mr Laban.

Mr Laban. — (NL) Mr President, I will introduce the report without any explanatory statement. In the absence of our rapporteur, I will state that the Committee on Agriculture unanimously approved the motion for a resolution contained in the report by Mr Früh.

I would recommend Parliament to adopt this motion for a resolution.

President. — Does anybody else wish to speak? I put the motion for a resolution to the vote.

The resolution is adopted.¹

15. Dates for the next part-session

President. — There are no other items on the agenda.

I thank the representatives of Council and Commission for their contributions to our debates.

The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 16 to 20 June 1975.

Are there any objections?

That is agreed.

16. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

17. Approval of the minutes

President. — Rule 17(2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debates. Are there any comments?

The minutes of proceedings are approved.

The sitting is closed.

(The sitting was closed at 4.40 p.m.)

¹ OJ No C 128 of 9. 6. 1975.





