

Annex

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## Debates of the European Parliament

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1975-1976 Session

Report of Proceedings

from 10 to 14 November 1975

European Centre, Luxembourg

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

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#### IN THE CHAIR: MR SPÉNALE

*President*

*(The sitting was opened at 4.30 p.m.)*

**President.** — The sitting is open.

#### 1. Resumption of the session

**President.** — I declare resumed the session of the European Parliament adjourned on 17 October 1975.

#### 2. Apologies

**President.** — Mrs Orth sends her apologies for being unable to attend this part-session.

The chairman of the Group of European Progressive Democrats and other Members have informed me that because of the commemoration services of 11 November, many Members will not be able to attend the debate on the budget. While I appreciate the reasons preventing these Members from being present in Luxembourg for the general debate on the budget, I must confirm

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that the time-limits for the budgetary procedure are such that the enlarged Bureau was unable to propose changing the date of the debate.

I call Mr Houdet for a procedural motion.

**Mr Houdet.** — (*F*) After what you have just said, Mr President, please allow me to state on behalf of all members of the French delegation that we deeply and sincerely regret the decision still to hold the general debate on the 1976 budget on 11 November.

As you stated, we are aware that the timetable is a pressing one, and we all wish to conform to it in order to defend our Parliament's budgetary powers. However, as you are well aware, all my French colleagues, with a few rare exceptions, will be present in their towns or villages tomorrow to attend the ceremonies organized in memory of our dead.

I would therefore ask that when the agenda for next year's November part-session is fixed account should be taken of our obligations on 11 November.

**President.** — I call Mr Radoux.

**Mr Radoux.** — (*F*) Mr President, following what Mr Houdet has just said, I would like to point out to him that my country is in the same position as his. As a result, the Belgian delegates are in the same position as their French colleagues. I share Mr Houdet's feelings on tomorrow's events and consider that tomorrow is not the only case. It is precisely in order to prevent such extremely annoying inconveniences that we try in this Parliament to confirm and implement our decisions in such a way that everyone can be present when necessary.

We note that Mr Houdet asks for the dates to be changed next year, but I think that it would be illogical for us to deplore the consequences of the double mandate: If it were necessary to take into account all circumstances, such as those outlined by Mr Houdet, for all the Member States, there would be many occasions on which certain Members were unable to be present!

To sum up, Mr Houdet, I share your feelings but cannot share your conclusions.

**3. 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 regulation suspending application of the condition governing the import into the Community of fresh lemons originating in Cyprus, Spain, Israel, Morocco, Egypt, Tunisia and Turkey in accordance with the agreements in force between the European Economic Community on the one hand and each of these countries on the other (Doc. 318/75).

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

— the Communication from the Commission of the European Communities to the Council on an action programme for the European aeronautical sector (Doc. 319/75).

This document has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Regional Policy and Transport for its opinion;

— the proposals from the Commission of the European Communities to the Council on consolidated texts relating to the fishing sector (Doc. 320/75).

This document has been referred to the Legal Affairs Committee.

— the proposal from the Commission of the European Communities to the Council for a regulation on Community transit (Doc. 321/75).

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

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

I. a directive on the establishment of common rules for certain types of carriage of goods by road between Member States

II. a regulation on the Community quota for the carriage of goods by road between Member States

III. a directive on access to the occupation of carrier of goods or of



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passengers by waterway in national and international transport

IV. a directive aiming at the mutual recognition of diplomas, certificates and other evidence of formal qualifications for road or waterway passenger transport and goods haulage operators, including measures intended to encourage these operators effectively to exercise their right to freedom of establishment

V. a regulation concerning the fixing of rates for international goods transport by rail

VI. a regulation amending Council Regulation (EEC) No 3255/74 of 19 December 1974 extending and amending Council Regulation (EEC) No 1174/68 of 30 July 1968 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States

VII. a regulation on a system of reference tariffs for the carriage of goods by road between Member States

VIII. a regulation concerning a system for monitoring the markets for the carriage of goods by rail, road and inland waterway between Member States

(Doc. 324/75).

This document has been referred to the Committee on Regional Policy and Transport, as the committee responsible, and to the Committee on Economic and Monetary Affairs for its opinion on proposals I, III, IV, V, VII, VIII.

- the proposal from the Commission of the European Communities to the Council for a regulation on the establishment of a European Community Institute for economic analysis and research (Doc. 325/75).

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

- the proposal from the Commission of the European Communities to the Council for a regulation amending the financial regulation as regards transfers between the 'food aid' chapter and the European

Agricultural Guidance and Guarantee Fund, 'Guarantee' Section (Doc. 329/75).

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

- a proposal for transfers of appropriations from one chapter to another in Section III—Commission—of the general budget of the European Communities for the 1975 financial year (Doc. 330/75).

This document has been referred to the Committee on Budgets;

- the proposal from the Commission of the European Communities to the Council for a decision on European Social Fund measures to aid vocational adaptation operations (Doc. 331/75).

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

- the proposal from the Commission of the European Communities to the Council for a decision in regard to the intervention of the European Social Fund in favour of persons occupied in the textile and clothing sectors (Doc. 332/75).

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

- the proposal from the Commission of the European Communities to the Council for a regulation on the granting of a conversion premium in the wine sector (Doc. 333/75).

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 from the Commission of the European Communities to the Council concerning the annual report on the economic situation in the Community (Doc. 334/75).

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

- the proposal from the Commission of the European Communities to the Council

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for a regulation on the allocation for 1975 of appropriations from the Guidance Section of the European Agricultural Guidance and Guarantee Fund and deferring certain final dates for the years 1975 and 1976 (Doc. 335/75).

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 from the Commission of the European Communities to the Council for a regulation temporarily suspending the autonomous Common Customs Tariff duties on a certain number of agricultural products (Doc. 352/75).

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

- the proposal from the Commission of the European Communities to the Council for a regulation on the financial provisions applying to the European Centre for the Development of Vocational Training and to the European Foundation for the Improvement of Living and Working Conditions (Doc. 353/75).

This document has been referred to the Committee on Budgets;

- the proposal from the Commission of the European Communities to the Council for a directive on reciprocal recognition of navigability licences for inland waterway vessels (Doc. 355/75).

This document has been referred to the Committee on Regional Policy and Transport;

- the proposal from the Commission of the European Communities to the Council for a regulation amending Council Regulation (EEC) No 517/72 of 28 February 1972 on the introduction of common rules for regular and special regular services by coach and bus between Member States (Doc. 368/75).

This document has been referred to the Committee on Regional Policy and Transport;

- the proposal for transfers of appropriations from one Chapter to another in Section III—Commission—of the general budget for the 1975 financial year (Doc. 369/75).

This document has been referred to the Committee on Budgets;

(b) the following oral questions:

- oral question with debate by Miss Boothroyd, Mrs Orth and Mr Fellermaier on behalf of the Socialist Group to the Council of the European Communities on policy in the field of consumer protection (Doc. 344/75);
- oral question with debate by the Committee on Social Affairs and Employment to the Council of the European Communities on mass dismissals in two multinational undertakings (Doc. 345/75);
- oral question with debate by the Committee on Regional Policy and Transport to the Commission of the European Communities on joint action in the field of air traffic safety (Doc. 346/75);
- oral question with debate by the Committee on Regional Policy and Transport to the Council of the European Communities on joint action in the field of air traffic safety (Doc. 347/75);
- oral question with debate by Mr Cousté on behalf of the Group of European Progressive Democrats to the Commission of the European Communities on protectionist measures taken or planned by the United States (Doc. 348/75);
- oral questions by Mr Bordu, Mr Leonardi, Mr Dykes, Mr Leenhardt, Mr Terrenoire, Mr Hamilton, Mr Härzschel, Mr Dalyell, Mr Scott-Hopkins, Lord Gladwyn, Mr Cointat, Mr Noé, Mr Spicer, Mr Dondelinger, Mr Zeller, Mr Marras and Mr Cousté, pursuant to Rule 47A of the Rules of Procedure, for Question Time on 12 November 1975 (Doc. 360/75).

(c) from the committee, the following reports:

- report by Mr Albertsen on behalf of the Environment on the proposal from the Committee on Public Health and the Commission of the European Communities to the Council for a directive amending for the fourth time Directive No 73/241/EEC on the approximation of the laws of the Member States relating to cocoa and chocolate products intended for human consumption (Doc. 322/75);
- report by Mr Mitterdorfer 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 regulation

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- amending Regulation (EEC) No 542/69 on Community transit (Doc. 323/75);
- report by Mr Glinne on behalf of the Committee on Development and Cooperation on the outcome of the World Food Conference (Rome, 5-15 November 1974) and on the Community's position as regards a world food policy (Doc. 326/75);
  - report by Mrs Orth 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 fixing the maximum level of erucic acid in fats and oil and margarine for food (Doc. 327/75);
  - report by Mr Jahn 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 multiannual environmental research and development programme of the European Economic Community—indirect action (1976-1980)—(Doc. 328/75);
  - report by Mr Meintz 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 multiannual Community research programme on biology and health protection for the period 1976-1980 (Doc. 336/75);
  - report by Mr Terrenoire on behalf of the Associations Committee on the additional protocol to the Association Agreement between the European Economic Community and Greece consequent on the accession of new Member States to the Community (Doc. 87/75)—(Doc. 337/75);
  - report by Mr Pintat on behalf of the Committee on Energy, Research and Technology on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 1056/72 on notifying the Commission of investment projects of interest to the Community in the petroleum, natural gas and electricity sectors (Doc. 338/75);
  - report by Mr Willi Müller 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 on the approximation of the laws of the Member States relating to the composition of petrol—problem of the lead content of petrol (Doc. 339/75);
  - report by Mr Bourdelles on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation modifying Council Regulation No 464/75/EEC of 27 February 1975 establishing systems of premiums for the producers of bovine animals (Doc. 340/75);
  - report by Mr Bermani on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulations (EEC) No 1059/69, (EEC) No 1060/69, (EEC) No 2682/72, No 120/87/EEC, (EEC) No 3330/74, (EEC) No 765/68 and (EEC) No 950/68 as regards the classification in the Common Customs Tariff of certain types of sorbitol (Doc. 341/75);
  - report by Mr Corrie on behalf of the Associations Committee on the proposal from the Commission of the European Communities to the Council for a regulation totally or partially suspending Common Customs Tariff duties on certain products falling within Chapters 1 to 24 of the Common Customs Tariff and originating in Malta (1976)—(Doc. 342/75);
  - report by Mr Mitterdorfer on behalf of the Committee on Economic and Monetary Affairs on the proposals from the Commission of the European Communities to the Council on the elimination of technical barriers to trade, with particular reference to
    - the proposals for directives concerning the harmonization of the laws of the Member States on
    - taximeters
    - lifting and mechanical handling appliances and electrically operated lifts
    - fruit jam, jellies and marmalades, and chestnut puree (Doc. 343/75);
  - report by Mr Schwabe on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a regulation to amend Regulation (EEC) No 3255/74 of the Council of 19 December 1974 extending

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- and amending Council Regulation (EEC) No 1174/68 of 30 July 1968 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States (Doc. 349/75);
- report by Mr Giraud on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a regulation on the Community quota for the carriage of goods by road between Member States (Doc. 350/75);
  - report by Mr Corterier on behalf of the Associations Committee on the recommendations of the EEC-Greece Joint Parliamentary Committee adopted in Athens on 27 June 1975 (Doc. 351/75);
  - report 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 regulation amending Regulation (EEC) No 1612/68 as regards the extension of trade union rights in favour of the workers who move within the Community (Doc. 354/75);
  - report by Mr Laudrin 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 regulation amending Regulations (EEC) No 1408/71 and No 574/72 on the application of social security schemes to employed persons and their families moving within the Community (Doc. 356/75);
  - report by Mr Adams 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 European Social Fund measures to aid vocational adaptation operations (Doc. 357/75);
  - 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 for a decision in regard to the intervention of the European Social Fund in favour of persons occupied in the textile and clothing sectors (Doc. 358/75);
  - report by Mr Gerlach on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a directive on reciprocal recognition of navigability licences for inland waterway vessels (Doc. 359/75);
  - report by Mr Cointat on behalf of the Committee on Budgets on the draft general budget of the European Communities for the financial year 1976 (Doc. 361/75);
  - report by Mr Artzinger on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission of the European Communities to the Council concerning the annual report on the economic situation in the Community (Doc. 362/75);
  - report by Mr Osborn on behalf of the Committee on Energy, Research and Technology on the proposal from the Commission of the European Communities to the Council for a multiannual research and development programme of the European Economic Community on reference materials and methods—indirect action (1976-1978)—(Doc. 363/75);
  - report by Mr Aigner on behalf of the Committee on Budgets on the draft amending and supplementary budget No 3 of the European Communities for the 1975 financial year (Doc. 364/75);
  - report by Mr Gerlach on behalf of the Committee on Budgets on the giving of a discharge to the Commission of the European Communities in respect of the European Communities budget for the financial year 1971 on the basis of the report of the Audit Board (Doc. 365/75);
  - report by Miss Flesch on behalf of the Committee on Budgets on the corrections to Parliament's estimates of revenue and expenditure for the 1976 financial year (Section I of the draft general budget of the European Communities)—(Doc. 366/75);
  - report by Miss Flesch on behalf of the Committee on Budgets on Section II—Council—and Section IV—Court of Justice—of the draft general budget of the European Communities for the financial year 1976 (Doc. 367/75);
  - report by Mr Howell on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a

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regulation temporarily suspending the autonomous Common Customs Tariff duties on a certain number of agricultural products (Doc. 370/75);

— report by Mr Dykes, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council for a decision accepting the Customs Cooperation Council's recommendation of 1 January 1975 (SITC/BTN Rev. 2)—(Doc. 372/75);

— report by Mr Dykes, on behalf of the Committee on External Economic Relations, on the recommendation from the Commission of the European Economic Communities to the Council for a decision accepting, on behalf of the Community, several annexes to the International Convention on the simplification and harmonization of customs procedures (Doc. 373/75);

(d) from the Council of the European Communities, a letter of amendment to the draft general budget of the European Communities for the financial year 1976, submitted by the Council (Doc. 371/75).

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

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

- Agreement between the European Economic Community and the Republic of Zambia on the supply of common wheat as food aid;
- Agreement in the form of an exchange of letters renewing the Agreement on trade and technical cooperation between the European Economic Community and the Member States of the one part, and the Lebanese Republic, of the other part;
- Agreement between the European Economic Community and the Republic of India on trade in textile products;
- Agreement between the European Economic Community and the Islamic Republic of Pakistan on trade in textile products.

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

**5. Decision on urgent procedure**

**President.** — I propose that Parliament deal by urgent procedure with reports not submitted

within the time-limits laid down in the rules of 11 May 1967.

Are there any objections?

The adoption of urgent procedure is agreed.

**6. Limit on speaking time**

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

*Reports:*

- 15 minutes for the rapporteur and 1 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.

Are there any objections?

That is agreed.

**7. Order of business**

**President.** — The next item is the order of business. At its meeting of 21 October 1975 and pursuant to Rule 12(1) of the Rules of Procedure, the enlarged Bureau prepared the draft agenda which has been distributed.

Since then, the reports by Mr Notenboom on a financial mechanism, by Mr Della Briotta on the wine sector, by Mr Gibbons on sheepmeat and by Mr Liogier on the EAGGF have been withdrawn.

The report by Mr Schwabe on bracket tariffs and by Mr Bermani on sorbitol will be voted without debate, while the reports by Mr Adams and Mr Bertrand on certain aspects of the Social Fund will be voted with debate.

The Committee on External Economic Relations has also asked for a vote without debate on the following reports:

- report by Mr Dykes on the Customs Cooperation Council (Doc. 372/75);
- report by Mr Dykes on the simplification and harmonization of customs procedures (Doc. 373/75).

**President**

These two reports could be included in the agenda for Friday.

Finally, the Commission has informed me that it is unfortunately not in a position to give the statement on action taken on the opinions and proposals of the European Parliament which was planned for today.

I call Mr Gerlach.

**Mr Gerlach.** — (D) Mr President, on behalf of the Committee on Regional Policy and Transport I would ask you to put the report on the proposal from the Commission to the Council for a regulation on reciprocal recognition of navigation licences for inland waterway vessels on Friday's agenda so that it can be adopted without debate after Mr Schwabe's report.

**President.** — I call Mr Müller.

**Mr Willi Müller.** — (D) On behalf of the Committee on Public Health and the Environment I request that the report by Mr Mitterdorfer, Doc. 343/75, be put back until the December part-session because our committee and the draftsman of its opinion have not yet been able to discuss the matter.

**President.** — I call Mr Houdet.

**Mr Houdet.** — (F) Mr President, I request the inclusion in the agenda of the report drawn up on behalf of the Committee on Agriculture by Mr Howell on the temporary suspension of Common Customs Tariff duties on certain agricultural products.

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — (NL) Mr President, as acting chairman of the Committee on Economic and Monetary Affairs I would like to request that, if at all possible, the Mitterdorfer report should be kept on the agenda. This report concerns the removal of technical barriers to trade which is basically a technical issue. With the agreement of Parliament we have decided to apply the simplified procedure on this report. The Commission cannot proceed any further as long as Parliament postpones its consideration of the report. If, however, the Committee on Public Health and the Environment has not yet had time to study this matter thoroughly, it could perhaps draw up an own-initiative report. But it seems to us that the abolition of technical barriers to trade is the main issue, and this is the aspect on which the Committee on Economic and Monetary Affairs has concentrated its attention. It has tried to avoid going into unnecessary

detail and believes that Parliament should adopt the same approach. Although we fully understand the views of the Committee on Public Health and the Environment, we request that this item be kept on the agenda.

**President.** — I call Mr Müller.

**Mr Willi Müller.** — (D) Mr President, I thought, and this is what the Committee on Public Health and the Environment suggested, that the whole item should be deleted from the agenda. One possibility would be to compromise by excluding the Commission's proposal, Doc. 235/75, on fruit jams, jellies and marmalades and chestnut puree so that the committee has a chance to give its opinion. As you know, a number of amendments have been tabled on this proposal, which is not the case with the other proposals included in this item. I therefore request that consideration be given to the exclusion of this proposal, Doc. 235/75.

**President.** — I call Mr Gundelach.

**Mr Gundelach, member of the Commission.** — Mr President, I would very much like, on behalf of the Commission, to plead with the European Parliament to deal with this whole item at this session. It is basically, as Mr Notenboom has indicated, a matter of technical barriers to trade. If we do not hear the Parliament's views on the proposals at this part-session, it will mean that the Council cannot deal with this subject as foreseen before the beginning of the new year. It would have serious practical consequences for the way we are running our internal market, and I really therefore must ask you to deal with this item at this session.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Would it not be possible, Mr President, for the first two items, that is, taximeters and lifting and mechanical handling appliances, and electrically operated lifts to be dealt with by Mr Mitterdorfer. The other item on fruit jams, jellies, marmalades and so on, on which the committee is awaiting an opinion from the Committee on Public Health and the Environment, could be postponed because the latter committee, as I understand it, has not yet come to any conclusions itself. Perhaps that would help Mr Gundelach if the two important issues were dealt with on Thursday and not the other one.

**President.** — Ladies and gentlemen, we have a proposal from Mr Müller, seconded by Mr

**President**

Scott-Hopkins and which I see Mr Gundelach also supports. The proposal is to withdraw from the debate on the Mitterdorfer report that section dealing with fruit jam, jellies and marmalades and chestnut purée (Doc. 235/75).

In view of the arguments put forward, I think we should support this proposal.

Are there any objections?

That is agreed.

The order of business is therefore as follows:

*This afternoon:*

The statement by the Commission on action taken on the opinions of Parliament has been withdrawn from the agenda.

- Willi Müller report on laws relating to the composition of petrol;
- Orth report on the maximum level of erucic acid;

*Tuesday, 11 November 1975*

*10.00 a.m., 3.00 p.m. and possibly 9.00 p.m.:*

- Introduction of and debate on the Cointat report on the draft general budget of the Communities for 1976;
- Introduction of and debate on the Flesch report on the estimates of Parliament for 1976;
- Introduction of and debate on the Flesch report on Sections II and IV of the draft general budget of the Communities for 1976;
- Introduction of and debate on the Aigner report on the draft amending and supplementary budget No 3 of the Communities for 1975;
- Gerlach report on the giving of a discharge to the Commission in respect of the 1971 budget.

*Wednesday, 12 November 1975*

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

- Question Time;
- Corterier report on the recommendations of the EEC-Greece Joint Parliamentary Committee adopted on 27 June 1975;
- Terrenoire report on the Additional Protocol to the EEC-Greece Association Agreement;

- Joint debate on two oral questions with debate concerning air traffic safety;
- Oral question with debate on consumer protection;
- Oral question with debate on US protectionist measures;
- Oral question with debate on mass dismissals in two multinational undertakings;
- Dondelinger report on the extension of trade union rights.

*Thursday, 13 November 1975*

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

- Vote on the motion for a resolution contained in the Aigner report on the draft amending and supplementary budget No 3 of the Communities for 1975;
- Vote on the motion for a resolution contained in the Flesch report on Parliament's estimates for 1976;
- Vote on the motion for a resolution contained in the Flesch report on Sections II and IV of the draft general budget of the Communities for 1976;
- Vote on the draft general budget of the Communities for 1976 and on the motion for a resolution contained in the Cointat report;
- Artzinger report on the annual report on the economic situation in the Community;
- Schwabe report on a system of bracket tariffs for the carriage of goods (without debate);
- Giraud report on the Community quota for the carriage of goods;
- Carettoni Romagnoli report on the education of migrant children;
- Mitterdorfer report on Community transit;
- Mitterdorfer report on the elimination of technical barriers to trade (only the proposals for directives relating to taximeters and lifting and mechanical handling appliances and electrically operated lifts);
- Pintat report on investment projects of interest to the Community.

*Friday, 14 November 1975*

*9.30 a.m. to 12 noon:*

- Possibly, continuation of Thursday's agenda;
- Jahn report on an environmental research programme;

**President**

- Meintz report on a research programme on biology and health protection;
- Osborn report on a research programme for reference materials and methods;
- Laudrin report on social security schemes;
- Adams report on vocational adaptation operations;
- Alfred Bertrand report on the textile and clothing sectors;
- Glinne report on the World Food Conference (5-15 November 1974);
- Bourdelles report on premiums for the producers of bovine animals;
- Bermani report on certain types of sorbitol (without debate);
- Corrie report on the suspension of duties on certain products originating in Malta;
- Albertsen report on the approximation of laws relating to cocoa and chocolate (without debate);
- Dykes report on the Customs Cooperation Council (without debate);
- Dykes report on the simplification and harmonization of customs procedures (without debate);
- Howell report on the suspension of CCT duties on certain agricultural products;
- Gerlach report on inland waterway vessels (without debate).

Are there any objections?

That is agreed.

I would draw your attention to the fact that Wednesday's sitting will finish at 7.15 p.m. because members of the enlarged Bureau have a very important engagement. On Wednesday evening a dinner will be given in honour of Their Royal Highnesses, the Grand Duke and Grand Duchess of Luxembourg who have kindly accepted Parliament's invitation.

*8. Time-limit for tabling amendments to the draft supplementary budget No 3 for 1975 and the draft general budget for 1976*

**President.** — I would remind the House that, pursuant to the internal Rules of Procedure for consideration of the draft general budget, I am required to fix the time-limit for the submission of draft amendments, proposed modifications and proposals for rejection of the budget as a

whole, and the time-limit for tabling draft amendments and proposed modifications for the draft supplementary budget No 3.

After lengthy discussion with the group chairmen, I have set the time-limit for 1 p.m. on Tuesday, 11 November.

*9. Organization of the budget debate*

**President.** — A meeting was held this afternoon with the chairmen of the political groups and the two rapporteurs, to organize the arrangements for the debate and vote on the general budget of the European Communities for 1976. At this meeting it was first agreed that tomorrow's sitting, which will include a night sitting if necessary, will be devoted to the general debate and the presentation of and debate on the draft amendments and proposed modifications.

In this connection I would point out that it would be useful if the authors of amendments which have been adopted, in one form or another, by the Committee on Budgets, or on which the latter has delivered a favourable opinion, would not move these amendments during the debate.

The group chairmen have agreed to allocate speaking time as follows:

- 60 minutes for the rapporteur of the Committee on Budgets on the draft general budget, Mr Cointat, who may divide this speaking time as he thinks fit between his introductory remarks, any interventions in the debate and his reply at the end of the debate;
- 15 minutes for Miss Flesch, rapporteur for the Committee on Budgets on Sections I, II and IV of the draft general budget;
- 85 minutes for the speaker on behalf of and the members of the Socialist Group;
- 70 minutes for the speaker on behalf of and the members of the Christian-Democratic Group;
- 45 minutes for the speaker on behalf of and the members of the Liberal and Allies Group;
- 40 minutes for the speaker on behalf of and the members of the European Conservative Group;
- 40 minutes for the speaker on behalf of and the members of the Group of European Progressive Democrats;
- 40 minutes for the speaker on behalf of and the members of the Communist and Allies Group;



**President**

- 15 minutes for non-attached members;
- 5 minutes for each of the draftsmen of opinions.

It is estimated that the President-in-Office of the Council and the Commission member responsible will speak for 90 minutes during this important debate.

The debate will therefore last about 9 hours, and speeches should be as full, precise and succinct as possible. In accordance with the wishes of the group chairmen, and on my own behalf, I would ask all speakers to ensure that we have a useful debate by freely accepting voluntary discipline.

In that way we shall be able tomorrow not only to complete the general debate but also the presentation of and debate on the draft amendments and proposed modifications.

I and the group chairmen would thus like to be able to start the vote on the budget at 10 a.m. on Thursday morning, when there will be no presentation of draft amendments or proposed modifications but simply the vote. Only the rapporteur will have the right to speak briefly to indicate the position of the Committee on Budgets. I would therefore ask Members who still intend to table further amendments, to submit them as soon as possible, and in any case before 1 o'clock tomorrow, and to move them tomorrow during the general debate.

In view of the extra work which this budget debate involves for our staff, there is no question of a night sitting on Thursday. Thursday's sitting must therefore finish at 8.30 p.m. Items which have not been dealt with by then will be placed at the beginning of the agenda for Friday.

Those are the internal arrangements which I am proposing, hoping that in this way, in spite of the difficult working conditions, we can carry out efficiently and within the time-limits the budgetary powers which we exercise.

Are there any objections?

That is agreed.

As regards the vote on Thursday, 13 November, I would draw your attention once again to the fact that as many Members of the European Parliament as possible should participate. Under the provisions of Article 203 of the EEC Treaty and the corresponding Articles of the Euratom and ECSC Treaties, Parliament has the right to amend the draft budget by a majority of its Members. Having regard to the present membership of our Assembly, the majority is 100 votes.

10. *Time-limit for entering names on the list of speakers for the budget debate*

**President.** — I propose that the list of speakers for the budget debate should be closed at 10 a.m., tomorrow, Tuesday, 11 November 1975.

Are there any objections?

That is agreed.

11. *Welcoming of various personalities*

**President.** — Ladies and gentlemen, I am particularly happy to welcome the presence, in the official gallery, of a delegation from the Constituent Assembly of the Republic of Portugal.

In accepting the invitation sent to them on behalf of the enlarged Bureau, the Constituent Assembly of Portugal demonstrates its interest in our common aims: the construction of a Europe united in democracy and peace.

The presence amongst us of our colleagues from the Portuguese Constituent Assembly is, at the same time, proof of a political will based on respect for the principles of democratic pluralism and an act of faith in the future of the construction of Europe. I am sure that I echo the sentiments of Parliament in expressing the hope that the efforts of our Portuguese friends to achieve integration into the European Community will be crowned with success and, with this in view, I am happy to assure them of the unstinted support of our Institution.

*(Loud applause)*

12. *Directive on the approximation of the laws relating to the composition of petrol*

**President.** — The next item is the debate on the report drawn up by Mr Willi Müller, on behalf of the Committee on Public Health and the Environment, on the proposal from the Commission of the European Communities to the Council concerning the approximation of the laws of the Member States relating to the composition of petrol—problem of the lead content of petrol (Doc. 339/75).

I call Mr Müller.

**Mr Willi Müller, rapporteur.** — (D) Mr President, ladies and gentlemen, as rapporteur for the Committee on Public Health and the Environment, I should like to inform the House of the conclusions reached during the discussions of the Commission's proposal for a

**Willi Müller**

directive concerning the approximation of the laws of the Member States relating to the composition of petrol, or more accurately the lead content of petrol.

The committee generally agrees with the purpose of the Commission's proposal, but has made considerable changes as regards detail. My presentation will provide the explanations for this.

The fact that considerable time has passed since the submission of the proposal for a directive by the Commission until the debate on it today in Parliament shows what difficulties it presented.

In the conflict between what is necessary from a health policy point of view and what is possible from an economic point of view, obstacles were encountered which could not be surmounted without difficulty. Our discussions proceeded from the idea that an attempt should be made to consider all possible problems thoroughly and exhaustively. The consequences of the energy crisis that has occurred in the meantime, have done nothing to ease the situation.

I will not suppress, but rather emphasize the fact that the implementation of environmental policy—and European environmental policy at that—has not become easier, but harder now that obtaining supplies of energy is more difficult and growth rates are on the decline. Added to this, curbing growth and saving energy are not concepts out of which a policy likely to improve the environment can grow. This is what the Club of Rome discovered, and none of us will be spared the rethinking that is entailed.

Quite generally, but also with regard to this proposal for a directive, it can be said that between ceremonial announcements and well-meant declarations of intent and their transformation into everyday practice, there is a yawning gap that can seldom be closed without a special effort, if at all.

From the first programme of action of the European Communities on the environment to the realization of the individual projects it includes, there has been a tendency to replace the search for an overall solution, which everyone wants, by a piecemeal approach. In this the Council has assumed the role of the baker, guided by his own interests, who removes the remaining currants from a cake which is already low on ingredients. What is then left over in the way of rules and regulations on the environment that are binding throughout the Community cannot satisfy those in Europe who are conscious of the environment and also imposes—and I should like to stress this—on future generations obligations which can hardly be met.

The proposal for a directive, which I shall call the 'lead in petrol directive' for short, is one of the principal components of the European environmental action programme. It corresponds to the principles of the programme, which I should like to recall here. The programme states:

'The best environment policy consists in preventing the creation of pollution or nuisances at source, rather than subsequently trying to counteract their effects'; and again: 'the Community environment policy is aimed, as far as possible, at the coordinated and harmonized progress of national policies without, however, hampering potential or actual progress at the national level. However, the latter should be carried out in such a way as does not jeopardize the satisfactory operation of the common market.'

The conclusions which can be drawn as regards this directive and which link it to the principles I have just mentioned, can be summarized as follows:

1. The directive meets the principle of prevention.
2. It attempts to guide a tendency which is characterized by extreme arrangements at national level and might lead to distortions of competition.

Fundamentally, the directive is in line with the programme of action of the European Communities on the environment approved by the Council.

Even though the discussion continues as to whether and to what extent it can be proved that man and his environment suffer as a result of lead in petrol, the thought behind the directive is that precautions should be taken to prevent possible risks before they occur. Since, moreover, the toxicity of lead is undisputed, it would be glossing over the situation in a completely inappropriate manner to await conclusive evidence, in other words to remain inactive until, as it were, the horse has bolted.

At this point I would refer the House to the more detailed explanatory statement contained in the report.

By proposing that the lead content of petrol used in spark ignition engines should be subject to certain limits, the Commission is acting in accordance with the appeal for harmonization, which is also to be found in the programme. I should like to go into this in greater detail because some quite serious objections might be made in this respect. It is not that I want to pay greater attention to the economic aspect—that would be counter to the discussions held in committee—than it deserves, compared with the significance of the directive on the health policy point of view.

**Willi Müller**

The need for harmonization stems from the following facts:

The average lead content of fuels in normal use in the Community is, as things now stand, about 0.55 grammes per litre of petrol. This average is derived from the following figures—and with your approval, Mr President, I will refrain from stating grammes, lead and litres of petrol in each case:

United Kingdom	0.55
Netherlands	0.64
Belgium	0.84
Denmark	0.84
France	0.64
Italy	0.64
Federal Republic of Germany	0.40

There is no limit in Luxembourg or Ireland, while there is a tax concession in Italy on fuel containing 0.40 grammes of lead per litre of petrol. In addition, legislation will come into force on 1 January 1976 in the Federal Republic of Germany—although there will be a transitional period—reducing the lead content of petrol to 0.15 grammes per litre.

As things now stand, the gap between the lowest and the highest figures is 0.44 grammes of lead per litre of petrol, and there is a danger the gap will widen. The fears the Commission has in this regard and the consequences it foresees cannot simply be ignored. The Commission has proposed that the lead content of petrol should be reduced in two stages: from 1 January 1976 to 0.40 grammes of lead per litre, and from 1 January 1978 to 0.15 in the case of regular petrol, with 0.40 grammes per litre maintained for premium petrol. For the ensuing period final proposals for solving the overall problem are to be submitted on the basis of the results of scientific research. The deadline set for this was to be 1 January 1980.

Due to the long time taken over discussions it was understandably not possible to observe the deadlines set out in the proposal. Furthermore, the committee agreed to a number of amendments to the proposed directive, which I, as rapporteur, would like to briefly take up and which are also referred to in the motion for a resolution and more fully explained in the explanatory statement. The Committee on Public Health and the Environment stresses that it supports the principle of health protection underlined by the Commission.

The first stage of the directive is to enter into force on 1 January 1977. Other dates dependent on this will be put back accordingly. A second stage provided for in the directive cannot be

considered until experience has been gained as to the effects of the first stage and until the results of current investigations are available. A request is made for the Commission to submit a general report and a proposal for a supplementary directive by 1 January 1979.

It will still be possible for the countries of the Community to reduce the lead content before 1 January 1977.

The possibility of Member States assuming a pilot function by reducing the lead content further than provided for in the first stage, if they meet specific requirements, is not excluded.

In addition, the committee requests the Commission to submit a proposal for a directive on further reductions of motor vehicle exhaust gases and to begin an investigation into the possibilities of using filtration systems.

I owe the House an explanation as to why the committee rejected the introduction of a second stage. The discussions we had finally produced the result you now have before you.

The reduction of the lead content in the first stage to 0.40 grammes per litre of petrol can be achieved without the oil industry making additional investments. Nor will the users of motor vehicles be faced with an increase in costs. The car manufacturers do not need to make any expensive alterations to engines and exhaust systems. The engines of motor vehicles already registered will not suffer any damage. That we have not made this all up as we went along in an attempt to mollify can be seen from the example of the Federal Republic of Germany and the experience that has been gained there.

Notwithstanding these considerations, it seems to the committee to be of considerable importance that a compulsory limit of the lead content to 0.40 grammes of lead per litre of petrol in all countries of the Community means the discharge of lead into the atmosphere will be reduced by about 27%. Even if a probable increase in car traffic is included in the calculation, there would be a permanent improvement as regards the environment and health in the long term. If account is also taken of the continuing trend towards the manufacture of small cars with low petrol consumption, the effect of the first stage of the directive will be considerable.

However, the introduction of a second stage under the directive at the present time met with insurmountable opposition in the committee. It was said that a further reduction of the lead content of petrol to a level below 0.40 grammes would involve the industry in substantial investment, which would have an effect on the con-

**Willi Müller**

sumer, and the possible increase in the consumption of fuel would be a burden on an already strained petroleum supply sector.

Since these objections could not be refuted, the committee preferred to require the Commission to postpone the introduction of the second stage of the lead in petrol directive for the time being. Instead, the Commission is urged to submit a general report containing a supplementary concept for the solution of the problem by 1 January 1979, which will mean a negligible delay.

The committee took its decisions by large majorities in each case. A minority advanced the view that the proposals on which decisions now have to be reached, did not go far enough, and the regulations in the Federal Republic of Germany were quoted as an example. The opinion of the Committee on Economic and Monetary Affairs was taken into account, even though, Mr President, its conception that it should be responsible for all proposals for directives aimed at eliminating technical obstacles, had to be rejected. The committee felt that that would mean subordinating environmental requirements to economic interests in every case.

I am personally convinced that what was achieved in our discussions was the only thing that could be done. There is no point in having our heads in the clouds when making requests: the possibilities open to Europe, and this is not only in the field of environmental protection, just happen to be down—to—earth and sometimes very sobering. This is something I learnt to my sorrow in the discussions on this proposal for a directive.

Despite numerous reservations, my appraisal of the amended proposal is that it upholds the obligation towards the public to do everything with all reasonable means available to achieve improvements in one area of environmental protection. With a clear conscience, even though not completely satisfied, I feel that this proposal in its amended form can be approved.

As rapporteur, with the backing of the vote taken by the Committee on Public Health and the Environment, I request the House to approve the proposal, the amendments and the motion for a resolution. I also make this request on behalf of the Socialist Group.

In conclusion, I should like to thank the members of the committee and the staff of its secretariat for their excellent and fair cooperation.

Turning to the Commission, I would once again respectfully say, Mr Gundelach, that the discussions with the Commission, and with you, were not always free of tension, but this concerned the matter itself.

I should like to say a particular word of thanks to the technical services of our Parliament, who have made it possible for us to deal with this subject today, thus satisfying a request made by the Commission. It was very difficult to get all this translated.

I should also like to thank you, Mr President, and the members of Parliament for the attention and patience with which you have listened to my statement.

*(Applause)*

**IN THE CHAIR: MR SANTER***Vice-President*

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

**Mr Springorum.** — *(D)* Mr President, ladies and gentlemen, I should like to begin by addressing a few words of thanks and recognition to the rapporteur. He has dealt with this difficult material with so much expertise that we all came to look on him as the specialist. His proposal to the committee initially met with opposition, but then, due to his intensive work, was accepted almost unanimously.

The problem of adding lead to petrol is that various questions have to be settled, that of environmental protection, that of energy requirements and finally the very important question of the Common Market. Each had to be considered in relationship to the others because none of them is decisive in itself. Our committee found it depressing that some of the information it had conflicted with other figures provided. Although the Commission fully accepts the danger of adding lead to petrol, we received a different opinion and different findings from the German government. From what the Federal Government describes as a danger to health, it is very surprising that, for example, policemen on traffic duty and refuse disposal people can live despite the enormous risks, according to the Federal Government, of breathing in air containing lead. On the other hand, we do not know if the Commission has in fact carried out comprehensive investigations or whether there was simply no coordination between the German Government and the Commission. As politicians we are in a poor position in this, since we cannot judge how great the danger really is to human beings.

The question of the Common Market was, of course, also extremely important for us. We know that reducing the amount of lead added

**Springorum**

also leads to a reduction of the octane number. I believe the complete omission of lead leads to a drop of between 5 and 10%, which is considerable. This can be partly compensated by the addition of aromatic hydrocarbons, but then, of course, the difficult question again arises as to what is in fact more dangerous for man and his environment, aromatic hydrocarbons or lead emissions. I personally do not know. Nor do I know if the Commission can provide a conclusive answer to this question. We would be extremely interested to hear its answer because here again the information we received varied: the German Government thinks it would not be so dangerous or so toxic. But, of course, it is impossible to be absolutely certain what constitutes toxicity.

The Federal Government says that it believes lead to be a thousand times more toxic than hydrocarbons, but hydrocarbons have a far greater carcinogenic and mutagenic effect than lead in the respiratory tract. Lead is primarily dangerous when ingested with food.

This reduction in the octane number does of course mean that it will be difficult for cars with high-compression engines to cross frontiers in our Community unless the reduction is carried out progressively in all countries in a uniform manner.

With its proposal the Commission has tried to reach a compromise to the extent that it has said we will reduce the lead content of regular petrol to 0.4 grammes per litre and two years later to 0.15 grammes, while in the case of premium petrol it is to stay at 0.40, a compromise that the Commission felt would be acceptable to all the countries. It also realized that it would be best not to go too far, because then a consensus was unlikely ever to be found in the Council. The Common Market will encounter problems only if individual countries step out of line.

This is the case with the Federal Republic, which originally planned to reduce the lead content of premium fuel to 0.15 grammes per litre from 1 January 1976. In the meantime, the Federal Government has proposed a modification, which, as far as I know, the Bundestag has unanimously approved, which will allow premium petrol to be sold for two years with varying lead contents, that is 0.4, 0.25 and 0.15 grammes. I feel that this solution would be in accordance with the Commission's directive and that there is therefore no conflict here. However, this modification is limited to two years.

At this point I should like to ask the Commission if it does not feel it should not take steps

to ensure this modification applies for a longer period.

The rapporteur and the Committee on Public Health and the Environment have attempted to eliminate source of the differences between the Community or the Commission on the one hand and the Federal Republic of Germany on the other, since the committee was aware that a more progressive ruling on lead in petrol must not be wrecked and was in fact basically acceptable as long as it did not disturb the Common Market. That is why the committee proposes that countries should be allowed to push ahead if the health situation requires and as long as the smooth functioning of the Common Market is not disturbed as a result.

I feel that this provides a link which the Commission might also use. I know that it will not find this easy. I would ask the Commission if it can imagine other countries in the Community resorting to this possibility. I know that the Commission once advanced the view that if the proposed arrangement was not accepted, there would not be one at all, and that would be the worst thing for us all.

I also feel that an attempt should be made to make distinctions not from country to country, but from area to area. The situation in Rome is different from that in Sicily, Brussels is different from Schleswig-Holstein. Trying to treat everyone alike is really nonsense, especially as there is in fact no substitute at the moment for lead if the present quality of engine performance is to be maintained.

My group agrees with the proposal made by the committee, since it considers it is feasible, and would therefore request the House to give its approval.

*(Applause)*

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

**Mr Meintz.** — *(F)* Mr President, ladies and gentlemen, I too would like to begin by congratulating the rapporteur on behalf of my group on the ability and care with which he has drawn up his report.

I shall be very brief, because Mr Müller has really covered everything in his introduction. Mr Springorum, who is also an expert on this subject, was also very complete.

It goes without saying that our group supports this proposal for a directive in principle, even though the Commission seems to have set greater store by reaching a compromise than by seeking the most Community-minded solution or, at all events, the most progressive.

**Meints**

It seems to me that the aim of harmonizing the various national legislations is not an easy one in view of the discrepancies to which Mr Müller referred in his introduction. The aim of this directive is, however a vital one, since it has been reaffirmed that in large cities an excessive accumulation of lead has been detected in the human system, particularly in the blood and in the kidneys. It is obvious that those who, by virtue of their profession, are in direct contact with motor traffic and motor mechanics are affected the most.

This House recently adopted guidelines for a Community Programme for safety, hygiene and health protection at work. We must also ensure that the work of traffic policemen, motor mechanics and all those who have just been mentioned by Mr Springorum is included in these guidelines. That applies not only to certain professions, but also to children, pedestrians and all other road-users, since in the long term this accumulation of lead may involve grave risks.

Moreover, as the experts' conclusions are not always in agreement, the implementation throughout the Community of this directive would allow them consider the advantages and disadvantages in a much more concrete manner, the results of which would be comparable and which could show us once and for all the influence of this lead level. The fact that a government has been able to propose more restrictive measures shows that more restrictive legislation is possible. We therefore approve the wording of paragraph 5 of Mr Müller's motion for a resolution, which allows Member States to reduce the lead content of petrol to a greater extent than provided for in the directive.

We also considered whether it was advisable to provide for the alteration of the composition of petrol, given the present economic situation, which is one of recession and unemployment, in view of the cost of such a measure in the various Member States. This fear does not seem to be justified. The Commission representative assured us that the refining process did not lead to substantially higher costs.

Another solution besides the reduction of the lead content of petrol has been proposed, particularly by our British colleagues: that of mechanical filters. Certain reservations have, however, been expressed, particularly with regard to the period of effectiveness and the amount of lead extracted from the exhaust fumes by these filters. This directive, I repeat, will enable the various experts to arrive at comparable results in their research.

Our group will therefore vote in favour of the motion for a resolution contained in Mr Müller's report.

*(Applause)*

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

**Mr Nyborg.** — *(DK)* Mr President, like the previous speaker I have to admit that there is little to add to what the rapporteur and Mr Springorum have already said on this subject, on which they are clearly experts; but I do have some general observations. The Group of European Progressive Democrats is very much in favour of any environmental protection or anti-pollution measure, and therefore welcomes Mr Willi Müller's report.

However, in this case we are faced with a number of uncertainties which should in our opinion lead Parliament to act with caution and not too stringently. Unfortunately we have no watertight indication of how far it will be necessary to reduce the lead content of petrol to comply with reasonable health requirements. It seems probable that in areas with heavy industrial pollution and little wind, health risks can be cut down by reducing the lead content of exhaust gases emitted by petrol combustion engines.

Similarly, it seems probable that in country areas with some wind and only light traffic the lead content of exhaust gases has little or no effect on the environment. Conditions therefore vary greatly not only from country to country, but also from district to district.

We know for certain that a drastic reduction in the lead content of petrol would make great demands on our economies and our currency reserves since it would incur an increase of about 25% in crude oil imports and add thousands of millions of units of accounts to present oil prices. And in addition to this there is the cost of developing new engines if there is to be a considerable reduction of lead content, since the car engine we have today cannot operate on low-lead petrol. We must therefore recommend continuation of intensive research into this subject, including an examination of alternative solutions such as the exhaust filters mentioned by our British colleague Mr Spicer.

In view of what I have said, it will hardly come as a surprise that our Group supports Mr Willi Müller's report, while at the time requesting that the directive should be formulated less bluntly.

**Nyborg**

I would like to conclude by thanking Mr Willi Müller for the considerable amount of work he has put into this report.

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

**Mr Spicer.** — Mr President, may I begin by echoing the thanks of other people who serve on the Committee on Public Health and the Environment to Mr Müller for all the tremendous work that he has put into his report. It has been a very frustrating time for him; he has made changes and adjustments in his report which, I know personally, have caused him a great deal of anguish, but he has outwardly at least, borne it with stoicism and has carried the matter through to what must be for him a very successful conclusion. Having said that, Mr President, may I now go on to say that the Conservative Group will be voting against the proposal for a directive, and I should like to explain in some detail exactly why we intend to so.

Voting for this proposed directive constitutes in our view a commitment to that directive, even though it may be a compromise as it stands at the moment. We are not at all certain that that commitment should be entered into at this time. Many of us here are, of course, laymen who do not have the facts fully at our fingertips; we have to rely upon experts to give us the facts we need, and, as we all know, if you gather only two economists together you may reach diametrically opposite views. This is precisely the situation that obtains in this particular field when one is judging the economic consequences of a measure such as this. May I therefore initially take issue with Mr Müller on the economic consequences of a directive based on the current proposals? He has said that there will be no overall cost in reducing the lead content of petrol to 0.40 g/l. My information is exactly the contrary to that. If I may give you the United Kingdom example, we only have to go down from a lead content of 0.55 to 0.40, but that will cost us £32 million a year in terms of capital investment, £40 million a year in crude oil imports and £30 million a year to our motorist. In support of that statement, may I read a very brief extract from a speech made by Mr Denis Howell in the House of Commons on 11 April 1975.

'If lead is removed from petrol, more oil is needed to produce the same degree of efficiency. For balance-of-payments reasons, the Government are not able to proceed with the next stage of the programme of reduction from 0.55 to 0.40 grammes per litre. Such a reduction would cost us £20 million per annum, provided that at

current market prices all the other by-products of crude oil could be sold. I am told that it is far from likely that if more oil were imported to be processed, we should be able to sell off all the by-products. If that were the case, the cost to the country of the further reduction would be about £60 million. Therefore between £20 million and £60 million is the best estimate that I can give of the cost of the further reduction of the lead content of petrol'

May I come back to the point that Mr Müller made about the present levels of lead content in the other member countries of the Community, because this is the very important economic point that everyone here would do well to remember. In the United Kingdom—and I have given you figures for the cost to us in this respect—we are at present at 0.55, while the Netherlands stand at 0.64, Belgium at 0.84, Denmark at 0.84, France at 0.64, Italy at 0.64 and Ireland has no limit at all. It is therefore for individual members here to judge what the economic cost would be for their own country and for the Community as a whole. The estimate that I have of the total cost of these changes for the Community would be a capital cost of some \$160 billion a year and an annual cost of \$80 billion a year in addition to that.

Now, having said that Mr President, may I say that our Group, as everyone else in this Parliament, would willingly accept for environmental and public-health purposes the change that is required, and the economic sacrifice that Mr Springorum referred to when he was speaking, if the case had been proven that the lead content in petrol has any bearing whatsoever upon public health. Now here again you can find two entirely different views being put forward. In our view, these proposals are really based upon an arbitrary judgment and not upon proven scientific fact. May I draw the attention of Parliament to one particular thing that struck me in the proposal for a Council directive in the third recital on Page 7:

'Whereas, since in the present state of scientific knowledge there is no evidence to prove that existing concentrations of lead in the atmosphere do not constitute a danger to public health...'

Mr President, if we take this view on everything that we look at, where do we end up? We in the United Kingdom might well finish up—I do not mean to inject humour into a very serious subject, but I will do so briefly—by saying that, since there is no evidence that there is not a Loch Ness monster, we shall ban boats from Loch Ness in case they should suffer damage as a result of there eventually being proved that there is a Loch Ness monster, which might cause damage to the boats.

**Spicer**

You see, if we start by saying there is not a proven case, where will we end up? We, within the Committee on Public Health and the Environment in particular, could carry the argument forward on those lines to the point of absurdity.

To lend weight to what I said about the environmental aspect of this, can I just very briefly give you one or two additional quotes from sources which bear out the fact that there no case has as yet been proven in this respect. First of all, the EEC Commission draft directive on lead in petrol says there is no evidence to prove that existing concentrations of lead in the atmosphere constitute a danger to public health. Secondly, the United Kingdom Pollution Paper No 2 says there is no evidence of harm to health from present concentrations of lead in urban air. From France, the High Committee of the Environment, reporting on pollution by lead and its derivatives, said that despite a great deal of information on the effect of lead in air, it is at the moment impossible to prove that the use of lead in petrol has increased our body burden, of that it represents a danger to human health. Finally, it is reported from the United States that lead attributable to emission and dispersion into the air has not known harmful effects.

To add to the case that I am trying to build up, may I quote Mr Gundelach himself, when he came and spoke to our committee on 26 and 27 May. We had one or two rather interesting exchanges at that committee meeting, as you will remember, sir. During the course of those exchanges you did make one or two points very strongly. You said that there was no clear scientific evidence about the effect on humans of lead in the atmosphere from motor exhausts. You went on to say that of course lead-reduced petrol would be more expensive. I have spoken about that and I am dealing only with the harmful effects of lead in the atmosphere. What did worry me, in particular, was the point you made about other additives, because if the lead content is reduced, then you have to have other additives in its place. On low-lead petrol as a whole, the Commissioner expressed the view that additives which would have to be used to replace lead might well be as dangerous as lead itself. Now, I could go on. Mr President, but I know time is pressing on this particular matter, and I think I have produced enough evidence to say that there is a very great deal of doubt on this matter and this doubt should be weighed very carefully in the balance before people vote.

A final factor which I would mention, is that, whereas in 1973, when this was first being discussed within the Community, there was the expectation that there would be a massive in-

crease in the number of cars on the road within the Community, conditions have changed tremendously since then, and, indeed, in the United Kingdom, in August of this year, the consumption of petrol actually fell by 7% compared with the preceding year, and the preceding year showed a fall compared with the year before that. I think that factor alone adds a certain amount of weight to the case that I am putting forward.

We would, as a group, Mr President, support the idea of a constant watching brief on this situation. We would support, with all the force at our command, further research and development, not only of exhaust systems but of lead filters. But my final point is that within this Community, as elsewhere in the world, we must establish a clear list of priorities for public health and the environment. When we went recently to meet the officials of the German Ministry of the Environment in Berlin, they made the point very forcibly to us that they had to try to get their priorities right and they said we must weigh the public health aspect against the economic consequences.

What I have tried to do today is to do just that. On balance, given the present economic situation within the Community, given the uncertainties about the danger from the lead content in petrol, I would say that it can well be argued that we should not take a step which is a commitment on all the member countries of the Community, a commitment from which they cannot escape. In my view, Mr President, anybody who is committed to this should not be saying in his heart, that perhaps, we can drag our feet on this one, perhaps we can add a year here or two years there, and perhaps in three or four years, the Commissioner will have disappeared and people will have forgotten about it. That is not the right way to go about it. If we are going to vote on this, we must vote for what we believe to be right, both in the interests of public health and in the interests of the Community. And so may I once again say, in our view, the case has not been proved and we shall be voting against, Mr President.

*(Applause)*

**President.** — I call Mr Gundelach.

**Mr Gundelach, member of the Commission.** — It seems useful to emphasize that the Commission has always attached great importance to the problem of air pollution, and not least to pollution created by motor vehicles. In fact, one of the first directives it proposed in the context of technical barriers was Directive No 70/220/EEC dealing with carbon monoxide, as well as



**Gundelach**

unburnt hydrocarbons. However, the Commission never felt that this was the final solution to pollution in the automobile field. Not only was this directive made stricter some years ago, but the Commission has continued its research into other pollutants contained in exhaust gases. Then Commission activities in this field suddenly had to concentrate on the lead content of petrol, since one Member State in particular was about to adopt legislation in this field. After careful examination, the Commission subsequently presented a draft directive on the lead content of petrol to the Council, a directive which, so the Commission believes, attaches due importance to the environmental aspects as well as to technical feasibility and economic costs. As far as the two latter points are concerned, the Commission's proposal of a maximum limit of 0.40 grammes per litre, whilst constituting a considerable decrease in the lead content then prevailing in most Member States, presented neither major technical obstacles nor economic implications that would be unbearable for the manufacturer or consumers involved. The Commission felt at that time that for regular petrol the lead content might go down as far as 0.15 g/l if a few years' adjustment period were to be allowed. I should like at this point to say that I do not agree with paragraph 2 of the motion or with the proposal to delete Article 2(2) of the proposed directive: the cost of taking this additional step is marginal, and the general interests served are consequently much more important.

Before saying something about the economic costs entailed in carrying out the Commission's proposal—I think the Parliament is entitled to know the cost and I notice that it is not in your papers—I should like to elaborate a little on the points I have just been making and in so doing try to answer the comments which have been made and which, as you will have observed, have been tending in quite different directions. On the one hand, Mr Springorum asks whether the Commission has really examined as fully as possible everything pertinent to this case, whether it has really secured the best expert opinion as to the harmful effects of the existence in the air of certain quantities of lead, referring to the fact that there seems to be a different view emanating from one of our Member States, the Federal Republic of Germany.

This same question is raised by Mr Spicer, who asks whether it has really been sufficiently proved that it is necessary to take steps which after all will cost a good deal of money and whether it is really necessary to go as far as the Commission is suggesting—which, by the way, falls considerably short of the measures which the Federal Government of Germany is

about to introduce on 1 January 1976. Mr President, it is quite evident that there is not one scientific, foolproof answer to these questions. If there had been such an answer, you would by now have received it and you would have felt more confident when discussing the matter here today. And it is no one's fault, neither that of the Commission nor that of the Federal Republic of Germany, which seems to be our co-actor in this drama, that precise, unquestionable figures do not exist. They do not exist, and what does not exist cannot be provided. We have done a great deal of research, we have gone as far as we possibly could within our means to carry out tests on our own and study tests being carried out elsewhere, and our proposals are built to the best of our or anyone else's ability on the probabilities presented by these studies—I say 'probabilities' because nothing beyond that exists, neither here nor a few hundred kilometres away in the Federal Republic of Germany. There is a decision to be made by politicians, and it will not help to ask for more information, to back away from making that, which is, after all the responsibility of any politician. If it could all be worked out by computers, maybe neither I nor you ought to be here; but we are here, precisely because at a certain point, on the basis of what information is available, politically responsible people must take the risk and must make a decision: that is the situation with which we are confronted. The proposal we have put forward to you is, as I have tried to say, based on the best possible information available. It is therefore, on the one hand, not based on full scientific proof: that I admit to Mr Spicer, and we have stated the fact in our third recital, which, by the way, the Committee on Public Health and the Environment wants to change. There is no scientific proof but on the other hand there is a probability, because we do know that lead is a poisonous substance and a sufficient probability has therefore been established that damage will occur to human health if the content of lead in the atmosphere continues to increase. I would therefore like to draw your attention, Mr Spicer, to the fact that in the third recital and in my earlier speech to the Committee on Public Health and the Environment I used the words 'prove that existing concentrations of lead in the atmosphere do not constitute...' and so forth, which means that an increased concentration of lead in the atmosphere, given the fact that lead is a poisonous material, might very well lead to a dangerous situation for public health. As responsible politicians, we must therefore aim at a reasonable degree of prevention, and in the judgment of the Commission the proposals we have put forward contain, as nearly as man can judge, that reasonable degree of prevention required in

**Gundelach**

view of a possible, or even a probable, deterioration in our atmosphere through lead emission which might prove unacceptable from the point of view of health. We have done our best to find, on the basis of the existing information, a reasonable balance for the years immediately ahead. If the Commission's proposals were carried out by the Council, even with a further increase in automobile traffic, we would find in the next few years, not an increase but a not inconsiderable decrease in the lead content in the atmosphere, we would have carried out a reasonable, commonsense policy of prevention. But we are equally convinced that so far it has not been demonstrated by anybody, including the Federal Republic of Germany, that for these purposes, the careful man's purposes, it is necessary to go any further. The Commission has therefore hesitated to put forward proposals which went beyond what we have put on the table, mindful that in not doing so we are pursuing a collision course with one of our Member States as regards European cohesion in environmental affairs and our internal commercial policy. In view of the cost involved, and in view of the lack of convincing grounds for going further, it would not have been right of us to put forward proposals which went further than those we have in fact tabled.

In this connection there are two points which must be taken into account. One of these has been recognized in the report, and I am happy that this has been referred to not only by the rapporteur but also by Mr Spicer, who referred to a speech I made in the Committee on Public Health and the Environment. This first point is that when we are dealing with exhaust gases from motor vehicles we cannot confine ourselves to lead, because there are other substances coming out of a motor vehicle which may be just as dangerous as lead and in some cases even more so. We must also ensure that the diminution of the lead content in petrol is not achieved at the cost of a higher concentration of other anti-knock materials in petrol which are equally, or even more poisonous. On this point, Mr Springorum, I am not advancing a hypothesis but am speaking on the basis of what, in this case, comes close to proven scientific fact.

Another point that has been raised is whether in densely populated areas this danger might not be bigger than in less densely populated areas. This is an interesting point, and one which I think we must bear in mind as we continue down this road, because what we are putting forward is not a final solution but the beginning of a solution. But I would like to draw your attention to the fact that, if there is a regional problem, then it is a regional problem, which cuts across national frontiers. Do not come and

tell me that there are only certain Member States with highly populated areas while others have none. This is not a matter of national frontiers. This is a matter of a possible difference in effect in certain highly populated areas in all Member States, and must be approached not by special derogations granted to member nations but by special derogations granted, if necessary, to regions. And here I think both you and I as representing a European construction must be extremely careful how we deal with this particular problem.

In regard to the economic costs of what we are suggesting, the proposal of the Commission, if accepted without amendment, would imply an added capital investment—that means, refinery equipment—of roughly \$ 300 million. The annual costs of production would be increased by \$ 150 million. Crude oil imports would increase by 8 000 tonnes a year. If a programme was carried out, on a Community basis, which went the whole way down to 0.15 g/l for all types of petrol, then all these figures would be considerably increased namely, to \$ 650 million, \$ 350 million and 25 000 tonnes a year respectively. I admit these are rough figures, but they give the order of magnitude. The first figure obviously is a one-time expenditure, the two others are not. These are the economic realities to which I referred when I spoke about the balanced nature of the Commission's proposal.

Mr President, the proposal of the Commission was sent to the European Parliament by the President of the Council of Ministers on 19 December 1973 for consultation in accordance with Article 100 of the Rome Treaty. Since that time, your Committee on Public Health and the Environment has held many meetings, to which reference is made in the report, and it is quite easy to see that the committee went seriously into the complex problem covered by the draft directive, and I, in my turn, would like to congratulate the committee and its rapporteur for its admirable work. But, Mr President, one can also see from the dates I mentioned, that it took the committee a considerable time to arrive at its final report and motion for a resolution. That means that it will, in fact, no longer be possible to obtain a Council decision on the proposal before 1 January 1976, a date on which, in at least one Member State, legal provisions will enter into force which deviate from the contents of this draft directive. As is generally known, the Council does not as a rule commence its deliberations on draft directives until Parliament has given its opinion. Needless to say, I would have greatly preferred the Council to be in a position to start examining the proposals without this complicating factor looming over the discussions.

**Gundelach**

Be that as it may, I would now like to finish by taking up some of the specific points contained in the documents, having already made my position clear in regard to the proposal to delete Article 2(2). I would like to maintain the position of the Commission on this question of the next stage. The change of the dates as proposed in paragraph 1 of the motion and subsequently in Article 2 of the draft directive itself are, in the light of what I have already stated, logical and consequently acceptable. I have more difficulty with paragraphs 4 and 5 of the motion for a resolution, despite the comments made in this regard by Mr Springorum, and in particular the changes proposed in Article 4(2) and 4(3) of the draft directive. Sub-paragraphs (a) and (b) of Article 4(3) seem to be, on the one hand, redundant and, on the other hand, contradictory. I shall try to explain this point which is obviously of considerable importance. With respect to Article 4(3) (a) of the proposed directive, in fact, a Member State can always deviate from the provisions of the directive, if it can establish that an urgent and important problem of public health has arisen, even though this is not spelled out in detail by the directive. That is why I am saying this clause is redundant. As for Article 4(3) (b), it is obvious that such deviation will practically always interfere with the smooth running of the common market, but it will be up to that Member State, if the deviation is justified, to find, in consultation with the Commission, the proper ways and means to keep this interference down to a strict minimum and apply the measure concerned no longer than is strictly necessary. Consequently, I am not convinced that the proposed amendment is really solving a problem.

Like Mr Springorum, I am not convinced of the expediency of the law in Germany introducing a transitional period of two years during which, on certain conditions, petrol with a 0.4 g/l lead content can still be used. We have still not been notified of the contents of this legislation, but from what we have heard, the conditions seems to be rather contrary to the principles of the common market and in contradiction with Article 30 of the Treaty, but we shall have to refer to this matter again when we have been properly notified by the German Government.

As far as paragraph 2 of the motion for a resolution is concerned, I am certainly sympathetic to the underlying idea of continuing the process of diminishing the lead content in the atmosphere, for reasons I have already stated. The question arises, however, whether a further reduction of lead in petrol would be necessarily the most appropriate solution, or whether other technical solutions will be found at a lower cost or with less complications in their application.

I would therefore suggest that the relevant amendment to Article 2(4) of the draft directive should not be adopted since, in any case, the solution proposed by the rapporteur will certainly be one of the solutions that the Commission will examine, but not the only one. These amendments could be acceptable to the Commission if the text referred not only to the reduction of lead in petrol but to air pollution caused by motor vehicles in general.

I can be very brief with paragraphs 6, 7 and 8 of the motion for a resolution in that I have no difficulty in accepting them, but there are two proposed amendments to the draft directive both of which cover the same point and on which I would like to present my views. The points in question are the amendments to Article 2(4) and Article 3 and they deal with information to be submitted to the European Parliament. As to Article 2(4), the Commission can certainly agree to send its report not only to the Council but also the Parliament. As to Article 3, the Commission will transmit to Member States, at the earliest opportunity, the request that the European Parliament has made in the context of this Article.

Mr President, in concluding, whilst I am, as you understand, not in a position to accept on behalf of the Commission some of the amendments which have been suggested by the Committee on Public Health and the Environment, I would nevertheless like to underline that, particularly when one reads the comments in the report by Mr Müller, the difference of view and the difference of fundamental approach between us is indeed very small and that we both recognize that this directive is a first step, that further studies, further experience must be collected and in the light of those we must see what is further to be done. I cannot avoid ending my intervention—since the possible conflicts on this matter between our Member States have been referred to in the course of the debate—by expressing my deep desire to find a European solution from an environmental and from an economic point of view, even if it means regional derogations.

I am afraid that for a long time we have been sliding towards national solutions. I am afraid that we have not done too much this afternoon in this House to stop this process. Hence my inability to accept certain of the proposals which you put forward, which, as a representative of the Commission, I must consider in their present setting as a threat to the still remaining possibilities, however slim they are, for finding a European solution to what is after all a European problem.

*(Applause)*

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

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

### 13. Directive on the maximum level of erucic acid

**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 proposal from the Commission of the European Communities to the Council for a directive fixing the maximum level of erucic acid in fats and oil and margarine for food (Doc. 327/75).

I call Mr Martens to present the report and to speak on behalf of the Christian-Democratic Group.

**Mr Martens, deputy rapporteur.** — (NL) Mr President, in the absence of Mrs Orth and also of the chairman of the Committee on Public Health and the Environment, Mr Della Briotta, I would like to give a brief introduction to the proposal from the Commission of the European Communities. It is particularly unfortunate that Mrs Orth is unable to present her report herself; she would certainly be able to do it much better than I can. I would however like to thank her for her report and the trouble she has always taken upon herself when matters have arisen which are of interest to consumers, and especially when they are connected with public health.

The content of the present proposal is very similar to the one we have just been dealing with. Erucic acid and lead content, food and petrol, both are indeed concerned with the health of the human being.

The present issue was raised once before, on 18 April 1972, by Mr Vredeling in an oral question in which he asked whether the Commission did not consider the intensification of investigations into the effects of the processing of rapeseed oils in food to be absolutely necessary. He also asked whether the Commission considered 6.5% erucic acid represented a maximum safe level, and whether there were good prospects for the cultivation of rapeseed varieties virtually free from erucic acid.

The Commission's answer read as follows:

'Additional investigations into the effects of the processing of rapeseed oils in food are in progress in several countries.

On the basis of available scientific knowledge the Commission is not in a position to comment on the question of the fixing of a maximum level of erucic acid.

On the basis of work carried out in one Member State it will soon be possible to make available varieties of rapeseed virtually free from erucic acid.'

It is regrettable that, three years after the Commission gave this reply to Mr Vredeling's question, research has still not been able to provide a clear answer. In that respect we are still at the same stage as for the lead content of petrol. Animals have been given large doses of erucic acids which have shown that there are side-effects, but no such tests have been carried out on human beings, and the conclusions are consequently still not clear. There has been some success recorded in the search for varieties of rapeseed with a low erucic acid content: some varieties have been discovered which have a distinctly lower content. Indeed we spoke some months ago about the desirability of supporting the cultivation of such varieties. The problem has therefore, been raised; there are grave suspicions but there is as yet no proof.

The content of the proposal is very simple. Pending further findings, the erucic acid content is to be reduced to 15% as from 1 July 1976, and to 10% one year later. Your committee would like to see an even greater reduction soon after that. The Commission agrees with this after the recent objection that the requirement of a lower erucic acid content was notified only after the rapeseed sowing season and it remains to be seen whether the envisaged reduction can be implemented at the time laid down.

I would like to conclude my introduction, Mr President, by requesting Parliament to adopt the motion for a resolution submitted by the Committee on Public Health and the Environment.

On my own behalf, and as spokesman for the Christian-Democratic Group I would like, however, to draw attention to the urgent need to intensify research in areas affecting public health. Today's debates in this House have revealed two important issues on which this research has failed to provide an answer so far. At the same time, I would like to stress that better analysis methods must be worked out in order to make control more effective.

This reproach is in no way addressed to the Commission: I know to what extent it is dependent on agreement between scientists and experience has shown that agreement between scientists is more difficult to attain than agree-

<sup>1</sup> OJ C 280 of 8. 12. 1975.

**Martens**

ment between politicians. At all events it is necessary to encourage research, and to work out and apply good analysis methods.

(Applause)

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

**Mr Spicer.** — Mr President, I think Mr Martens has already stated the case that, quite obviously, I will present, based on exactly the same arguments as for the last proposal on the lead content of petrol.

If I may say so, there is almost an element of farce involved in this proposal. Over the years the Community has quite rightly encouraged the production of rapeseed oil, and, as a result of that, and because it is a temperate crop which we can grow within the Community without too much trouble, production has increased enormously. And then suddenly, out of the blue, there arises exactly the same problem, where tests are carried out which show all sorts of things that sound very dangerous indeed.

These tests have, as Mr Martens said, been carried out on animals and they show three things, in particular. The first one is a slow-down in growth, the second one is lesions in the heart muscle, both things which I think we should all be very worried about. But then the third effect which the tests show in animals is an increase in longevity. So you can take your choice: you can live longer and at the same time suffer probable damage to heart muscles and also a slow-down in growth.

But these tests have only been carried out on animals. What is now being said is that the onus of carrying these tests further and providing proof of the harmful effects on human beings lies with the producers and the manufacturers. No relevant tests have been carried out and therefore the proposals now put forward by the Commission are precautionary to a very, very marked degree indeed.

At the same time, there has been a changeover within the Community to rapeseed with a lower erucic acid content, and in the United Kingdom, in France and in Germany, the change to that type of rapeseed has been proceeding apace. I would like to ask Mr Gundelach whether we could not in some way—as I think Mrs Orth indicated in paragraph 7 of the explanatory statement—hasten that changeover by giving some small financial encouragement to producers within the Community. If we did that, Mr President, it is the view of the Conservative Group, that this proposal would become unnecessary. We are dealing with a hypothetical situation; no

tests have been carried out in relation to human beings and it seems to us that when the time comes for us to get the level down to the 5% proposed by the Commission, we could have switched over completely to the new rape seed, which would make all this quite unnecessary.

Therefore, as Mr Martens anticipated, and bearing in mind that our job is to look after the public health and to deal with facts as they really are, our group will be voting against this proposal from the Commission.

**President.** — I call Mr Gundelach.

**Mr Gundelach, member of the Commission.** — Mr President, I would like to congratulate the rapporteur on the report. Mr Martens is naturally quite right when he says that the problems with which we are faced here are similar to those we were discussing at some length in regard to lead in petrol. As in the case of lead in petrol, we must conclude that unfortunately we do not have the necessary scientific information to be able, as a matter of routine, to decide what the right levels are. We can once again only deal with probabilities and the Commission is convinced that the proposals it has put forward, everything considered, are of the right type and constitute the correct precautionary measures to be taken at this particular juncture. I note that as far as this main trend is concerned, the Committee on Public Health and the Environment approves of the line which we are taking.

There are various specific proposals made in the report which we will naturally study, although I am not able to give a firm opinion on them this evening. There is in particular the question of whether or not incentives could be given to change production to other varieties of rape seed. I would answer that question in the affirmative. That would not solve the problem but at least it would ease the solution of the problem. Another suggestion made in the report is that our proposal should go further.

I must say that to go further, would in actual fact cause technical problems and economic problems and, whilst not ruling out such moves later, when hopefully we have more scientific information, I still in this case do not believe that we will ever get full scientific proof, because it is not that kind of a problem. Such further steps could be considered, but for the moment we are quite convinced that what we are suggesting constitute the necessary precautionary measures.

(Applause)

**President.** — I call Sir Brandon Rhys Williams.

**Sir Brandon Rhys Williams.** — I would like to ask the Commissioner if he could say something about the attitude of the Commission in regard to proposals such as this, which, appear simply to concern matters of public health and not to have any economic relevance at all. I do not think that in this proposal there is any rationalizing production. There are no economic implications at all, I think, in this measure. That leads me to ask whether it is really wise, or even if it is an aspect of the Commission's work under the Rome Treaty, to become involved in the intensely technical and difficult matters of this kind, connected with the controversies over the effects of long-chain fatty acids. When there is so much to be done, does the Commissioner think it right that we should give so much time and effort in endeavouring to legislate in an area which seems to be purely a matter of health and not a matter of the integration of the Community's economy at all?

**President.** — I call Mr Gundelach.

**Mr Gundelach, member of the Commission.** — Mr President, I would certainly like to answer this one, even though we are dealing with a matter of agriculture which is not, as yet, one of my responsibilities in the Commission.

I will answer in this way: we have a common agricultural policy which, as you know, gives certain guarantees to farmers who produce all kinds of things including rapeseed. These guarantees we give are price guarantees and they cost money, so it is an economic question. We spend money on producing something, production goes up and up, and the economic responsibility which we are taking on becomes bigger and bigger. Then we read in the newspaper that this product is becoming more and more dangerous. So, we are taking on an increasing economic responsibility, via the common agricultural policy, for a commodity which, according to the newspapers, is a dangerous substance which people should not eat. So it is an economic problem because we have an agricultural policy which is different from our industrial policy. We take an economic responsibility for what is produced and, when we are told that some substance is unhealthy, that makes

us wonder whether we should go on taking economic responsibility for such a product.

That is the way I see it and there is sufficient proof to indicate that it is not such a good idea to go on increasing the production of this particular variety. Therefore I answer in the affirmative to one of our friends who suggests that a possible solution would be to have different varieties produced which do not cause the same health problem. But there is an economic side to it as well.

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

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

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

#### 14. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Tuesday 11 November, at 10 a.m., 3 p.m., and possibly 9 p.m., with the following agenda:

- introduction of and debate on the Cointat report on the draft general budget of the Communities for 1976
- introduction of and debate on the Flesch report on Parliament's estimates for 1976
- introduction of and debate on the Flesch report on sections II and IV of the draft general budget of the Communities for 1976
- introduction of and debate on the Aigner report on the draft amending and supplementary budget No 3 of the Communities for 1975
- Gerlach report on the giving of a discharge to the Commission in respect of the budget for 1971.

The sitting is closed.

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

<sup>1</sup> OJ C 280 of 8. 12. 1975.

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## IN THE CHAIR: MR SPÉNALE

### President

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

**President.** — The sitting is open.

#### 1. Approval of the minutes

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

Are there any comments?

The minutes of proceedings are approved.

#### 2. General budget of the Communities for 1976 (joint debate)

**President.** — The next item is the debate on the report drawn up by Mr Cointat, on behalf of the Committee on Budgets, on the draft general budget of the European Communities for 1976 (Doc. 361/75) and the reports by Miss Flesch on the corrections to the European Parliament's estimates of revenue and expenditure for the 1976 financial year (section I of the draft general budget of the European Communities) (Doc. 366/75) and on sections II and IV of the draft general budget of the European Communities for the financial year 1976 relating to the Council and Court of Justice of the Community (Doc. 367/75).

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) Mr President, ladies and gentlemen, it is today that the debate on the European budget for 1976 effectively begins. For a few weeks the European Parliament will really exist, for this is the second time, and the second year, that it has budgetary powers. At our last part-session, in October, I had the honour of presenting the main lines of the Community's budget for next year and defining the basic options adopted by your Committee on Budgets.

Very briefly, I shall recall these basic options.

Firstly, your committee was pleased to find that the presentation of the budget had improved and included a first attempt at triennial forecasts. There was some satisfaction, therefore, as regards the form. Unfortunately, as far as the substance is concerned, the budget is very disappointing. It does not constitute the forecasting instrument we were hoping for. There is no feeling of political will, of progress in the construction of Europe, or of enthusiasm, in this budget. Thorny problems are put off or evaded, and new activities are practically excluded. The development of earlier activities is slowed down. The budget presents a package of juxtaposed Community activities, in some ways unbalanced, with no link between them and lacking any precise line of policy. This 1976 budget has more the look of a plain tool of management enabling things to be kept running in the Community. Its only noteworthy feature is its stagnation. It gives the impression that the Council was obsessed solely by a no doubt praiseworthy concern for economy and austerity but without any precise programme and no political aim.

Your Committee on Budgets has been severe in this regard and has said, I repeat, that this budget was intended for cashiers and not politicians. Let us hope that between the first and second reading, the dialogue between the Council and the European Parliament will improve the look of the text, because at the moment the draft budget is unacceptable. This explains the many amendments and the many proposed modifications that have been put forward by the specialized committees and espoused by the Committee on Budgets.

Among the general policy directions defined by your Committee on Budgets I would recall the following: the need to institute Community VAT, abolition of the hateful habit of too many supplementary budgets, revision of the budgetary nomenclature to make the budget more transparent, and more frequent recourse to loans, provided they are at least partially budgetized in order to give Parliament the means of exercising effective control. Similarly, for the various funds e.g. the EDF, a definition is required of the notion of commitments for medium-term activities, which might be des-



**Cointat**

cribed as appropriations that may be carried forward from one year to the next. Lastly there is the need to improve the budgetary timetable. The Committee on Budgets would hope that a large-scale debate on general budget policy might be held before the summer, before 15 July, for the next financial year.

Mr President, ladies and gentlemen, you will find these main lines of action defining an overall budgetary policy in the motion for a resolution submitted for your approval and in the amendments drawn up by your Committee on Budgets.

I would like to add a further comment on the budgetary procedure itself. The preparatory 'trialogue' for which the Council, Commission and a parliamentary delegation met around the same table, proved two things, firstly that the system of expenditure classification and maximum rate of increase was not standing up to the test of time, that its quality of compromise no longer had any virtue and that the system deserved to sink slowly into disuse. It also showed, as a consequence, that compliance with the Treaties implied considerable flexibility and much pragmatism. The Council wisely left the door open for future discussion. It fixed no maximum rate, classified expenditure without saying too much about it and accepted Parliament's margin of manoeuvre in all cases. This is the only ray of sunshine in this cloud-ridden draft budget and this is why I had to pass this comment.

Your Committee on Budgets thought that it had to act with the same restraint and the same realism as the Council. This explains why the explanatory statement and the motion for a resolution are surprisingly silent with regard to these problems. The budget contains so many differences of view and so many criticisms that it appears necessary to cling to the friendly atmosphere of the 'trialogue', the only hope of arriving at an improved text and the approval of the budget at the end of December.

Put briefly, the Commission had proposed a preliminary draft budget amounting to 8 000 million u.a. The Council shortened the range and lowered the total for the draft to 7 400 million u.a. Also, since then, it has added three letters of amendment, the first regarding the EAGGF total (kept at the same level), the second concerning aid to Portugal and the third, officially received yesterday, regarding an increase of 3.5 million u.a. in favour of the developing countries.

In total, this draft budget represents an increase of over 19% compared with the 1975 budget,

which is not very much when one allows for monetary erosion.

The cuts amounting to 600 million u.a. were made to the Social Fund, the Regional Fund, research, and aid to the developing countries, and on average all these chapters were reduced by some 24%.

57% of revenue consists of own resources proper and 42% consists of contributions from Member States. But it should be noted that customs duties, levies and other taxes are showing no growth and increasing very little whereas the contributions from Member States have jumped 40% over the figure for last year. This explains the urgent request to institute Community VAT to obviate any misunderstanding about the contributions made by the different States and to avoid the criticism that the Community is costing Europe too much.

In this budget, as in previous ones, agriculture is the biggest sector, accounting for some 74% of the budget total, and the question that arises for us, as it arose for the Commissioner responsible for the budget, is whether this 74% is due to the fact that agriculture spends and costs too much or whether, on the contrary, the reason lies in the fact that there is no common policy in the other sectors. Your Committee on Budgets opted for this latter answer but I shall come back to this later.

As regards operating expenditure, this amounts to about 5% of the total but I would make the point that one third of staff costs is accounted for by linguists. I have a great respect for linguists but I must say that our Community, from this point of view, is becoming a sort of tower of Babel and this point is certainly a matter of concern for the future.

Other operational expenditure is in the neighbourhood of 14% but we note that whereas the Regional Fund goes up from 2.4% in 1975 to 4% for the following year, all the other sectors—the Social Fund, research, energy and development cooperation—are in decline. This realization is not, of course, very encouraging for the development and strengthening of Europe.

Let us now, if you will, consider the broad budgetary sectors and the amendments and proposed modifications that have been discussed by your committee.

In this second part of my address, I shall of course restrict myself to section three, concerning the Commission's appropriations, since Miss Flesch will shortly be dealing with the appropriations for the Council, the Court of Justice and the European Parliament.

**Cointat**

First sector: staff and operating expenditure. A few amendments have been accepted designed to give the Commission the necessary resources to carry out the new tasks entrusted to it and in particular with regard to the Convention of Lomé, the appropriations for which go up from 1 000 to 3 000 million u.a. Some amendments have also been tabled to provide the staff of our Community with the opportunity for normal career development. There are also, in fact, some special appropriations proposed for operation.

In this connection, the Committee on Budgets has decided for only those appropriations that it considers to be indispensable and against the others, in order to maintain the character of austerity in the text.

Research is a second sector. Overall, the Committee on Budgets has adopted the proposals of the Committee on Energy, Research and Technology. It wants an increase in appropriations but it lays most stress on an increase in commitments. For uranium prospecting and hydrocarbons, we propose that, between them, payments be increased by only 44 million u.a. In the field of education, some increases in appropriations proposed by the Committee on Cultural Affairs and Youth have been accepted, but have been frozen in the budget; e.g. 800 000 u.a. in Chapter 392 for the education of the children of migrant workers, environment and European schools.

I make this point because the Committee on Budgets has repeatedly used this system for freezing items in order to submit expenditure proposals for decision by the budgetary authority without pointlessly overloading a Chapter 98 which, in theory, is not intended for this purpose.

Third sector: the Social Fund. Our first aim has been to give this fund greater budgetary clarity and secondly to furnish it with sufficient resources to cope with a worrying socio-economic situation. The Social Fund should be an instrument for economic recovery and it is difficult to understand why the Council has chopped the Commission's initial proposals at a time when unemployment is growing in the Community.

We therefore propose to create the notion of 'Commitment appropriations' and to make the extra effort relate to these commitments in order to allow the Commission to set the operations concerned in motion; in return the Committee on Budgets has been more modest as far as increasing the payment appropriations is concerned. In total, the Committee on Budgets proposes that the payment appropriations

should be increased by some 70 million u.a. for Articles IV and V of the Social Fund.

We now come to the fourth sector, the Regional Fund. Council reduced the initial figure of 450 million u.a. to 300 million u.a. in payment appropriations. But at the time, the Council did not have the balance sheet of activities for 1975 and no expenditure had yet been incurred. However, we now have this balance sheet and we know that, today, 85 million u.a. have already been spent and that a total expenditure of 95 million is forecast by 31 December; in other words, out of the total 150 million in payments for this year, only 55 million u.a. will be carried forward instead of 150 as had been foreseen at the time of the debate in the Council. Italy and Ireland have already reached their quota in regard to the Regional Fund. Today, therefore, it is reasonable to suppose that this appropriation of 300 million u.a. will probably be insufficient for 1976. Moreover the Council had admitted this possibility and had said that if the appropriation was not enough, it would increase it in a supplementary budget. In order to avoid a supplementary budget, the Committee on Budgets suggests that the 150 million be reinstated, bringing the figure back to the 450 that the Commission had proposed, but to include them in Chapter 98. They would therefore become frozen appropriations, so that the necessary decision might be taken by the budgetary authority as the need arose and without any supplementary budget.

Let us now move on to the EAGGF, firstly the Guarantee Section and next the Guidance Section.

The debate on the EAGGF Guarantee Section was, as you can imagine, the longer, the more difficult and the more important of the two. We found ourselves in the presence of five different approaches which I will endeavour to summarize for you. Firstly there was a technical approach, that of the Committee on Agriculture. This was that certain chapters should be reduced and certain others increased in order to arrive at a satisfactory result. In all, the Committee on Agriculture's proposals, technically speaking, amounted to an increase in appropriations of 7 million u.a., which is very slight, and the transfer of 45.3 million u.a. from the Guidance Section to the Guarantee Section for restocking premiums. This was the first approach, a technical one.

Then we had four other approaches, four lines of thinking that were far more a question of policy. The first consisted in arguing that, as things were, we should limit the EAGGF Guarantee Section to the 1975 appropriation

**Cointat**

total and transfer all or part of the difference to Chapter 98. The case made for this was as follows: the Council has reduced all the budgetary appropriations except the agriculture appropriations. It is difficult to see why the agriculture appropriations should not be chopped in the same way, but of course all or part of these appropriations would be transferred to Chapter 98 where they can be released as the need arises.

The second approach was somewhat similar but was more linear in nature. It consisted in the proposed reduction of all the EAGGF Guarantee appropriations by 15% and the transfer of the whole of this 15% to Chapter 98 for the same reasons as already given.

The third approach, more symbolic in nature, was to propose a token cut of 1 u.a. in the EAGGF appropriations in order to draw the attention of the Council to this problem of agriculture and to the coherence of the budget.

The last approach, the opposite to the three preceding approaches, consisted in proposing that all the EAGGF Guarantee appropriations should be maintained.

Various reasons were invoked. Firstly compulsory expenditure was involved and Parliament does not have the same power of amendment as for non-compulsory expenditure. The Council should therefore be left to shoulder its responsibilities in this important sector. If the Council wants Parliament to shoulder responsibility as well, then it should declare that Parliament has full budgetary powers regardless of expenditure classification.

The second reason is that a cut in appropriations, even by only 1 u.a., could well be very badly received by the agricultural world where earnings have increased less than in the other sectors.

Lastly, so it was said, this EAGGF budget is an artificial one, it makes no provision for a review of agricultural prices for 1976, it even takes no account of the 1975 harvests, and any attempt to change it would make it more artificial still and would prompt the Council to have even greater recourse to supplementary budgets, which would run counter to the opinions expressed by the Parliament.

After a very long and thorough discussion, your Committee on Budgets decided to adopt a position of principle, namely to pass the EAGGF Guarantee appropriations without change. All the other amendments, therefore, have been thrown out by the Committee on Budgets.

On Thursday, Mr President, in an endeavour to make your task easier and because we have

a very large number of amendments, I shall ask to speak prior to the consideration of the amendments to titles 6 and 7 in order to draw Parliament's attention once again to this problem and in order, I hope, to enable a general position to be taken which would simplify consideration of all the amendments that have been tabled.

With regard to the EAGGF Guidance Section, the Committee on Budgets has expressed its regret that the 325 million u.a. ceiling is unchanged. It has expressed the wish that the 1972 directives, which constitute the European policy on structures, should be applied as quickly as possible, since it thinks that a real policy on structures is the only possible way, in the long term, of reducing EAGGF Guarantee Section expenditure.

I now come to the last main chapter of the budget: development aid. Practically speaking your Committee on Budgets has accepted the proposals of the Committee on Development and Cooperation in this sector and has gone even further.

We must help the underdeveloped nations and we believe that this is one way to guarantee the peace of the world.

In addition, we have considerable food stocks and we should not skimp on assistance to the hungry. For example, the Council proposes 55 000 tonnes of milk powder for food aid, whereas the developing countries are at present asking for 180 000 tonnes. Without going this far we believe that we should do the very best we can and the world would find it difficult to understand why we prefer to downgrade the milk powder, of which we have a surplus of 1 million tonnes (for pig feed) and not to send this milk powder to undernourished people, when the difference in price between denaturing and food aid fluctuates between 15% and 20% of the total price.

On the other hand we believe that food aid should not be just a convenient way of getting rid of our surpluses and that a generous policy should be followed in this field even if we have no surplus.

Mr President, without prejudice to new amendments that may still be tabled, the Committee on Budgets proposes that the payment appropriations should be increased by a total of 432 546 100 u.a. including about 120 million for compulsory expenditure, i.e. food aid, and the remainder for non-compulsory expenditure.

Taking into account yesterday's latest letter of amendment, this represents an increase of 5.88% on the budget total, but if we take away from this increase the sums entered in Chapter

**Cointat**

98—which are in fact frozen and can be released only by the budgetary authority—we arrive, in round figures, at an increase of only 280 million u.a., or 3.83%. Lastly if we include in these figures only those appropriations that are directly operational—in other words those made immediately available to the Commission and not calling for any ministerial decision—we have an increase of only 204 million u.a., i.e. 2.77% of the budget. I think these figures are eloquent testimony that the work of the various committees, particularly the Committee on Budgets, has been reasonable and has been done in an extremely serious frame of mind.

Of course, once you have passed the first reading, it will be a question of going to the Council again in order to decide what has to be done, and in particular to ask the Council what it can itself accept directly in the budget under the heading of increased expenditure. This is important and even fundamental, so that Parliament may then decide on the appropriations it wishes to include in its margin of manoeuvre.

Mr President I am now at the end of my remarks. The budget presented for 1976 is the target of many criticisms, and it does not exactly correspond with what we have a right to expect. Incomplete and truncated, it does not cover all the foreseeable requirements. Research is postponed, the Regional Fund has an inadequate appropriation, and the Social Fund does not constitute an instrument of economic recovery. What is more, the budget is often artificial and sometimes even hardly forwardlooking, the agricultural sector being a typical example.

This draft budget is not, therefore, a basic policy instrument. It calls for considerable adjustment and many changes to put some teeth in it and to give it some real life. This is what your Committee on Budgets, having taken the opinion of the specialized committees, suggests you should realize.

Lastly, the resolution draws your attention and that of the Council and of the Commission to two other points.

Firstly, to give the budget its real interest, future triennial forecasts, today's being the first attempt, should be formulated through a more political approach, as laid down by the decision of 21 April 1970, and should not be limited to a review of technical data on the one hand and of the few new but already familiar policy actions on the other. These forecasts should be an ideal fresco for the next three years; they should, if you will allow me to say so, be a kind of European profession of faith.

Secondly, in 1978, the European Parliament ought in principle to be elected by universal

suffrage and it is therefore important that this Parliament should have full budgetary powers before then. A last revision of the Treaties is therefore necessary and this means, if the timetable is to be kept to, that the revision needs to be carried out before 31 December 1976. The Committee on Budgets is insistent in stressing this vital problem. Before taking my seat again, Mr President, for I have finished this rough outline of the draft budget, I would like to express two hopes: the first is that the European Parliament will kindly approve the proposals of the Committee on Budgets, which I recommend, ladies and gentlemen, to your wisdom and the second is that, if this should be so, the Council will carefully weigh their content and consider all their effects in order to pave the way for final approval of the budget in accordance with the timetable laid down.

(Applause)

**President.** — I call Miss Flesch.

**Miss Flesch, rapporteur.** — (F) Mr President, ladies and gentlemen, after Mr Cointat's general and political presentation of the general budget of the Communities, what I have to say will be much more technical and administrative. In my capacity as rapporteur on the estimates of revenue and expenditure of the Parliament, I shall confine myself to a brief explanation of the few amendments that need to be made to our budget compared with the figures we had approved on 19 June last. These changes are the subject of six draft amendments. Three of these are in the nature of rectifications and amount to a reduction of the figures entered last spring. They are, to some extent, automatic adjustments because they relate firstly to the appropriations for the Communities Audit Board and the ECSC Auditor, half of which are entered in Parliament's estimates and half in the Council's estimates, and secondly to the application by all the institutions of a common method for calculating staff expenditure. These three rectifications call for reductions of 3 894 u.a., 3 653 u.a. and 322 390 u.a. respectively. I even wonder whether, for these three draft amendments, numbered 80, 75 and 76, it is really necessary to vote in accordance with the procedures laid down in our regulations because they relate merely to technical adjustments.

A number of decisions to increase appropriations have been taken by the Committee on Budgets. Generally speaking, however, the Committee did not feel that it could go along with the proposed increases submitted by Parliament's secretariat, although there were no doubt grounds for them since, when all is said and done, the figures entered in the budget adopted

**Flesch**

on 19 June often relate to evaluations going back to the first quarter of this year. Nevertheless, the Committee on Budgets did not think that it could decide for a major increase in appropriations for reasons of principle. Firstly, Parliament will have to give its final decision in November on the Parliament budget adopted in June. Secondly, Parliament had already decided last June that its line of conduct should be in conformity with an austerity policy which it intended to keep to, even at the cost of management difficulties that might arise during the year for posts where the appropriations had possibly been set too tight.

Again in accordance with this policy, the Committee on Budgets prefers forecasts to be closecut and to be as near as possible to the foreseeable spending. Should the case arise, if expenditures prove to be bigger than the provision made for them, it will always be possible to deal with them by transfer within the budget itself.

The increases proposed by the committee relate to the Official Journal appropriations and those for general publications. The Official Journal appropriations have been increased to the estimated level of real expenditure in 1975. This increase, which therefore remains within careful limits, is inevitable in view of Parliament's present obligations with regard to the Community texts to appear in the Official Journal. As an illustration I would refer to the printing of the budget and the supplementary budgets which is now a Parliamentary responsibility. We shall also increase the appropriations for general publications by 100 000 u.a. but this amount will be entered in Chapter 98 ('Non-allocated provisional appropriations') and transferred to item 2710 ('General Publications') solely to meet real needs.

Finally, the Committee on Budgets considered the problems of creating item 4191 ('Subsidies towards costs incurred in receiving important visitors from the Member States'). It had decided in favour of creating this item but has not proposed any appropriation until Parliament has worked out an overall concept of the programmes. Neither has our committee changed our decision taken in June regarding the pro-forma inclusion of an appropriation of 740 643 u.a. for the services of the Office for Official Publications. The fact is that, apart from the legal difficulties which have been raised in various quarters and the difficulties which, incidentally, will have to be solved next year probably by changes to the regulations, the Committee considered that this entry should remain pro-forma because, under the existing provisions, any other decision would have the effect of artificially inflating the budgets of certain institutions.

To conclude, Mr President, we might note that there has been no change in the establishment plan of the European Parliament. The Committee on Budgets is convinced that, even for urgent requests, use should primarily be made of the items already available.

As regards the sections of the draft general budget relating to the Council and Court of Justice, I can be even more brief in what I have to say. With one exception, the Committee on Budgets had no special comments to make on the estimates for these two institutions. It nevertheless found that, in spite of the concern for budgetary austerity that certainly guided the Council and the Court, these estimates too exceeded the rate of increase of non-compulsory expenditure stated by the Commission under the first and second sub-paragraphs of paragraph 8 of Article 203 of the Treaty.

The Committee on Budgets felt that it had to give its consent to a request to change the establishment plan of the Economic and Social Committee. This request relates to two conversions of LA 4 to LA 3 posts, two conversions from A5/4 to A3 posts, and lastly one conversion of a C to B technical 5/4 post. These changes were studied at length. There is no question that the increase in the work of the Economic and Social Committee calls for certain adjustments in the structure of its secretariat. It may also be said that the number of conversions requested by the committee is, all in all, fairly limited. They do not, moreover, call for any change in appropriations because the decisions with regard to the filling of these positions will not be taken by the Economic and Social Committee until the end of next year.

Mr President, ladies and gentlemen, I will, in order to save the time of our Assembly, limit myself to these few, very general, comments.

*(Applause)*

**President.** — I call Mr Fabbri.

**Mr Fabbri, President-in-Office of the Council.** — (1) Mr President, ladies and gentlemen, I must first make my apologies to you, Mr President, and to the Assembly for the lateness of my arrival at this debate, the reasons for which were outside my control being due to the continuance of a strike which had begun yesterday.

At this point in the debate, I do not think it is necessary for the Council to intervene in order to present the draft budget since Mr Rumor, President-in-Office of the Council for the October part-session gave a full explanation to the Parliament of the political reasons that had guided the Council in drawing up this draft.

**Fabbri**

I would therefore have nothing to add to what has already been said by Mr Rumor, except to re-emphasize the particularly difficult situation in which the Council then was and still is in drawing up a draft budget meeting a two-fold and contradictory requirement: providing the Council and the Commission with all the necessary resources to carry out the tasks assigned to the Communities and at the same time keeping expenditure within the limits of strict economy, in view of the general economic situation and the well-known necessity for all Member States to operate in a climate of financial austerity. The Council has therefore had to make political choices and I am sure that, in considering the draft budget, Parliament will exercise its own functions and make its own choices in full awareness of the responsibility incumbent on all of us and the vital need not to depart from these criteria of austerity to which I have referred.

In Rome, I had the honour to attend part of the work of the Committee on Budgets and I was able, on that occasion, to clarify the position of the Council on a number of questions concerning the main sectors and the big items of the budget that had been brought up in the Parliamentary debate. With your consent, Mr President, I would like to speak during the debate or, better, at the end of the debate itself, both in order to reply to any questions that may have been put by honourable Members, and to make a number of comments concerning the main amendments and proposed modifications that may be tabled.

*(Applause)*

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — *(F)* Mr President, at this stage the Commission will confine itself to a number of general comments of a political nature, reserving what it has to say about the main amendments—which will be commented on by one of its members—until the various parts of the budget are considered.

Mr President, Parliament is today entering a vital stage in the development of the Community institutions and also in the approach to the budget. This approach is of considerable importance at a time when direct elections to Parliament are in the wind and when the Commission is asked to tighten up its management methods and at the same time to undertake certain actions as defined in the budget.

The structure of the Community institutions was consolidated when this budget was being prepared, as the rapporteur has very rightly

stressed, in a fruitful dialogue between the three institutions. The Commission has played its part in the meetings of the parliamentary committees and in this Assembly itself where, as you will see, I shall not be the only member to speak, some of my colleagues having wished themselves to present briefly the policies that underlie the Commission's proposals.

But the most striking thing about the preparation of this budget is the remarkable work that has been done in the parliamentary framework, in the various committees and in the Committee on Budgets which, under the chairmanship of Mr Lange and with the benefit of Mr Cointat's dynamic activity, sent the Council and the Commission a very long and very soundly based questionnaire before spending many hours on discussing the budget.

Thus it is that we have a precise, critical and constructive report, drafted by Mr Cointat, a quite remarkable document which the Commission hails with great admiration.

Very thorough study of the preliminary draft and the draft budget proved to the Council and to the Parliament that the present timetable laid down by the Treaty was too tight. As you know this is also the conviction of the Commission which, in March this year, proposed a new timetable allowing for an additional 45 days to be split between the two institutions. We hope that this proposal will soon be adopted in order that the next budget may be considered in easier conditions as regards the pressure of time.

Whilst, therefore, the preparation of the 1976 budget has formed a stage in the consolidation of the institutions, it has also for the first time—and the Commission wishes to record its satisfaction on this score—brought forth an exact evaluation of the dimension that the budget should have.

This budget has to be the basis for the Commission's management and control activities carried out under the responsibility of Parliament. In the Commission, over the last few months, we have considerably altered the conditions of budgetary management and control. Not only are there controls, as before, on the proper implementation of the budget that is adopted and of the decisions that are taken but also, through the budgetary units set up in the ordering services, we are better able to keep watch on the budget, foresee its course during the year and analyse any deviations from the initial forecasts. Similarly our control procedures have been strengthened by the flying squads you are familiar with—these flying squads that have been referred to several times in this House.

## Cheysson

But it is also necessary that the budget be a forecasting instrument, the tool of the Commission and the expression of its commitment to certain policies. As the rapporteur has written, it has to be a document of fundamental policy, a coherent document, a complete document, a democratic document.

The Commission has committed itself to this path and is resolved to confirm it by assuming all its responsibilities. It insists that budgetary forecasting must be transparent, exact and complete. As regards transparency, I am grateful to the rapporteur and to the Committee on Budgets for the reference in the motion for a resolution to the effort made by the Commission in Volume 7 accompanying the preliminary draft budget and setting out the policies that we are putting forward in support of our budgetary forecasts. We shall go further along this path. I am also grateful to the rapporteur for having stressed, in the fifth part of his report, the place given to the triennial forecasts, and for having recommended that these forecasts should be the subject of a separate debate in Parliament—a debate to which we attach much importance. With regard to transparency, the rapporteur has done well to insist that commitment appropriations be entered alongside payment appropriations, in cases where activities are spread over several years. This is a new formula which should be adopted without robbing Parliament of the right to final decision on the payment appropriations in the framework of the financial regulations. As I reminded Mr Shaw, who insisted on this the other day, we are sorry that the Council should, at the moment, maintain its opposition in principle, as we have pointed out in the explanatory memorandum. We also think that some other points, other subjects and other changes will help to improve the transparency of the budget and that, in particular, the distinction between compulsory and non-compulsory expenditure is, to use the words of the rapporteur, arbitrary and ambiguous.

But the most important condition that has to be met if we want this budget to be really a forecasting instrument and the expression of the Commission's commitment, is that it must be complete. It must be complete in its 'Revenue' part. In this connection, the Commission confirms the position it has already taken, namely that loans should be included in the budget and be subject to Parliamentary control. It should also be complete in its 'Expenditure' part. The Commission will not take up the argument again regarding supplementary budgets; this has been done to perfection in the report of the Committee on Budgets. Suffice it to say that, with the quantitative importance

they have now acquired because of the new habits that the Council has fallen into, they constitute a factor of confusion in the budget, making it more opaque and robbing the budgetary exercise of some of its value. We are sorry that the Council's explanatory memorandum already foresees four supplementary budgets for agriculture, the Regional Fund, research and development aid. Supplementary budgets should arise only when something comes up during the course of the year that, by its nature, could not be forecast, or in the case of a decision that is wholly new in spirit and form. Conversely any new decision by the Council should be taken at the same time as its financial and budgetary implications are taken into account. I believe that it would be difficult, in the history of many democracies, to find examples where this requirement is not met. In this Community we are forming a precedent that, for my part, I deplore.

Mr President, still confining myself to general comments, I would like to go back over some of the points made by the rapporteur and the terms of the report and the motion for a resolution on the 1976 budget in its present form.

The Commission had tabled a preliminary draft budget totalling 7 900 million u.a., an increase of 28.9% compared with the budget adopted last year or 19% before adding the sums carried forward.

The Council has reduced our proposals by 600 million u.a., or more exactly 570 u.a. because we gave up 30 million u.a. during the course of the discussion with the Council. This cut, in itself, may appear to be highly praiseworthy. Unfortunately its result—and the report is brilliantly clear on this point—is to introduce a growing imbalance, a continually worsening lack of balance in our Community activities.

Whilst the Commission wished to reduce the percentage of the budget going to agriculture from 72.9% (as in 1975) to 68%, what the Council has done is to increase this percentage.

There has been no support for our wish to give the social, regional and development aid sectors more importance in the Community budget.

What, however, are these three sectors? They are sectors in which men are suffering. They are the human sectors of our policies. They are the sectors that each of our governments has highlighted and developed in its national budget.

The contradiction between what is being done at national level and what we are doing at Community level is surprising, particularly since, as the Council itself points out in a reply



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to Mr Cointat's questionnaire, the Community budget represents 'only 0,57% of GNP of the nine Member States and 2.04% of the combined national budgets'. And it is therefore in the framework of this sum of limited effect—the Council says—that the imbalance shows up and that the contradiction between what governments do at home and what they do in the framework of the Community appears so clearly. But, as the rapporteur points out, the Community appropriations are more directly operational than others, in some fields—and in particular those I have referred to—they constitute a saving for national budgets, and they reflect the Community's will for development, more necessary than ever when there is a crisis to be faced up to, to use Mr Cointat's expression.

The Commission has been criticized and accused of being irresponsible for putting forward a preliminary budget which provided for a considerable increase in the social, regional and development sectors. We do not accept this accusation of irresponsibility. Moreover, we observe that the Committee on Budgets, after very serious and sober work has recommended that 410 million u.a. out of the 570 million which the Council wishes to cut back should be reinstated. It surprises us that the cuts made by the Council should lead to a total budget that is 18.2% up on that for last year but in which the appropriations for agriculture are increased by 20%, whereas those for the social activities, the human activities, are increased by only 15%.

Mr President, we think that as an instrument of policy, the budget should be an occasion for thinking about policy. Why is there such a contradiction between the decisions taken by the Council and the actions undertaken at national level by our governments? Would the reason not be that there is in fact no Community policy but an accumulation of sectoral activities with no relation to one another—I am quoting Mr Cointat's report. Yes, I think that since the Treaty of Rome, this Community has progressed by a series of separate sectoral activities divorced from one another. In some fields, technical progress has been brilliant, in some it has been slow, but these developments are not parts of an overall policy, they correspond to a sectoral will expressed in a technical manner in each sector. On this basis our structures become clear and evident; we can understand better how the Council breaks down into a series of Councils and how, sometimes, the Commission may and should be criticized for the watertight separation of its individual general directives. Europe has developed by means of sectoral activities and so far without the driving force of a political will, a Community will, a will to

build up an overall policy in which each sectoral activity would form part of the political will and be considered not only for itself but also in relation to its effects and implications for other sectors, and other regions, those which are not the direct beneficiaries.

This is the conclusion of the study and discussion of this budget; this is what, Mr President, it appears difficult to accept in the future, because in a period of crisis it is no longer possible to leave the problem of covering the sectors that we do not cover just to general prosperity. I think, therefore, that this year's budget debate should lead to thoughtful consideration going far beyond the budget itself and to a determination once again to undertake activities where they are needed, in sectors that are not yet covered.

The Commission was not, therefore, irresponsible in proposing 1% for new activities and 20% for developing the old ones. For my part, I am convinced, and it is with some sadness that I read the comments which a man like the rapporteur for the Committee on Budgets, who does not use particularly exaggerated language, felt himself obliged to make when he spoke of stagnation, imbalance, irritation and retreat. If the budget has become an important exercise, since this Parliament now has budgetary powers, then this debate should show up this imbalance but also the determination to remedy it in the months and in the years to come.

(Applause)

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

**Mr Lange.** — (D) Mr President, ladies and gentlemen, it is in some ways difficult to speak for a group in the conditions prevailing at the moment. During the first reading, when the Council's draft was debated here, we said very clearly that in it, i.e. in the Council's budget, we could see no positive approaches towards the further development of the Community; instead we saw that factors or political sectors, which would become Community policy to a far greater extent in the future or would have to be promoted by Community policies, were given too little attention or even none at all.

Now we have likewise been told here in plenary session that we must strive to give expression to Parliament's political will. This political will of the Parliament will not be established until Parliament has finished voting on the draft budget. What the Committee on Budgets proposes—and the Socialist Group goes along with the main lines of these proposals—gives a different weighting from that intended



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by the Council and I believe that this other weighting, which was also, originally, in the intention of the Commission, is supported without the Committee on Budgets, or even the Socialist Group, identifying fully with every detail of what is intended.

Individual speakers in this group will therefore be speaking on specific subjects. But what is clear and what needs to be underlined is the desire for greater budgetary clarity and truth. It is my personal conviction and, I believe I may say, the conviction of my group as well, that this is conditional on a different outward presentation of the budget and not just the shy attempts of the Committee on Budgets to achieve a more detailed and intensive breakdown of some titles or chapters in order to improve transparency.

Thus, in future, the Committee on Budgets, as the Socialist Group sees it, will have the task of considering the outward form of the budget.

A further point to which the Socialist Group gives its unqualified support is the fact that we should have in this budget, or in association with this budget, a financial forecast covering a number of years, with the corollary that this financial forecast, this medium-term forecast I would like to call it, must naturally—and here the Group agrees with the Committee on Budgets—prefigure the Community's policy lines.

Further, the Socialist Group supports the view that the Committee on Budgets has also expressed that greater use be made of the tool of commitment appropriations than before in connection with the medium-term financial forecast, though we are aware of the fact that, in accordance with the Commission's proposals, we shall still have to decide, in detail, on these commitment appropriations. But we have taken some possible commitment appropriations into the budget on the basis of the budget regulations applicable up to now. To that extent this also has our support, although we are fully aware of the fact that the commitment appropriations, in other words the postdating of cheques, must not threaten, in any way, the present freedom of decision of the Community and, in this case, of an organ of the Community, namely Parliament.

To this extent we must also be aware of the limits to commitment appropriations, because a certain degree of restriction on manoeuvre and decision is in fact introduced if too much is decided with regard to the future in cases where we are, at the same time, unable to forecast developments in the individual policy fields. To this extent we must always conserve the op-

portunity and possibility of correction. To me, therefore, this seems important.

Another point, ladies and gentlemen, to which the Socialist Group gives its unqualified support is the budgetizing of loans, the other source of finance open to us. The discussions on this with the Commission were fairly long and we shall probably have discussions on this subject with the Council. This is therefore our view and we have submitted the corresponding proposals through the Committee on Budgets which we also support as Socialists.

There is, of course, a very, very big question in this connection. The way in which the Council has dealt with the budget proves, and this has already been said here by different speakers, the questionable value of classifying expenditure in different categories. It also shows the questionable value of Parliament's present budgetary powers. I use the words questionable value in a positive sense, not a negative sense. Parliament has been given powers with regard to expenditure. But Parliament has not yet been brought in with regard to revenue and I think that it is necessary for this to be done to a greater extent in the future. This is simply the own-resources issue and the Committee on Budgets has expressed opinions along these lines in its resolution. We emphatically support these opinions.

The question of revenue must also be attributed extraordinary importance by this Parliament. The fact is that when we have our own resources in the form of percentages of turnover tax, or value added tax as it is wrongly called, we shall then, as Parliament and in accordance with the amendments to the Treaties, be really enabled to take part in deciding how high is to be the contribution from the tax yield, which depends on the assessment basis. Parliament and the Council once passed the resolution that it can be up to 1% of the assessment basis. From experience up to now it looks as though we would be at a figure of only 0.45 or 0.5% of the assessment basis, so that, for the future, we have a relatively large margin of manoeuvre. This Parliament must therefore be concerned—and this, in our opinion, should also be one of the subjects for discussion with the Council when we have disposed of the budget during this part-session—to make sure that it can also (and for this the consent of the Council has to be obtained) deal with the question of revenue. Only then can Parliament exercise its responsibility, its political responsibility, to the full extent in this matter.

Another way of giving Parliament's political responsibility greater significance is the use of Chapter 98. During the course of the debate

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there will be further reference to the Agricultural Fund; the question will certainly be put once again whether the collaboration of Parliament may be strengthened through consultation with regard to Chapter 98, so that this matter too, in one way or another, will be a subject for dialogue with the Council.

We must now, or so at least I think I can say on behalf of my Group, concern ourselves with the individual chapters and then with the individual problems. On these subjects other members in my group will be speaking. To me falls the task of stating once again, and insistently, on behalf of the Socialist Group, that it attaches considerable importance to being fully involved in budget policy decisions and not just in parts of these decisions. This, I repeat, must therefore also be one of the subjects of the dialogue with the Council during the consultation on this budget.

It is to be deplored that, in relation to the EAGGF, the Committee on Budgets should have agreed to or decided upon the decision which it has in fact taken in accordance with the proposals of Mr Cointat. But that too constitutes grounds for discussing the question with the Council in the appropriate manner, though we shall certainly not let pass the opportunity of bringing Chapter 98 back on the table in this debate and in the decision on Thursday and urging Parliament to take up a position on this matter.

We are of the opinion that account has to some degree been taken of the political will to which expression was given in the first reading, namely to strengthen the policy sectors of importance to the future. I must, however, say that, as a Parliament, we must consider very carefully whether the procedure that we have begun within Parliament in connection with the treatment of the 1976 budget, is to be maintained or not, because in fact it does not enable us to deal with basic questions beforehand in the Committee on Budgets and because, according to the agenda, the individual amendments from other committees have to be dealt with without the overall view being maintained with regard to such things as compulsory and non-compulsory expenditure, as they are still determined in legally binding manner at the present time.

There is, however, one other possibility and it is a possibility that the Socialist Group would like to stress. We have certainly considerably increased the percentage of the non-controversial non-compulsory expenditure. The figures have been given by Mr Cointat and I do not therefore need to repeat them. We can very well propose this increase as Parliament, even

if we go beyond the rate of 7.65% that is ours to apply, if we obtain the agreement of Council in this field. To that extent this is a further crucial point for concertation.

In addition we have increased our support in some other sections, items—if I may so call them—of external relations, i.e. the items concerning relations with the non-associated countries and those which relate to food aid, in other words direct assistance to the hungry in the Third and Fourth Worlds. This too has been passed by us without reference to classification in the Committee on Budgets and also with the support of the Socialist Group, so that we therefore have plenty of material for the dialogue with the Council and, properly speaking, we shall have the really decisive discussion here in this House after the concertation with the Council has taken place and the budget has had its reading in the Council, and the Parliament will have to consider, once again, the position taken by the Council, so that—let it be said once again—the final and decisive discussions and the final resolutions can basically be taken during the December part-session. In this connection I must put to Parliament the question—and this is the position of the Socialist Group—of whether it values its own positions, in other words its own political positions, more highly than the political positions of the Council.

If it does the former, in other words if it values its own positions more highly, then this Parliament will have to take some relatively difficult decisions during the second reading in December. On behalf of my group I wished to point to the need for facing up to all the possible eventualities during subsequent discussions with the Council.

Mr President, this is what I wanted to say and I am grateful to this House for its patient attention. I hope that we can, as has happened in the past and, I must say, with frankness and fairness despite all the differences of opinion, similarly conduct this debate too with the same frankness and fairness.

*(Applause)*

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

**Mr Aigner.** — *(D)* Mr President, ladies and gentlemen, it is not merely out of politeness that I wish to congratulate Mr Cointat on behalf of my group on his report, which strikes us as a remarkable piece of work. Although different groups hold different political views, it is pleasing to note that there are two objectives which, transcending all political groups, bring us closer

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together than would perhaps be possible in our national parliaments.

The first of these objectives is the fundamental and, in some cases, even passionate determination of the majority of this Assembly to achieve at all costs the unification of this continent and a common policy. Even when our own work is being criticized we should not underestimate this fact.

Our second common objective, as most of you are aware, cannot be achieved without certain institutional improvements. This applies to all three institutions, the Council, Commission and Parliament, but more particularly to us, as this budget debate has shown. It is absolutely essential that more power of decision be transferred from the isolated national plane to the Community plane.

However, since power cannot prevail in a free community without democratic foundations and democratic control, Parliament must be given the possibility to exercise this control at least for the duration of a parliamentary term.

In debating this budget we are fighting in accordance with the wishes of our peoples for greater unity and more action at European level.

Mr President, on behalf of my group I should like to make another preliminary remark as regards the procedure for this budget debate. I agree with the Commission that Parliament cannot be expected to take decisions overnight on so important a matter as an 8 000 million u.a. budget. There are at least 100 amendments to deal with and for this we need more time. Since the Council, too, suffers from this manner of rushing through things, we simply must establish new ways of proceeding and above all new time-limits; I hope that this too will be discussed in the dialogue with the Council. As far as we as a Parliament are concerned, the possibility should be examined of introducing the system of reports drawn up by the various committees for general rapporteur on the budget, as it is applied in the national parliaments for a term or at least for a period of several years. The dialogue with the Council represents more or less a new system which is not without its dangers. I have no doubt that we shall be bringing up some very interesting points for discussion in the dialogue with the Council.

Mr President, in view of the short time available to us, I do not intend to repeat our general objections to the Council's draft, which we already expressed at the first reading; I wish only to make a few remarks.

Firstly, I find it intolerable that the budget debate in the Council is still dominated by the decisions previously taken by national parliaments. The constitution of the Communities recognizes only the triangle of the Commission, Council and Parliament. What point is there for instance in concertation between the Council and Parliament if the Council's decisions have already been taken beforehand in Rome, Paris, Bonn, London etc? Under the circumstances the institutional dialogue no longer serves any purpose. This is why it is absolutely indispensable for the Community's financial sovereignty, as accepted without reservations by all Member States in the Luxembourg Treaty, to be finally established. We shall be discussing this point in more detail in connection with the third supplementary budget.

Mr President, direct European elections will be held in 1978 as promised because our peoples want these elections. Until then, however, the decision-making process as defined at Community level by the provisions of the Treaties must be applied in this Parliament too.

And now to the budget itself. The fact that well over 100 amendments have been tabled indicates clearly that no single committee or political group of this Parliament is satisfied with the 1976 draft budget submitted by the Council. The Council's draft is in my opinion an indictment of those governments which, even in the present difficult financial situation, apparently lack the courage to cut down on national projects in favour of Community projects, which are cheaper to implement, and so utilize appropriations more effectively.

On this policy, and the possibilities of changing it, my group's views are the following: our influence on national parliaments is too slight, and because of the various interests involved, it is difficult to bring about a change in the attitude of national governments through the national parliaments. Our own powers of decision, within whose scope we can outvote the nine financial ministers of the Member States, are insufficient to enforce such Community action. As you know, we have the power of decision over some 80m u.a. This is a sizeable sum, yet certainly not enough to make the Council change its mind. All we can do, as my group decided in spite of numerous reservations, is to follow the path chosen by Mr Cointat, on the understanding, however, that we could reject the budget as a whole if the dialogue with the Council were not productive. I agree wholeheartedly with Mr Cheysson when he said on behalf of the Commission that we must secure a serious discussion on all the main fields of action and establish a political dialogue with the Council at this stage in the proceedings.

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Mr President, to protect the Community's future development, we demand at the very least more intensive action in the field of the joint research policy, the development cooperation policy, the fight against unemployment and the regional policy. Those who do not give the Community's solidarity priority and if necessary make sacrifices for it will soon discover that no account is being taken of them in a different kind of solidarity, an ideological one that has been forced on them. I should like to make it quite clear to the Council that my group is not prepared to use our own limited powers of decision to finance already at this stage the supplementary budgets announced by the Council. This is certainly one of the most important points which we shall have to discuss with the Council.

I have a few remarks to make concerning the principal element of this budget, that is the agricultural side. Although we, like the Commission today and like the public at large, are not happy with the fact that the agricultural budget by itself accounts for more than 70% of total expenditure, my group has decided after considerable soul-searching not to propose any changes. Of course certain adjustments could be made in the individual chapters, but on the whole, no cuts are possible. The incomes of farmers in all Member States are lower than the incomes in other professions. The difficult food situation in the world today does not permit any reduction in the degree of self-sufficiency of the European Communities.

In our society it is imperative that we supply our citizens with the basic foodstuffs. Taking everything into account, a national agricultural policy would certainly not be cheaper, but more expensive. In fact, I do not think that it would be a feasible proposition, in view of the present interlocking of world trade.

This means that the agricultural policy of this Community represents a stable factor for Europe itself. A modern industrialized State such as the Community, however, cannot and should not aspire to complete self-sufficiency as far as foodstuffs are concerned; neither should it be totally dependent on third countries. Self-sufficiency is not compatible with the concept of a healthy economy dependent on mutual trade exchanges. What we must, however, strive jointly to ensure is that consumers are not left without protection against the frequently sharp fluctuations in world prices or against worldwide speculation. This is all the more important at a time when we are all aware that international solidarity is still a long way off.

Your committee and likewise my group therefore felt that any adjustments which might prove necessary should be made when the time comes, possibly by means of an amending budget, in the appropriations themselves; in this connection, I should like to stress what Mr Lange has already said: we too feel that no matter what form the agricultural budget finally takes, any changes in appropriations should be made jointly by the Council and Parliament.

We recognize the imperative need to adapt production to the market as closely as possible, but this is a task for the agricultural ministers and not the financial ministers.

I should like to say a few words concerning development cooperation policy. Europe will certainly never be created on the basis of what is opportune, but as the final result of the performance of set tasks. But which European State is in a position to answer the increasingly pressing call for a new economic order if Europe itself does not act as a viable and coherent unit? The limited means available to the Member States for these tasks could be used with far greater effect if they were devoted to Community projects. To strengthen the Community in this sector means making not more means but more effective means available. But here of course we run up against the sensitivity of our ministers on this point. None of them wish to see their sphere of action reduced.

As regards the social and regional policy, Mr President, he who rightly demands solidarity *vis-à-vis* the Third World must also realize that he owes at least the same solidarity to the Community. In all Member States we are undeniably on the eve of a very interesting development. Nearly all Member States have reached the threshold of the Welfare State. We earn 100 marks and spend 120. Harmonization in this field can only be achieved if those Member States whose social budgets have reached the highest level in relation to the national product help the others, since otherwise there will be no harmonization and if there is no harmonization in this sector there can be no common market. What I have said with regard to the social policy applies also to the regional policy.

I should like to say one last word concerning the research and energy policy. Mr President, my group is more than a little surprised that the Council has postponed on allegedly formal grounds Community projects which it admitted itself were necessary.

Ladies and gentlemen, there must be no interruption of the Community's work in the field of plasma physics, uranium and oil prospecting,

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nuclear physics, industrial policy and environmental protection. Every year, the Soviet Union robs us of approximately 100 000m u.a. by means of industrial espionage. We ourselves cannot move to other markets, the Community and all its Member States are dependent on their own inventiveness. He who interrupts work in these sectors not only destroys our economy but also our national and social heritage. My group therefore urges that the Community should introduce a borrowing policy of its own and thereby avoid unnecessary parallel expenditure in the Member States and make our Community a truly viable one; like Mr Lange, I believe that we shall make no progress in this field without a sound Community borrowing policy; this makes the question of commitment appropriations a vital factor in the Community's future development.

On behalf of my group, Mr President, I therefore endorse without amendment the draft general budget as proposed by the Committee on Budgets for the 1976 financial year. Only one amendment has been tabled to our own budget, and my group supports this too.

Mr President, on behalf of my group I should like to express the hope that as a result of the debate in this House, this second reading and a genuine dialogue with the Council, an improvement can be achieved in the Council's draft for the 1976 financial year. Surely, Mr Fabbri, the instrument of the majority decision applies not only to the agricultural budget but to the budget as a whole; he who says no to Community projects in our present difficult financial situation is not economizing but is wasting money in the Community. Recognition of this fact, however, Mr President, can be inspired not only by the Holy Ghost, but by political determination and strength. My group hopes that the Council and Parliament will find this political strength together.

*(Applause)*

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

**Mr Bangemann.** — *(D)* Mr President, ladies and gentlemen, the general rapporteur of the Committee on Budgets was right in saying that this budget was indicative of the Community's stagnation. We all recognize that his criticism, and our agreement with it, are intended in a constructive sense and that we wish to overcome this stagnation. However, it must be remembered that any number of political critics are prepared to echo this criticism in an entirely different sense and with different intentions. It is up to us to show, not only by the amendments

which we will be tabling, but also by our debates, that this Parliament, and in particular my group, is not responsible for this stagnation and does not want it, and that everything which we propose to change in this budget must contribute towards maintaining the Community's development.

The criticism often voiced by some of us here with regard to the Community's development is basically hypocritical, since the critics themselves could easily contribute towards the Community's development. The pattern is nearly always the same. For instance, the Commission's bureaucracy is criticized without the critics acknowledging, however, that they could themselves eliminate this bureaucracy by giving the institutions, i.e. the Commission and Parliament, greater political responsibilities, thereby setting a process in motion which would lead away from decisions influenced by bureaucratic requirements. It is unfair to criticize what one could change oneself. In connection with the budget debates, I should like to point out that although relations between the Parliament and the Council have certainly improved over the last few months and in the past two years with regard to the dialogue on the budgets which we have adopted, these relations have not yet acquired the same degree of trust as that which exists in Parliament's relations with the Commission. On behalf of my group, I wish to expressly defend the Commission against all the attacks which have been made upon it recently. I believe that those who have attacked the Commission have in actual fact betrayed their own inability to help the Community to evolve.

*(Applause)*

Mr President, ladies and gentlemen, the word 'economize' has been used by the Council in particular like a guillotine in order to axe a number of sound Community activities. In view of the financial situation facing the Member States, economy is undeniably necessary and we shall see that what Parliament itself suggests in the way of amendments certainly indicates an awareness that without economizing we cannot manage with the limited means currently available. But economizing sensibly is one thing and economizing for the sake of economizing or because one wishes to prevent sound activities is another. We can in fact, as Mr Aigner pointed out, economize by encouraging a number of Community projects, albeit only if we are prepared to give up national projects in exchange.

However, here we come up against the same barrier as that which is currently impeding the development of Europe. This barrier consists simply of the fact that many national politi-

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cians, parties and governments are constantly advocating the construction of Europe in words, but never follow these words up with action; this is noticeable too in the case of economy measures.

A word on the question of saving on staff expenditure. Here too, well-meaning advice has been forthcoming from politicians from national Member States as to possible ways of drastically reducing staff expenditure. I shall not speak of the more drastic suggestions, but only of a proposal for an overall reduction in the appropriations available to us for staff expenditure. My group does not agree with this proposal for a number of reasons.

An overall reduction of these appropriations by a certain percentage, say 10 or 20%, would more or less imply the admission that we can really manage without these 10 or 20%, and this I feel is uncalled for. Such overall reduction, moreover, would mean not doing something which is very necessary, namely checking each estimate individually in order to economize on estimates which are unreasonable or have no purpose. When dealing with a number of amendments which we shall be considering later, the Committee on Budgets observed that some of the requests for additional staff expenditure submitted among others by the Commission were by no means justified, and some were even absurd. If we say on the one hand that there is a structural imbalance in the establishment plan, that there are too many A posts and too few B and C posts, and the very next amendment involves upgrading certain B posts to A posts and C posts to B posts, this is indeed a strange way of proceeding since the following year the resulting imbalance would continue to exist. As we already observed in connection with the efforts of the Commission, and the Committee on Budgets with regard to the transfer of staff to the Directorate-General concerned with development policy, considerable savings can be made by means of individual measures, such as checking the transfer of staff, without having to resort to an overall reduction.

I wish to emphasize on behalf of my group that we by no means agree with a reduction in what Mr Cheysson has called the human expenditure of the Community and what we could perhaps in this connection really call the Community's expenditure for the future. The reasons are twofold.

The first is the important nature of this expenditure. We cannot make cuts in the social or regional sector, the research, technology and energy sector or the development aid sector for

practical reasons. These practical reasons vary, but they are all equally valid as my predecessors have indicated.

The second reason for me as a member of the Liberal Group of this Parliament is that if what Mr Cheysson says is right, and I believe it is right, the Community is moving forward only in certain sectors, in spite of all promises of institutional improvement. It is these very sectors with which we are concerned and in which cuts are to be made that make the Community's progress possible, both inside and outside it. The development process of the Community is not only the result of objectives set by the Community itself from within, but also the consequence of the Community's actions on the outside: the common stand adopted by the Community on various questions of foreign policy in the CSCE negotiations, the common position of the Community as regards the development policy, all these have external effects which have repercussions on the Community's development and help it to progress perhaps far more than any internal factor.

This is why the Liberal Group will support unreservedly the draft amendments tabled by the Committee on Budgets. We do not consider that budget debates are the right occasion to discuss economy measures in the financing of the agricultural policy.

Ladies and gentlemen, the structural imbalance which we find in this budget is unfortunately a result of our agricultural policy, and I think it would be pointless to try to make cuts at this stage instead of turning to the agricultural policy itself to make the necessary changes and improvements. This is why we do not propose any changes in the estimates.

My Group supports every effort to give the Community powers as regards revenue, particularly by giving it a share in value added tax revenue. Such a possibility would help to destroy the Community's current image which represents it as living off the Member States, and might also remove the temptation for certain national politicians to complain about increasing Community expenditure. My group feels in particular that, having already in principle reached agreement with the Council as regards the introduction of direct elections, Parliament must follow this move through to its logical conclusion and obtain the same budgetary powers as those held by every national parliament.

This is in fact still the crux of the matter; the Council's attitude does not correspond entirely to our expectations and on behalf of my group I really must ask for a more positive attitude

**Bangemann**

towards direct elections at the December part-session, since all our justified complaints concerning the lack of clarity of the budgetary procedure stem from the fact that Parliament has until now never held sufficient powers. If such a budget is drawn up within an administration, certain things can be left unclear since the most important aspect is the implementation. If a budget is formulated in a dialogue with a parliament, however, nothing must remain unclear because Parliament can only face up to its political responsibilities if everything is clear. This is why we must break down general headings which are not sufficiently broken down. This is why we must separate activities which have been grouped together illogically, to achieve greater clarity.

Our discussions on payment and commitment appropriations and compulsory and non-compulsory expenditure are a further indication of the lack of clarity in this budget.

How—this is my last question, Mr President—how to find a path to the future which we can all follow? It is true that this Parliament, in spite of differences in political opinions, is united in wanting the development of the Community; on this point we are all agreed. But as soon as we have the powers in question, Mr Aigner, the wrangling will start inside and outside the groups. This will be an important moment since it will constitute a test of this Parliament's sense of political responsibility. Fortunately, we have known each other for long enough to be assured that this conflict will take place at least in a civilized fashion.

If we want these powers to be transferred to Parliament, we must use all the means available to us to make it politically clear to public opinion that the Community institutions which impede or wish to impede the Community's development are not the Parliament or the Commission. I wish to make it quite clear that my group holds the view that only the development of the Community institutions can lead to the development of Europe. A dialogue between national governments might of course be useful to clear up certain points. But a dialogue between national governments cannot replace a Community institution, and a return to dialogues between national governments will not give us the Europe which the Liberal Group would like to see.

*(Applause)*

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

**Mr Yeats.** — Mr President, I should like at the start to say how much we all owe to the rapporteur for his report on the budget. I think it is fair to say that the discussion on the annual budget is always difficult, and we are grateful for the exceedingly clear and efficient way in which the rapporteur has written his report and the clarity with which he has presented it to us today.

As regards the discussions so far this year my group welcomes the businesslike way that Parliament, acting through its Committee on Budgets, has tackled the problem of this year's budget. We have seen how the financial and economic crisis from which our whole Community is suffering has, during the past couple of months, had the effect of causing very severe cuts in the Commission's draft budget proposals. One can understand and even welcome the desire of certain Member States to effect economies in expenditure, particularly under the present very difficult circumstances. However, a number of the cuts demanded by the Council are not justified and could not be justified by any conception of the real needs of the situation. My group feels that, in some instances at least, cuts were imposed in an unthinking and arbitrary way and primarily, perhaps, for reasons related mainly to domestic political considerations. As I have mentioned, the Committee on Budgets in considering these matters, has dealt with them in a sensible and businesslike way.

In giving its views on the various cuts that have been made in the budget by the Council, the committee has made a clear distinction between cuts that do perhaps genuinely represent economies and those other cuts in expenditure that can only lead to a weakening of the very structure of our Community institutions. The budget of the European Economic Community ought surely to be dynamic and progressive, reflecting the developing nature of the Community. At the same time, we can agree, of course, that waste must be eliminated. It would appear that some Member States take the opposite viewpoint, laying emphasis on the supposed need to run the Community on the cheap, with the accent on the sums that may be saved rather than on the importance for all our countries of the development and expansion of policies at Community level. But in the short time at its disposal Parliament has, through its Committee on Budgets, acted wisely with regard to the 1976 Community budget, especially when one considers the universal economic difficulties that have almost become permanent features of our time. It is extremely important, I feel, for the future of this institution that public opinion should see that European integration



### Yeats

and the future of the European Economic Community are being put before the essentially short-sighted preoccupations of some Member States. While eliminating waste so far as is possible, Parliament, my group feels, must try to ensure that a better balance in the Community's budget is maintained. In the coming months and in this debate we must therefore restore provisions for essential areas in the Community's activities, particularly with regard to the Social Fund.

The EAGGF, Mr President, surely represents the powerhouse of the only concrete achievement so far of the European Economic Community, that is the common agricultural policy. It is vital, therefore, that we afford every protection to our farming communities, especially when one considers that the living standards of our farmers have year by year in all parts of the Community risen very much more slowly than they have in other economic sectors. Instead of endangering, in the frantic effort to economize, the only true common policy that exists in the European Economic Community, our energies would be much better employed in embarking on common policies in other sectors, such as the energy, transport and regional policies.

My group cannot therefore accept the amendments which apparently have now been tabled by the Socialist Group. We cannot accept them for reasons of serious principle. And indeed, Mr President, I was quite surprised to see Mr Lange's proposed modifications, which were rejected by the Committee on Budgets, reappearing here almost unchanged as proposed modifications tabled by the Socialist Group. It can only be regretted that the Committee on Budgets will now apparently have to give its opinion twice on the same set of modifications. Our group does, of course, accept that agriculture accounts for an unduly large proportion of the budget. And we regret in particular that one effect of the cuts imposed this year by the Council, has been to increase still further the percentage of total expenditure that is devoted to agriculture. But we must insist that reality and common sense combine to demonstrate that the fault lies not with agriculture or with the farmers of the Community, but with the lapses in the Community institutions themselves. As we know, the common agricultural policy is the only real Community policy in existence. But the proportion of the budget spent on agriculture would be far less, were there other Community policies in existence, such as the common energy and transport policies, and were really adequate provision made for such matters as the Regional and Social Funds.

The Council's treatment of the 1976 budget has been on the whole haphazard and must be unacceptable. One has only to compare the clear and factual presentation of Volume 7 of the Commission's draft budget with the totally inadequate explanation put forward by the Council for the cuts that it has made, to realize that the budget has little concern for the growth of the Community. The budget should surely be a political instrument concerning expenditure likely to arise over the years ahead and the cost of financing Community decisions. This is not the case, as the drastic cuts that have been made by the Council have, to a large extent, made it meaningless. The budgetary procedure set in motion by the Luxembourg Treaty is fundamental to the emergence of this institution as a truly democratic body representative of the peoples of Europe. However, the division of power between the budgetary authorities is unfortunately neither clear nor precise. Furthermore, the criteria applied in distinguishing compulsory and non-compulsory expenditure are neither practical nor satisfactory. The adoption of new criteria, therefore, is imperative, and in this respect my group is happy to note that a consensus appears to be approaching with regard to the abolition of this classification. In effect, this classification determines the budgetary control that this Parliament can exercise, and while we are aware of the difficulties that arise from classifying expenditure into one category or another, unless the situation is in fact rectified, then certain contradictions will undoubtedly continue. In effect, the appropriations for which Parliament is ultimately responsible, if placed under Chapter 98, cannot be touched, as the decision to transfer Chapter 98 appropriations to a budgetary heading rests with the Council. We must therefore either give more powers to Parliament with regard to appropriations in Chapter 98, giving the Council co-decision in this respect, or else increase the margin of manoeuvre that Parliament has with regard to the budget.

My group, Mr President, welcomes the proposals put forward by the Committee on Budgets to widen the system of commitment appropriations to cover the social sector and also the energy sector. The inauguration of an adequate Regional Fund has been one of the highest priorities of all the activities of the EEC. The aim of the Regional Development Fund has been and is to remedy the most serious regional imbalances and enable the Community to maintain an interest in problems of daily life and the safeguarding of employment in the regions concerned. Once again, unfortunately, the Council has turned a blind eye to rectifying the inequalities in living standards between dif-



**Yeats**

ferent regions of the Community and has shown, to say the least, a lack of goodwill towards a fund that is still in its infancy. And indeed, this situation can only be a matter of the most grievous disappointment to those areas of our Community which have never to date been able to benefit from the economic developments that have taken place in the more prosperous areas. My group tabled an amendment seeking to increase the payment appropriations for 1976 by 150m u.a. Our amendment has, in fact, permitted the Committee on Budgets to propose a substantial increase in the payment appropriations by inserting 150m u.a. under Chapter 98. As a result my group has achieved its objective, and we are withdrawing our amendment in favour of that of the Committee on Budgets.

My group is also particularly disturbed at the very severe cuts that have been made in the expenditure in the social sector. The explanation for these cuts would appear to be that because there is an economic crisis and a consequent massive rise in unemployment, there must therefore be less money spent on social needs. Surely this is a senseless and indeed a quite extraordinary attitude to take. Social policy, which in previous years was seen perhaps by some as a mere stop-gap to make up for the inadequacies of other Community policies, has only comparatively recently begun to have a real life and an importance of its own. Social policy is and certainly should be one of the most important pillars of the European Economic Community, and it is the only means by which we can give Europe a more down-to-earth and a more human face from the point of view of the ordinary man in the street. A number of amendments have therefore been tabled by my group seeking to strengthen the Social Fund through the provision of considerably increased resources. My colleague Mr Cousté will deal later on in detail with these on behalf of my group.

With regard to development and cooperation, my group welcomes the Council decision concerning financial and technical cooperation with non-associated developing countries. To neglect the developing countries, who have suffered far more than we have as a result of the present economic crisis, would be in fact a most retrograde step. Europe, if it is to establish itself as an entity in the international body politic, must surely be outward looking. It is only by cementing our relations on the basis of partnership with the developing countries that we will forge a lasting link with the Third World and in so doing, contribute towards the easing of world tensions.

In conclusion, Mr President, the cuts made by the Council in the budget were based, it would

appear, in the main, on a concept of penny-pinching economies that is quite foreign to the real spirit of our Community. But even on the basis of that rather unworthy concept, the budgetary policy of recent weeks would appear to be an effective one. In practice, the real loss to the peoples of the EEC must be very much greater than any theoretical money-savings that may be made. That is why, as has already been pointed out in the course of this debate, there is, I think, not one single political group, and certainly not our own, that would be prepared to support this budget in its present form.

*(Applause)*

IN THE CHAIR:  
SIR GEOFFREY DE FREITAS

*Vice-President*

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

**Mr Notenboom.** — *(NL)* Mr President, on behalf of the Christian-Democratic Group I wish to comment briefly on the reports by Miss Flesch; I shall in fact confine my remarks to the budget of our European Parliament.

The budget shows a considerable increase of some 25 %, but our Parliament places high requirements on its own work. If we are to do more and show the European presence in many parts of the world, that costs money. The result is that in some third countries Europe is better known than in certain quarters in the nine Member States, but this may be important for Europe's position in the world.

The fact that Parliament does not have a permanent meeting place and seat also entails high costs and leads to a great deal of inefficiency. This has often been observed but I wish to repeat it now.

Now that the substantial enlargement of our Parliament is already almost three years behind us, an efficiency study must be carried out into the way in which our services function. After a discussion in the Committee on Budgets it was decided some time ago to carry out an efficiency study of this kind. In the first instance it will be an internal study. I have heard that a report may be presented on the matter next month in December, and I hope it will be an important report enabling the Parliament, and first of all the Committee on Budgets, to draw conclusions regarding the operation of our services.

I hope it will be possible to draw these conclusions on the basis of an objective study. If that

**Notenboom**

is not the case or not possible for certain departments, it may then be necessary to decide on an external efficiency study of individual departments or of the entire secretariat by an independent efficiency office.

Mr President, I emphasize efficiency because we are concerned at the rapid growth of our secretariat which has considerable advantages but also brings with it the risk of inefficiency. We consider an expert study into the working of our services basically more important than a straight cut in personnel expenditure, for example by lopping off a given percentage. Perhaps in the long run it may be necessary to make sweeping cuts if the results of the efficiency study do not in fact lead to an effective reorganization.

On behalf of my group I wish to thank the rapporteur on this matter, Miss Flesch, for her work. The Committee on Budgets adopted a reserved attitude on certain requests which were put forward. I consider that this reserve is quite right and I did my best to contribute to it. There is no real difficulty in putting forward arguments to emphasize the desirability or even the necessity of further expenditure on a number of useful projects which might be said to further European unification. But unless a brake is applied, even though in some particular instances it may seem unreasonable, we shall be fanning the flames of inflation. We have therefore been reserved and sometimes harder than we should really have liked. As a Parliament we must show overall restraint, confident that, under the leadership of reasonable persons, solutions can be found to attain in practice an optimum distribution of our staff between the different tasks through internal transfers and movements as the work demands.

In this connection I emphatically support on behalf of my group the request that the Secretary-General of our Parliament should find someone who can help the Schuijt Fund to achieve its aims from among the present personnel and not by making a staff increase. It seems that this initiative, which originated from our Parliament, will come to nothing unless a few—they need not be many—enthusiastic persons can be found to perform the corresponding activities. And I hope that our Secretary-General will be able to find rapidly among his staff an enthusiastic colleague able to ensure the success of an activity designed to make Europe, the European Community and our European Parliament better known among leading young Americans.

In general it will be sufficient for me to say that a great majority of members of our Group support all the amendments and the opinion of the

Committee on Budgets on the Parliament and Council. Under the leadership of Mr Aigner an initiative has even been taken by a majority with a view to tabling jointly with the other groups an amendment to obtain rather higher appropriations for visitors' groups with a view to the forthcoming direct elections to the European Parliament. This point seems to be given too little attention but the matter will be considered in further detail when this amendment is called.

I would like to add a personal comment on expenditure on publications. I personally did not vote in favour of the increase in appropriations for publications because I consider that we should be very cautious about publishing expensive books while we are still in a state of flux. Consideration is for example now being given to the publication of a handbook on Parliamentary procedure. But our Parliamentary procedure is still changing from year to year. This year's procedure differs from last year's and we hope—this point was raised earlier today—that our procedure and certainly our budgetary procedure will be further improved next year as Parliament gains an increasingly important role.

Well, Mr President, as we are making progress each year in developing our powers, and hence also in changing our procedures, we must not in my view publish expensive books which then simply have to be revised again and only remain as decoration on bookshelves because a number of pages are no longer up-to-date next year. I therefore recommend that Parliament should show the necessary reserve in committing expenditure.

*(Applause)*

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

**Lord Bessborough.** — Mr President, Mr Michael Shaw will be principal spokesman for the European Conservative Group, but I have been asked to follow up in this general section of the debate what I said in plenary sitting on 15 October in regard to concertation with the Council of Budgetary Ministers, since by chance I led Parliament's delegation at that meeting. I hope Mr President that the good relations established by Mr Aigner, Mr Cointat, Miss Flesch and myself on 22 September will continue, and that there will be further frank and fruitful discussions with the Council after our part-session here this week. Indeed, I might add in parentheses that I would hope that the precedent of meeting with the Council of Budgetary Ministers might be extended to Council meetings of other ministers

**Lord Bessborough**

and that two or three Members of Parliament who are specialists, say, in agriculture, energy, social or regional affairs or aid should regularly be entitled to attend, at least as observers, the relevant Council meetings which might continue to take place in private or even perhaps at some time in public. This suggestion regarding Council meetings may be fairly revolutionary, but I hope Mr Fabbri will discuss the idea with his colleagues. I thought it worked reasonably well so far as regards the budget, and I feel sure it would lead to closer and more amicable relations with the Council in the long term.

I should like to add that I was very happy last week to hear British Ministers in both Houses of the British Parliament say they hoped that this Parliament would use its margin of manoeuvre to reinstate cuts in the Social Fund. I would certainly support that, as I would many of the other amendments and modifications reinstating funds in other sectors, and especially in research and development. As a member of the Committee on Energy, Research and Technology I regard some of the cuts in regard to fusion and other alternative energy sources, which resulted in one case in retaining only the staff, but allocating no funds to the projects so that we would be paying qualified scientists to do nothing, as somewhat ludicrous. As a member of that committee I would support all the amendments which Mr Springorum has put forward and which Mr Aigner supports. I would particularly refer to the amendment on exploration for uranium within the Community, for which the Commission allocated quite a modest sum.

There is very little waste or slack in the budget of the Communities. We here are all aware of this. However, there are many citizens of the member countries who from impressions gained from the newspapers consider that irregularities and frauds have reached substantial proportions. To set their minds at ease and to ensure proper control of expenditure, there is, I think, need for a committee of the public accounts type to scrutinize the implementation of the budget of the Communities. This would be a most worthwhile function and would be likely to pay off in terms of greater readiness on the part of the public to support the finances of the Communities in the knowledge that money was well spent. This is a matter which has been given increasing prominence of late and is one which should not be neglected I think in this debate. The Court of Auditors will of course fulfil a vital role. I feel however that this House should give the work of the Court a political dimension. To this end a separate public accounts committee, always advocated by my group, would be a useful adjunct. In regard to the Court of Auditors I hope that all Member States will ratify the Treaty setting it up as soon as possible.

One must deplore the fact, as Mr Cointat has said, that the draft budget is not a coherent political document containing a set of forecasts, but an accounting record intended for cashiers rather than politicians. We know how this came about, and we regret the hasty and ill-judged cutbacks in vital areas of Community expenditure, which have led to the emergence of a financial document which cannot be held to be a real budget. Unfortunately, it is also a fact that, because of the limited scope for manoeuvre available to us and because of hardened attitudes in certain quarters, everything cannot be set right. One must hope that the arbitrary and, I believe, short-sighted cuts made by the Council will not erode public confidence in the Community and cause lasting damage to the prospects of real policies emerging in key areas. When certain changes need to be made in the budget, the work should be put in train almost, I think, a year in advance to ensure that deliberate examination is given to the implications. The new timetable is therefore of some urgency. The time to start getting the 1977 budget right will be the spring of next year. As soon as we can we should examine the ravaged policies—I can only describe them as such—which the Council saw fit to set back, and try to put together a coherent and comprehensive guideline for the year after next.

Finally, Mr President, I think I should say that I consider that the Council have been timid in their approach to the 1976 budget. They have underestimated the maturity of European taxpayers and their readiness to shoulder burdens that well-designed policies imply in the short run. The Council should have been more courageous in facing up to the challenge of Europe. In this general area of the budget I believe that multi-annual budgeting has a major role to play. It would set the annual budget in the context of the longer-term perspective and highlight the damage to the coherence of the basic policies that would result from over-rapid pruning for what might appear to be short-term gains, but would involve us in further avoidable supplementary budgets.

One word about compulsory and non-compulsory expenditure, to which Mr Lange and others have referred. This distinction between the two types of expenditure is, Mr President, entirely artificial and must be eliminated as soon as possible. Even the Council must be coming round to this way of thinking, to judge by the tone of their recent communications. For once I feel I must be really tough and say that unless steps are speedily taken to get rid of this anomaly, I shall not be able to advise my group next year to vote for the budget as a whole.

*(Applause)*

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

**Mr Fabbrini.** — (1) Mr President, ladies and gentlemen, as was the case in previous years, we in this Assembly are celebrating the old budgetary ritual which is renewed every year: the Commission proposes; the Council inevitably makes cuts and the European Parliament through its modifications and amendments, then tends to re-enter in the budget the expenditure deleted by the Council. The European Parliament, lacking the powers we have been requesting for so many years without success, is still a prisoner in the same vicious circle. And our Parliament will certainly remain in this impasse at least until it manages to break out from the position of inferiority in which it is placed within the institutional structure of the Community.

While the cuts made to the budgets of previous years were serious and sweeping, the cuts made by the Council in the 1976 budget are even more far-reaching because of the economic and social crisis which the Community countries are all now experiencing. The essential elements of this economic and social crisis are well known but I should like to summarize them briefly here. The inflationary process which is rightly causing concern to the Community governments is continuing; the rate of productive investments almost everywhere in the nine Community countries, which was already weak in previous years, is not rising and remains well below the current needs. Unemployment has reached an alarming level and is now in all the nine Member States the fundamental problem to whose solution a substantial proportion of the available resources must be committed, especially as the prospect of a general economic upturn is becoming more remote, or at least is not as immediate as some supposed a few months ago.

We are therefore facing an extremely difficult and complex economic and social situation which requires and will continue to require next year bold and energetic measures, to borrow a phrase used in Mr Cointat's report, of economic revival; these measures are being considered and to some extent implemented by certain national governments who are taking up a position in this area, sometimes in the context of the drafting and discussion of the national budgets.

This being the situation the first question which arises for our Assembly is as follows: is the budget of the Communities and more particularly the operational budget of the Commission in the form proposed by the Council of Ministers equal to the most urgent tasks which the situation now imposes on all of us? Does this budget meet the priority requirement of helping, always

within the limits of what is possible, to combat the serious phenomenon of unemployment which, as I said, has reached extremely high levels?

In my view the budget must be judged against the background of that situation and our answers to the questions I have just raised are absolutely negative. In our view this Community budget falls well short of the strategy and content of the national budgets; it reflects a policy of stagnation instead of the dynamic policy which was called for. The Council itself does not hide this fact since it explicitly states, in justification of the cuts made in the budget, that it was guided by the principle of austerity; it also states that it will try as far as possible to make other savings even before the budget is finally adopted.

We all know what the result of the Council's spirit of austerity has been; but I must remind you of it here: the appropriations for the EAGGF submitted by the Commission are the only ones which have not been reduced and have been maintained in full by the Council. But these appropriations—I said this last time and wish to repeat it in this second debate—are an important source of wastage and if savings are to be effected they should be made above all where there is wastage. But the Council has not touched these appropriations. In this connection I personally view seriously the attitude followed by the Committee on Budgets when it considered the various amendments and proposed modifications. The Committee on Budgets, hiding behind the excuse of leaving the entire political responsibility for this agricultural budget to the Council, and not wishing to assume any responsibility in dealing with the Community's agricultural producers, refused to examine in detail the amendments tabled by the Committee on Agriculture and certain parliamentarians, thus adopting in substance, for reasons which to my mind are not convincing, the same position as the Council which considered that the appropriations for agricultural policy could not be touched.

I hope that these amendments which were not considered by the Committee on Budgets will be put forward again here, so that our Assembly can use them as a point of departure for a concrete debate on the merits of the appropriations provided for the EAGGF. Under these conditions, while maintaining the appropriations for the agricultural sector unchanged and since the Council wished definitely to make savings, it was inevitable that the axe of austerity, as we say in my country, would fall on the other items of operational expenditure. The results of this we have already seen but it is worth returning to them above all to show, in the spirit I referred to earlier, the need for a dynamic budget,

**Fabbrini**

instead of a budget of stagnation, to highlight the contrast which exists between the policy adopted by the Council and the needs of the Communities.

The axe has fallen on the social sector where the political and human sensitivity of the Council members and of our parliamentarians should have led to an increase in appropriations, precisely because the workers of the Community pay the highest price in the crisis we are experiencing, for which in my judgment they are not responsible.

The axe has fallen on the research and energy sector which, in my view, is the most delicate sector of all and also the most important to the future of the Community. I would like you not to forget the statement made last February in this very Chamber by President Ortolí. He then criticized a decline in the independence and autonomy of the Community and appealed to all those who believe in Europe to do everything possible to at least make up the lost ground.

I thought it worth recalling President Ortolí's words because if it is true that there can be no autonomy without a serious research policy and a serious energy policy, the cuts made in this sector by the Council, if they are not made good and if at the very least the appropriations provided by the Commission are not restored, will inevitably lead to a further decline in our autonomy and independence because, as I have said, there can be no real autonomy or independence without a serious research and energy policy.

A substantial cut has been made in the Regional Fund on the grounds that the governments would have had difficulty in using the appropriations originally entered; and this was done at the very time when concrete decisions were being taken to call for the 1975 contributions under the fund and when the governments most interested in this fund were demonstrating their wish to move rapidly in utilizing these resources and at a time when they were finding it necessary to stimulate economic development and would inevitably resort to the appropriations made available for 1976.

This reduction is therefore not justified; Parliament will restore part of the appropriation but I think that unless the Council accepts this partial re-entry, justice not be done to the requirement to use in full the resources made available by the Regional Fund.

A further serious cut, against which the committee directly concerned as well as the Committee on Budgets have already reacted, concerns aid to the developing countries. This cut contrasts with the undertakings entered into by

the Council, Commission, and Parliament towards the developing countries and is being made at a time when these countries have even greater need for aid because, like the workers in the nine Community Member countries, they are suffering extremely serious consequences of the current economic and social crisis, whose main aspects I have already recalled.

For these basic reasons our Parliament cannot accept the Council's draft budget. Before concluding, I wish to make a few remarks on the motion for a resolution drafted by the rapporteur, Mr Cointat, and approved by a majority of members of the Committee on Budgets.

I appreciated the effort of criticism made by the draftsman and endorse above all the content of paragraph 3 of the motion for a resolution which reads: 'considers that the draft budget submitted to it is not a coherent political document containing a set of forecasts but an accounting record intended for cashiers rather than for politicians', and we of course are all politicians.

I must admit that I also amused myself a little by counting up the commonest words in the resolution. I found for example that this resolution, which is not so very long deplores at least six times, or maybe seven in the latest version, the Council's attitude. I have read a great many resolutions and it seems to me that the verb 'to deplore' is surely the one used most commonly in this Parliament because there are no resolutions adopted by us which do not deplore something or other repeatedly as in the present case. The word 'inadequacy' is used at least three or four times while the behaviour of the Council is described as 'inadmissible' at least twice.

It follows that if we wish to draw a conclusion from this resolution, which in paragraph 3 defines the budget as a document for cashiers and not for a political assembly such as ours, in addition to deploring the Council's attitude and speaking of inadequacies and inadmissible aspects we should reach the conclusion, which I consider logical enough, that this budget cannot and should not be approved by our Assembly. Despite these critical aspects the resolution concludes on the contrary by saying that Parliament hopes that the Council will take account of Parliament's proposed modifications and draft amendments.

I must say at once that my group does not share this hope; we view the entire budget as unsatisfactory, not only for the reasons that I have outlined today but also for those I enumerated in the previous debate; we shall try as far as we can to improve the budget by approving those amendments which comply with the aims to which I have referred above. Nevertheless

**Fabbrini**

even if the budget adopted at this stage at least by Parliament resembles that drafted by the Commission, we shall not be able to vote in favour, because a budget of this kind remains still profoundly unbalanced and there is nothing to suggest that a far-reaching review will be made. While indicating that we shall vote against the budget, in particular the section referring to the Commission, I wish to point out now that we shall vote in favour of the internal budget of our own Parliament.

*(Applause from the benches of the Communist and Allies Group)*

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

**Mr De Sanctis.** — *(I)* Mr President, in the liturgy of this Parliament I do not represent a duly constituted political group but I must say at once that this will not make my position in today's debate any less committed; this is a delicate point in our history and a difficult problem, and moreover I must reflect the thinking of my colleagues, Mr Romualdi and Mr Covelli, who belong to the same national political group as I do: not because that national political group wishes to assert a particular individuality here, but because in our present parliamentary situation I represent their votes as well.

Since in this debate on the budget we are examining from the short and long term angle not only the role and functions of our Parliament but also its way of acting and operating, I believe I can publicly express my own gratitude, and that of the colleagues I have just named, to President Spénale and to the entire Bureau for the way in which this year a basis has begun gradually to be established for the position of the Members who are still not attached, even though our final objective of eliminating all disparity of treatment as far as our own position is concerned has not yet been reached. I wish to acknowledge the civic and democratic spirit and commitment with which President Spénale has enabled many of our requirements in this respect to be met and this public expression of appreciation also extends to our colleagues in the other groups who have helped to overcome some of our difficulties.

But it is time for me to come to the substance of my speech on the general aspect of the budget, although I regret that it cannot form part of a group position on which other colleagues could also speak on other aspects. We wish to refer to the general aspect of this debate and I would point out, Mr President, without any further preamble, that as happens in the debate on any budget in this Parliament and in the national parliaments, the problem to be resolved

here is one of a disconcerting banality. The problem is one of the alternative between how much is being or should be spent and how it should be spent. The problem is at one and the same time extremely easy to formulate and difficult to solve in an attempt to harmonize the two horns of the dilemma, because while they are the horns of a dilemma they must also be the determining factor in a harmonious overall relationship and a general political choice in terms first of overall strategy and then of detail.

In the logic of the situation characterizing the Community institutions today—and I share the views of those who have said that there is nothing new today in comparison with the debate last year or two years ago, except the accentuation of a trend which we consider extremely serious—in the context of this logic then, the Council, or at least so it seems to me, is the body which is concerned solely with how much is being or should be spent; the Parliament is trying to determine how the available money should be spent; and the Commission in the middle is trying to obtain for itself the ability to take certain action which would derive from harmonization of the two factors I have indicated.

I do not wish to make the problem seem banal but I would add to the comments of other colleagues the equally obvious remark that this budget deserves criticism from the general aspect of the lack of a basic political choice. We know how the individual national forces are represented in the Council; it is a forum made up of representatives of the individual countries where the Community aims and spirit, which are sometimes exalted rather rhetorically by summit conferences, become more indistinct, confused and general in practical terms than is the case in our Parliament.

This is the root of the problem which must be overcome if we are to avoid the risk of falling into an incurable contradiction. It is no use, gentlemen of the Council, Mr President, to speak of the political prospect of progress towards European Union and of direct elections in 1978, which might be no more than a mythological and unreal reference if matters within the European Community are arranged on the basis of a dialectic between the institutions, a point which other speakers have criticized before me and which I too would like to stress. It is no use thinking of the powers and functions not only in the budgetary sphere but also in the matter of freedom to take decisions, powers of control and immediate action of the European Parliament, meaning a European Parliament directly elected by universal suffrage, unless in the meantime the existing system is changed, and

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there is no point in our welcoming the prospect of an event which would only become more and more remote without such change if indeed it can be realized at all; without change it would only result in further confusion and failures.

We must overcome our doubts and break away from this strange dialectic which seems on the surface to resemble a myth, and myths in politics are always more dangerous than they are in philosophy or religion. We do of course need to refer to something in the nature of a spiritual aim or a guiding idea, namely the principle of Europe and the principle of a European identity which we must all assert in our modest daily dealings.

At a delicate time like this the budget of the Community, which is such a fundamental document must not—as others have said—become a mere accounting record without political significance and content. Gentlemen of the Council and Commission, fellow Members, the problem is one of a political choice and of political resolve. Is this rhetoric? No! It simply reflects a growing expectation on the part of the general population of our Member States, while on the other hand we have an excessively negative approach based on negation, negligence and stagnation, as other colleagues have said, which cannot meet our hopes or help our day-to-day activities.

Adopting, from a real sense of responsibility, the attitude of awaiting the results of the debate which will be held later in the day and therefore reserving our position on the general or detailed approval of the budget according to the outcome of this debate, we must say that our concern centres—as other colleagues pointed out this morning but which we must underline in even more severe terms—on the proposals made by the Council which have been partly opposed by the Commission and strongly opposed by Parliament in the area of social policy.

Why do I concentrate on this aspect? Not so much through my predilection for problems of this kind but because in the Community context at a time when a battle must be fought against the general European recession and the recession in the Member States of the Community, denial that social policy must represent one of the focal points of progress in Europe and that it must help to solve the basic problems, implies a lack of conviction or of any political choice which could give our Community a meaning and content. Hence my real concern which does not stem from demagogy or a sectoral approach but is explained by the general crisis Europe is experiencing at the time of our debate.

I would base a second observation on the splendid report by Mr Cointat, whom I too wish to thank publicly, when he stresses that in the context of the common agricultural policy (which has so far been one of the guiding features of our general economic activity) social investments have been overlooked, further cut or limited, thus denying the reality of what we see as one of the basic means of overcoming now and in the future the crisis in the area of full employment, anti-inflation policy and policy against the recession in general if Europe is to move and move forward. This is the fact which underlines the inadequacy of the Council's approach in comparison with the attitude of our Parliament, regardless of how the final vote turns out, and shows also how the Council is unable to live up to the expectations of European public opinion which is looking not only for respect for its legitimate interests but also for compliance with certain specific subjective rights, to use a legal phrase, whose importance and scope we cannot possibly overlook.

What then must be done through this debate for today, for tomorrow and for the more distant future? We must strike a harmonious balance between the two aspects of the dilemma between how much is spent and how it is spent. The actual amount of expenditure is not as important in this context as the political resolve with which expenditure is committed.

A previous speaker criticized just now the validity, for an organization such as ours, of the distinction between compulsory and non-compulsory expenditure. This distinction also exists in our country and so I shall not reproach anyone in this connection but in our country too it is criticized. In fact, when choices have to be made regarding the essential growth of a society it is impossible to understand why any difference should be made in the area of public expenditure between what is necessary and what may be described as voluntary, which seems basically to be the distinction, from the moral angle too, between compulsory and non-compulsory expenditure. The Cointat report also criticizes the present structure of the budget which presupposes the submission of supplementary budgets; the report calls for organic multi-annual estimates.

Individual states sometimes manage with great difficulty to draw up such estimates. Our country, if I may speak for a moment among Italians, Mr President of the Council of Ministers, cannot claim to set an example to others in this respect. But in our Community, multi-annual estimates are essential to the organic construction of a Europe which is more than a mere day-to-day concern but the Europe of direct



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elections in 1978 and the Europe of the 1980s; that is why we need a moral rather than legal and political commitment and in failing to call for that commitment we should be betraying our conviction as Europeans, which I hope is shared by all of us.

*(Applause)*

**President.** — The proceedings will now be suspended until 3 p.m.

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

**IN THE CHAIR: MR SPENALE**

*President*

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

The next item is the resumption of the debate on the draft general budget of the Communities for 1976.

I am happy to welcome along with Mr Fabbri, Mr Poncelet, member of the Council, whose important contribution to our budget debate in 1974 was highly appreciated by Parliament. In deciding to attend the budget debate again this year, Mr Poncelet proves once again his commitment to Europe and his awareness of the increasingly important role which Parliament is to assume.

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

**Mr Hansen.** — *(F)* Mr President, ladies and gentlemen, the Socialist Group keenly appreciates the excellent work done by the Committee on Budgets and in particular by its outstanding rapporteur, Miss Flesch.

Clearly, in the prevailing economic and social situation, an operational budget could only be established in a spirit of some austerity. In that same spirit the Committee on Budgets confirmed its guideline which led Parliament to reduce by 50% increases due to cost rises in 21 articles or items in its estimates in section 1 of the draft general budget of the European Communities.

The committee has only accepted those increases in appropriations which are absolutely essential for the operation of the institutions. It will now be for the responsible authorities in these institutions to consider in detail how personnel can be used most rationally as a function of the financial resources allocated to obtain maximum efficiency in action; that efficiency certainly cannot be reduced now in face of the ever-widening tasks the Community is called upon to accomplish.

Clearly too the devoted staff of the institutions must not be alone in bearing the brunt of this austerity and the right of these officials to equitable increases in their salary taking account of the rising cost of living, cannot be questioned.

The Socialist Group sees no difficulty in accepting the amendments proposed by the Committee on Budgets. It wishes, however, to commend to the attention of this Assembly the amendment to be tabled by several group chairmen, including Mr Fellermaier, with a view to obtaining further appropriations to enable various groups of the European population to enter into contact with the European Parliament which, after all, represents the peoples of Europe. This small additional sum is designed in particular to compensate the increase in the cost of transport.

The Socialist Group has no special observations to make on sections 2 and 4 relating to the Council and Court of Justice.

Mr President, allow me to conclude by expressing the personal hope that the economic situation will enable the Parliament to grant the institutions next year all the technical resources and personnel they may need to intensify the effort of Community integration.,

*(Applause)*

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

**Mr Fabbrini.** — *(I)* Mr President, I am deputizing for Mr Bordu the first signatory of the amendment who has been detained, like other French Members, by the commemoration services in France today.

The amendment is clearly formulated. It is a proposal designed to establish all the local staff employed by the Community institutions so as to avoid any disparity between the local staff members who have already been established and other local staff. This amendment submitted by our group does not involve any expenditure additional to that foreseen in the budget and I therefore hope that the Assembly will vote in favour of it.

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

**Mr Cousté.** — *(F)* Mr President, we tabled Amendment No 36. The Committee on Budgets adopted the principle of this amendment, namely that we wished to enter in the budget a new item entitled 'subsidies for the cost of visits by leading figures from the Members States'.



**Couaté**

The Committee on Budgets is also tabling an amendment, No 77, which provides for a token entry against this new budget item.

We are pleased to note that our Amendment No 36 has enabled a new item to be created, thus filling a gap which, as you, Mr President, know better than anyone else, existed in the functioning of our Parliamentary institution. That is why we have decided—and I would like the Assembly to note this—to withdraw Amendment No 36 and vote in favour of Amendment No 77 tabled by the Committee on Budgets.

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

**Mr Shaw.** — Mr President, first of all I would like, on behalf of my group, to congratulate Mr Cointat on this report. He has given us not only a first-class presentation, but a first-class report as well. I believe that those of us who have studied the report will find that it contains everything that we could possibly wish for from the point of view of information, purpose, and tables, of all kinds and I believe that it is a document that every Member of this Parliament should consider with the very closest attention.

I would also like to thank, as a member of the Committee on Budgets, Mr Lange, our chairman, for a very difficult and demanding task successfully carried through. Instead of the usual two meetings, we have had four, and some went on until midnight. I believe that he is to be congratulated on faithfully guiding us through the discussion, at the same time allowing us to have, within the confines of the debate, a general discussion on certain important principles which I found personally one of the most interesting I have taken part in since I became a Member of this Parliament.

I would also like to say, Mr President, that the chief cause for satisfaction, as I see it, in the way that the budget procedure has been applied this year, has been the way in which the dialogue between the Council and the delegation from Parliament led by Lord Bessborough was conducted.

That success will, I hope, give an even greater significance to the wise words he gave us this morning and also to the warning that went with them. I, too, am glad to notice that Mr Poincelet has joined Mr Fabbri in listening to our discussions today. Perhaps, who knows, next year we may have three wise men sitting with us in our deliberations of the budget. I believe this in itself shows a greater interest in and sympathy with our deliberations, and I am sure we all welcome it.

We are today considering a budget that began as a figure recommended by the Commission of some 8 000m u.a. That has been reduced by the Council to some 7 500m u.a., a reduction in detail of 601m. Large though those figures are, meriting every seriousness on our part, it is right that we should remember that they do represent only 0.6% of the total GNP of the EEC countries, and if we look at it in terms of the total budget of the Community countries, just over 2% of those budgets. In examining these figures, we must remember that in the present economic climate it is natural that the Council should be seeking, as indeed all national governments are, to cut back on commitments. But having said that, I think we also ought to remember that the Community budget is no ordinary budget, since it consists largely of expenditure in the agricultural sector, and for the rest, much of the expenditure is on on-going programmes connected with the social, the regional and the research policies that we have.

So far as the agricultural Guarantee and Guidance Sections are concerned, the Council has left the Commission figures as they were, because they felt that expenditure was in no way foreseeable, so that no purpose would be served by adjusting those figures. The Committee on Budgets also felt that any specific alterations to these figures would be lacking in reality and, indeed, possibly misleading, and I am bound to say that I support that view. We are, however, as a group very strongly of the view that it is regrettable that the desire for economy which is expressed by the Council in its treatment of other sectors of the budget, is not in some way shown to be felt by the Council with regard to the agricultural sector, and I hope that we shall receive firm reassurances on this point from the Council today.

Whilst the rapporteur—rightly in my view—refuses to enter into detailed amendments of the Guarantee Section, because we lack the necessary knowledge to make such amendments meaningful, I should perhaps say why I myself am against the situation that we should seek to have appropriations entered in the general reserve, that is to say, in Chapter 98, so that we can then later make transfers if and when it is claimed that this money is required. My explanation is a simple one: under the unsatisfactory Financial Regulation we have as a Parliament virtually no powers over transfers. Parliament has only the right to be consulted, and in an emergency not even that power.

So much for the agricultural sector. What of the rest? Clearly the Council is right to seek economies, as I have already said, wherever it can. Yet, equally clearly such economies should

**Shaw**

only be made if the Council can show that the Commission has got its sums wrong, or that it is including appropriations relating to decisions which the Council has not yet taken, for as we all know, there are two schools of thought as to what should be included in the budget: that of the Council and that of the rest of us.

I would therefore ask the Commission some simple, straightforward questions. The first concerns the Social Fund, which has been reduced by some 100m u.a.—40m as a means of general financial stringency, 60m which relates to anti-crisis measures that have not yet been put forward. Does the Commission still believe that this sum of 60m u.a. will be required?

My second question concerns the regional sector. The Council has felt that the requirement of 450m u.a. for 1976 was too large, and it has put in a figure of some 300m u.a. It also claims that no payment has yet been made for the year 1975. It may not have been made when the budget was drawn up, but payments were authorized in October amounting to 93.9m u.a., and further authorizations will, we understand, be made in December. And so, as the rapporteur has said, most of the requirements of this year will in fact have been taken up. The question is therefore: Does the Commission still adhere to its original figure of 450m u.a. or does it now admit that this was an overestimation?

The third question is: if the Council does in fact take the decisions anticipated of it by the Commission in drawing up the appropriations for research and technology and for development and cooperation, does the Commission still stand by its figures?

I ask these questions, Mr President, because if the Commission does hold to its figures, then I must say that the basis on which the Council has acted succeeds in removing any real meaning from this budget. Of course, I accept that after all we shall only make progress if we really try to understand the problems of all the institutions and not just of our own. I fully accept that the Council itself has its own difficulties in reaching agreement within itself, but if we are determined to take the budget seriously, we must embody within it both serious policy and serious transparency. The impression, I am bound to say, that has been given to Parliament is that the cuts made by the Council do not in the main signify substantial economies in the end. They are paper cuts arising from a system which is adopted by the Council, but which is not supported by the Treaty, by the Financial Regulation, by the Commission or by Parliament, or, it must be said, by the Council itself in the past.

We must stress once again the need for the inclusion of all foreseeable expenditure in the budget for any year. Supplementary budgets, I believe, will always be inevitable in certain cases, but they must be reduced to a minimum if our budgetary considerations are to have any meaning. I believe that as we move in to a system of own-resource financing, with the desire to get rid of supplementary budgets, we shall have to consider very seriously changing the financial year of the Community, because the financial year at the moment begins before the agricultural review and some nine months before the results of the harvest are known. This makes accurate forecasting in the agricultural field almost impossible, and I am bound to say that I believe a summer budget would be a much more realistic budget than one starting in January as it does at present.

In spite of all the drawbacks in the practical issues I have raised, I would genuinely like to welcome the wider discussion between the institutions that has taken place. I would like to welcome the promise of further alterations in the Financial Regulation, which we hope to see made next year and which will not only make the budget better to regulate, but will also better represent our authority in its expansion.

Finally, may I once again congratulate Mr Cointat on a remarkable budget presentation. I believe this in itself shows how seriously we take the procedures of this Parliament.

*(Applause)*

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — *(F)* Mr President, after the Council had considered the Commission's preliminary draft, only one major difficulty remained under titles 1 and 2, namely the problem of our establishment.

I wish to thank the Committee on Budgets for having considered this problem objectively and with an open mind; it adopted a constructive position on two of our requests, namely our specific needs, and in particular the needs resulting from the application of the Lomé Convention, and the development of our policy of aid to the Third World.

On the other hand the Commission regrets that the rapporteur's proposals relating to our structural requirements and the conversion of certain posts were not adopted.

On the subject of the structural requirements, allow me to point out that the recent progress made by the Community and the increase in its executive responsibilities creates the objec-

**Cheysson**

tive need for a growing number of executive posts alongside general administrative posts. In this area there seems to be an internal difficulty in the administrative organization of the Commission to which we would draw Parliament's attention.

As to the remainder of the operating budget, I note that the Council, despite its efforts, found no room for further cuts, which confirms the fact that we had already made them in the Commission.

I would, however, point out that the Committee on Budgets recommends the re-entry of the appropriation for building loans.

Finally we are extremely pleased that the Committee on Budgets is recommending Parliament to adopt an appropriation for prior consultation of the unions. In the period we are now entering, constant consultation of the workers' representatives is an imperative requirement. This cannot always be done when regulations have been finalized and in many cases must be carried out while we are still in the initial stage of our consideration. Hence the Commission's proposal for early consultation of the unions. We are therefore also grateful to the Committee on Budgets for proposing the restoration of half—unfortunately not more—of the appropriation which we proposed originally.

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

**Mr Cousté.** — (*F*) Mr President, Mr Cheysson has just pointed out that there were structural needs over and above the staff requirements for application of the Lomé Convention. Our group has tabled two amendments, Nos 89 and 90, in an attempt to meet the Commission's wishes and I hope that both the Parliament and the Council will support these two amendments.

Amendment No 89 seeks to alter the establishment plan by conversions of posts in categories A, B, C, and D. This will make it necessary to increase the Commission's expenditure by 225 000 units of account and to increase revenue correspondingly. Amendment No 89 seeks to ensure reasonable promotion prospects for the Commission's staff in 1976. As the system stands at present, promotion possibilities can only arise from the vacancy of a new post created in the budget, a post released by the departure of the incumbent (death or retirement) or a conversion of post authorized by the budgetary authority.

Since the average age of officials is very low at present, following operations to release posts

when the Communities were enlarged, and since the Commission did not request new posts in 1974 and 1975—except for the technical and linguistic sectors—there will clearly be few, if any, promotions in 1976 unless the Parliament takes over the Commission's proposals which it had put forward in its preliminary draft budget on the progress of the careers of its officials. I hope our Amendment No 89 will be accepted in this spirit.

Amendment No 90 again concerns staff and seeks—this is a direct reply to the appeal by Mr Cheysson—to add 40 C grade posts to the Commission's establishment plan to make good the structural deficit.

This involves increasing the Commission's expenditure by 550 000 u.a. and raising revenue accordingly. By this amendment we are seeking to restore partially—I stress the word partially—the appropriations requested by the Commission in its preliminary draft budget for 1976 for B grade staff intended to make good the structural deficit in the Commission's establishment.

These requests are based on the development of the Commission's administrative activities and on the application of the plurilingual system in the Commission's departments. The present situation is all the more disturbing as the structure of the Commission's establishment is inappropriate. The quantitative imbalance between the administrative staff in category A and the executive and clerical staff in categories B, C, and D leads to a constant devaluation and a substantial loss of output and a reduction in the quality of the work done by A grade staff. According to the Commission of the Communities the posts should be distributed as follows: 5 C1, 30 C3/C2, and 5 C5/4.

The percentage distribution of staff on the basis of our tables would therefore be modified and I hope that this amendment will be supported by our Assembly; I also hope that both amendments will meet with the Council's approval, thus complying with the justified request made by Mr Cheysson, the Commissioner responsible for the 1976 budget of the Commission.

**President.** — I call Mr Cointat.

**Mr Cointat, rapporteur.** — (*F*) Mr President, in my capacity as rapporteur it is my duty to faithfully interpret the views of the Committee on Budgets and not to express my own opinions. The committee adopted a position of austerity in the staff sector which means that it rejected a number of amendments, including those that Mr Cousté has just outlined. It will reconsider

**Cointat**

them tomorrow to give its opinion but I must point out that the Committee on Budgets did not refuse all the amendments; it only accepted those which it considered essential and a matter of priority.

The Committee on Budgets is well aware that there are three important types of problem in the personnel sphere. The first is the structural deficit, which means that in general there are far more officers than ordinary soldiers and a shortage of C grade staff in relation to B and A grades, but the Committee on Budgets wondered whether this was because there are not enough C grade staff or too many A grades. It simply wishes to draw the attention of the Commission and Council to this point so that the situation can be normalized.

The second problem concerns the additional staff the Commission needs to carry out its tasks, in particular the new tasks under the Lomé Convention or control activities under the EAGGF. On this point the Committee on Budgets agreed with the Commission; it felt that the Council had been a little too severe and asks it to adjust its position slightly.

Finally there is a third problem, that of converting posts so that our personnel are able to have a normal career; there is no doubt that in a young administration like the European Community there are bound to be bottlenecks and promotion may be blocked for many years without any possible remedy except that of arranging promotions which do not accord entirely with the Staff Regulations.

The Committee on Budgets gives a negative answer on this point in its amendment but considers that studies must be speeded up on the Staff Regulations of European officials; we hope this will enable the difficulties to be resolved.

Meanwhile, the Committee considers that recruitment should centre on young staff so as to better organize or normalize as far as possible the age pyramid and avoid bottlenecks.

There remains a further problem which is not the subject of an amendment but to which I believe the Council's attention should be drawn, namely that of the technical B grades who seem to be blocked in their careers and should be able to gain access to grade A. This is a problem which has not been the subject of positive decisions but I believe it warrants special attention.

Mr President, I wanted to put these additional ideas and explanations to Parliament.

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

**Mr Bangemann.** — (D) Mr President, this is the very point on which I said earlier today that there were inconsistencies.

Unfortunately I have not yet received draft Amendments No 86 and No 90 to which Mr Cousté referred. I assume, however, in view of his remarks that these are the same requests which the Committee on Budgets has already refused. I really cannot understand his justification then. Let me explain the situation: draft Amendment No 4 which I have before me contains a request which we considered in the Committee on Budgets to create five new B posts and fifty new C posts with the justification that this is a structural improvement because there are too many A posts in comparison with B and C posts.

This could have been a matter for discussion, but in draft Amendment No 2 the same authors request the creation of 7 new A posts without asking for the corresponding B and C posts. In my view this is an inconsistency. On the one hand new A posts are being created and/or B posts upgraded to A thus creating an imbalance in the personnel structure; subsequently new C posts are requested on the grounds that the structure must be brought into balance again.

In my view this is not a genuine justification and I am therefore sorry to say on behalf of my group that I cannot accept these new applications by Mr Cousté, just as I could not accept them in the Committee on Budgets because I cannot see their objective justification.

My reasoning does not extend to requests for new posts for which there is a material justification. I and my group are perfectly willing to create new posts or upgrade existing posts if there is an objective justification for doing so. The term structural deficit can be used to justify anything. This is also apparent from the philosophy of structuralism in France. It can be used to justify Marxism, Liberalism, or Conservatism. You can always find a structural deficit. You simply need to look around and you will see a justification; economy measures are necessary now and this approach does not seem acceptable to us.

**President.** — Ladies and gentlemen, since Mr Cointat mentioned the matter of revision of the Staff Regulations, I should like to draw the attention of the Council to one particular aspect of the subject, namely that both the staff and the administration of our Institution definitely want to be properly represented in the discussions concerning staff matters.

There are two specific reasons for this: the first is that our Assembly is a budgetary authority;

**President**

the second is that decisions taken without the participation of our Assembly have repercussions on relations between the Assembly and its staff. I hope that we can be given an answer on this matter presently.

I call Mr Brunner.

**Mr Brunner, member of the Commission.** — (D) Mr President, ladies and gentlemen, I shall be considering the budget estimates for energy policy and research. I believe it is appropriate for these two policies to be considered jointly because research policy forms part of the Community's energy strategy, secondly because the two aspects are so closely related as is apparent in the budget, and thirdly because these sectors do not lend themselves to false economies. In dealing with this subject we must bear in mind the long-term effect of the funds made available. We cannot make short-term savings at the wrong place simply because we have a recession and thus endanger our future.

You were therefore quite right in re-entering the appropriations for these titles. The Commission is grateful to you for doing so and particularly welcomes the fact that commitment authorizations are being entered in the budget alongside the payment authorizations. This will enable plans to be made beyond the year 1976.

I come now to research policy. Let me recall a few facts. Firstly, Community expenditure on research amounts to only 1% of the public funds spent on research in the Community Member States. Secondly, research expenditure represents only 2.5% of the total budget of our Community. As you can see, the figures are very modest. This is the minimum needed if we are to acquire the necessary experience to develop joint standards in the Community.

I am therefore particularly grateful to the Committee on Energy, Research and Technology for re-entering these appropriations. I am also grateful to the Committee on Budgets for endorsing this view.

You have transferred commitment authorizations and payment authorizations for Title IX to Title VIII and in so doing strengthened the research substance of the Joint Research Centre. Because you have taken this bold step I should like to say a word about the future programme of the Joint Research Centre.

We wish to focus our activity on two areas, namely energy research and environmental research. In the area of energy research we are primarily concerned with reactor safety. The reason for this is obvious. Citizens of this Community are rightly calling for the risks of

nuclear energy to be cut to a tolerable minimum. Unless we in the Community develop joint safety standards, we shall not be able to meet this demand on the part of the citizens of Europe. We must therefore meet our task here and our citizens are entitled to expect us to do so. For that reason alone you were quite right in re-entering these appropriations. It would have been irresponsible to follow the Council's recommendation here.

In the research sector we are particularly concerned with the indirect research actions including fusion. The other actions concerned are biology and health protection, reference materials and reference methods, environmental protection and the Dragon Agreement. In all these cases the Commission has proposed that the Council should continue current research work. We believe that these research programmes were a success and we hope they are worth continuing.

There is no need for me to tell you how important fusion research is among these projects. Fusion energy has great advantages; it is not harmful to the environment. Unlimited quantities of the fuels deuterium and tritium are contained in water. They are therefore cheap and we can become independent of other energy sources if we develop this form of energy.

We are fortunate in that our research is generally recognized to lead the field here. As the central feature of our new fusion programme we have provided for the construction of a large plasma machine, the Joint European Torus or JET. I believe you have considerably facilitated by your decision the work of the research ministers who will be meeting on 4 December to decide on these programmes. In the 1976 draft budget the Commission entered 57.4 million units of account by way of payment authorizations for the new programmes. The Council deleted the bulk of these appropriations and only approved 8.4 million units of account for personnel expenditure. There is no need for me to explain to you how paradoxical it is to approve personnel expenditure while at the same time not granting the research staff the means of carrying on their work.

You have altered the Council's decision and enabled these research workers to continue their activities.

The path followed by the Council was also misguided from the budgetary policy angle. It would have made it necessary for the Community to resort to a supplementary budget and as you know it will be very difficult to have supplementary budgets in 1976. We should also have needed to interrupt the current program-

**Brunner**

mes and this would have meant throwing money out of the window. Finally, interruption of the programmes would have harmed all the work done in this connection in the national research establishments. These programmes are at one and the same time Community and national programmes. We should have had to break off in mid-stream a great deal of the work in which 4 000 persons are engaged, including 1 200 research workers.

I am most grateful that you have endorsed our arguments. I am also very pleased that you have given us in this way valuable guidance for establishing these titles of the budget. I believe that Parliament has discharged its task in the research and energy sector in an exemplary manner. The Commission is grateful to you for doing so.

*(Applause)*

**IN THE CHAIR: MR MARTENS**

*Vice-President*

**President.** — I call Mr Springorum, draftsman of the opinion of the Committee on Energy, Research and Technology.

**Mr Springorum.** — *(D)* Mr President, ladies and gentlemen, I am very pleased that Mr Brunner was able to be here to address us. In so doing he has spared me the need to explain to you our concern when we heard of the Council's intention to delete substantial parts of the Commission's research and energy programme. I should like here to address a word of thanks to the Committee on Budgets and to its rapporteur who helped a great deal, after some discussion and clarification of certain points, in restoring the budget to a shape which is essential for a healthy research policy.

I would like to quote an example to show how dangerous it may be to make savings in the wrong places. Mr Brunner spoke of nuclear fusion. My views do not coincide entirely with his regarding the harmlessness of fusion reactors to the environment; but fusion reactors have the enormous advantage of not generating nuclear waste. And it is vitally important to all of us to design as soon as possible a fusion reactor which operates economically so as to prevent polluting the environment with nuclear waste from fission reactors, since even if this waste can be kept safely in salt mines it will still be a burden on our environment.

The need here is for us to save time. It does not matter how long it will take to develop an

economically viable fusion reactor—whether this happens in the year 2005 or 2015; we must lose no time because in so doing we can reduce perhaps the period during which nuclear waste is generated which causes such concern to us and will surely do so to the next generation.

I am also pleased that funds are being made available again for energy research and in the sphere of the Community development of hydrocarbons. It is simply impossible for the Council to make available 25 million units of account in one year as in this case for technical development in the hydrocarbon sector, and then to delete those funds next year despite the fact that this is research which must be carried on over an extended period and where it is quite impossible to work on the stop-go principle, ceasing activities at one point and starting them up again at another.

I believe that the money which is lacking for Community expenditure leads basically to the greatest possible waste of resources because this intermittent work will be more expensive and last longer than if there is an uninterrupted flow of funds. Mr Brunner was quite right in his observation that a saving here effectively endangers our future and I believe that the Council should pay more heed to the European Parliament on this.

The Council should also be grateful for the budgetary powers of this Parliament. An initial parliamentary debate is held here which enables the Council to set priorities clearly in the national parliaments and those priorities are necessary. I believe that the Council should endorse our proposals and I should be particularly grateful if the funds now requested for energy research and environmental protection research were not included in the Parliament's margin for manoeuvre but in the ordinary budget, so that there will be no prospect of supplementary budgets which bring with them the risk of further delay.

*(Loud applause)*

**President.** — I call Mr Suck, draftsman of the opinion of the Committee on Cultural Affairs and Youth.

**Mr Suck.** — *(D)* Mr President, the Committee on Cultural Affairs and Youth is grateful that the measures requested have been for the most part approved. Firstly, we welcome the fact that 800 000 units of account have now been approved by the Committee on Budgets for educational activities as against the 1.5 million originally requested by the Commission. We consider that even if the corresponding article

**Suck**

is still blocked and can only be released when corresponding proposals have been submitted, it is particularly important for the appropriate measures to be possible in the education sector. We all realize the importance of measures to educate the children of migrant workers and above all of incentives to educate this sector of the population in the area of environmental protection.

We also consider that promotion of the idea and system of European schools is important and we should always be ready to make available the necessary funds for this purpose. It is, however, regrettable in this context that the appropriations for universities, in respect of which 96 000 units of account were requested, have been cut by the Council by 10 000 u.a.; however, in view of the fact that the amendment tabled by Mr Vandewiele and others requesting 38 000 units of account for the Bruges Institute has been approved, we believe that the tasks arising under these titles can be fulfilled because Bruges will in future have a total of 50 000 u.a. available to it.

The appropriations for information of the public and participation in public events for which the Commission requested 5 600 000 units of account and which we believe necessary to enable the Commission to carry out its work in this sector, have unfortunately been cut by 400 000 u.a. We discussed at great length whether we should accept this cut and could justify it. Considering that the corresponding programmes have not yet been presented, we believe that 5 200 000 units of account will be sufficient.

On the whole, then, I am grateful that our requests have been for the most part accepted and I believe and hope that this will enable our tasks to be carried out.

*(Applause)*

**President.** — I call Mr Frehsee to speak on behalf of the Committee on Agriculture.

**Mr Frehsee.** — *(D)* Mr President, I have asked to speak on behalf of the Committee on Agriculture on Amendment No 16 relating to the joint research programme "Biology - Health Protection" and in particular the adaptation of nuclear methods to agricultural and medical research. With this draft amendment, Mr President, we in the Committee on Agriculture asked for the appropriations to be increased by 12, 313 728 units of account. I wish to draw your attention to this point for one particular reason. We also have a draft Amendment No 84 tabled by the Committee on Energy, Research

and Technology and also requesting funds for the continuation of research programmes of special interest to agriculture. For this reason, the request by the Committee on Agriculture has become superfluous since the request made by the Committee on Energy, Research and Technology enters the funds necessary for all the common research activities to finance the multi-year programmes in six different areas; the wishes of the Committee on Agriculture reflected in Amendment No 16 are therefore respected. Mr President this means that Amendment No 16 will be superfluous if Amendment No 84 is approved on Thursday.

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

**Mr Normanton.** — Mr President, I propose to speak to the budget and the references in it to energy, research and development, and to do so as briefly as possible.

In principle, I simply cannot support those parliamentarians who deplore the smallness of this budget. The halcyon days of parliamentary democracy, I believe, were those when the finance ministers lived within their incomes and without mine; we have gone a long way since those days, and many of our economic ills in the Community and particularly in some Member States are due to public spending having got completely out of governmental control. What the Community needs is not bigger budgets but better spending, and that means financial control, both before, during, and after the actual expenditure; we can set up agencies and institutions galore to do this, but this must be, and continue to be, the ultimate responsibility of the Members of this Parliament.

The budget relating to energy, even if spent with maximum economy, is however, most unsatisfactory. It displays, I believe, a lamentable inability on the part of the Council to see beyond their political noses. Our economic distress is, we must recognize, due to the Community's having had no energy policy during the last 10 years; had there been such a policy, which would have included a significant element for research and development, including the sourcing of energy, we should never have exposed ourselves to the political blackmail of the period since September 1973. We must maximize now, urgently, the discovery of more oil and more gas, and that means in the deeper, more inaccessible waters of the Continental shelf. For the longer term, we must ensure continuity of fuel supplies for our nuclear power stations, and that means uranium. We must find it in Europe, or establish joint oper-



**Normanton**

ations abroad and perhaps include Canada. We must reach out for a new source of energy and, as Commissioner Brunner has indicated, that means thermonuclear fusion. For all these developments, and more, the Commission has made provisions in its draft budget proposals. These have been slashed by the Council. Should the Community once again face a crisis of energy, the Council will be responsible once again for all the consequences which will flow therefrom: no energy policy, no forward planning, and now no financial support, or at least inadequate financial support, in this particular area. And lastly, the item on finance for promoting the expansion of nuclear power stations. The budget clearly recognizes the need for financial support. It makes some provision for it, but I am very far from satisfied with the inference which I and many of my colleagues draw from this entry, namely that it will be the Commission which raises the money and which will negotiate the lending of it to those who are going to build the plants. I share with many colleagues in this House the firm conviction that the raising of loans and the making of loans is a banking operation, a highly specialized discipline, a highly specialized function. It is not an administrative one. We will continue to press this view at every level and on every conceivable occasion. As parliamentarians, we should have the evidence clearly before us in our own administrative and governmental departments of the way in which administrative mechanisms have an insatiable appetite for public monies. Loans, yes, but on banking terms and accountable in each and every case to the scrutiny of this Parliament or Members of it. I hope the Council of Ministers will rethink their decisions in the light of this debate and of the views so forcibly and clearly expressed by Commissioner Brunner, and I hope that from this we can look forward to the certainty that we are not going to be exposed to another economic and energy crisis such as that we are still suffering from and will be suffering from for some time.

*(Applause)*

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

**Mr Flämig.** — *(D)* Mr President, the Socialist Group welcomes the fact that the Committee on Budgets has followed a suggestion made by the Committee on Energy, Research and Technology and restored the original appropriation of 40 000 000 units of account. These are multi-year research programmes which would all have expired at the end of this year and which, as the previous speakers have stated and as we too

believe, must be continued because research cannot be switched on and off like an electric light; research is a matter of continuity.

We are rather surprised by the Council's attitude and fail to understand it. The Council has not after all rejected the programmes because it believes there is no need for research any longer, but because these programmes have not been formally adopted; it stated that the appropriations could still be inserted if necessary in a supplementary budget.

Mr President, all of us who have been sitting in this House for some years know what difficulties this entails and that the interruption may not only be one of six months but may last a good deal longer.

Let me now comment on Mr Brunner's remarks. The Socialist Group agrees with you, Mr Brunner, that energy research and environmental research are highly topical and if priority is given to these two points that can only be welcomed. We agree with you that no research can be done if the funds are inadequate and as socialists we maintain that every unit of account earmarked for research creates and helps to maintain jobs in the future. Ladies and gentlemen, we are often engaged in spending money to compensate for errors and problems which make their effects felt after the event. We must become more accustomed to thinking in terms of the future, and research does just that; we have heard comments about nuclear fusion, to which I have nothing to add except perhaps a warning against excessive optimism because the impression is sometimes created in European newspapers and periodicals that there is no point in spending a great deal of money on nuclear fission research because nuclear fusion will solve all the problems. In the foreseeable future we shall be discussing the JET programme in this House in a debate on research.

But it can already be stated at this stage that the generation of electricity with the aid of fusion reactors can scarcely be expected this century; however work should be continued in this area.

I come now to my final remark, Mr Brunner. You know that if we engage in fusion research we certainly do not consider that everything has already been done in the area of the fuel cycle and nuclear fission research. There are two reactor generations which bring problems that still have to be solved in Europe. These problems not only arise with the fast breeder reactor; as we have only recently heard from America, very real difficulties which will also affect us are being experienced with high-temperature reactors. High-temperature reactors—



**Flämig**

which have not been mentioned up to now—are extremely interesting to all of us in the European Community because they offer the best possibility of using the process heat and at the same time generating electricity. The work done in this area in America is discouraging but this is not because of a recognition that the technology of these reactors is unusable; it is simply a reflection of poor engineering, if I may put it like that; and I should therefore like you, as the Commissioner responsible for research, to consider this question too. Whatever our concern for the distant future we must first solve the present problems.

On behalf of the Socialist Group I also wish to thank those who have shown understanding for our position and I hope that the Council will follow our suggestion and enable research to continue in the six areas of indirect action.

*(Applause)*

**President.** — I call Mr Hillery.

**Mr Hillery, Vice-President of the Commission.** — Mr President, ladies and gentlemen, I am grateful to Parliament's political groups and committees for their unanimous recognition that it would be incomprehensible in the present social and economic situation to cut the budget proposals put forward by the Commission for action in the social field, particularly through the work of the Social Fund. In a Community where almost five million people are unemployed, it just would not make sense to reduce the effectiveness of what is recognized everywhere as the most valuable instrument of employment policy at the disposal of the Community. Apart from the immediate need to create new jobs, it is urgent and important that workers should be trained for vacancies that remain unfilled, as they do even in a time of unemployment. Looking ahead, it is also vital that industry should be poised to take advantage of any upturn in the world economy. The training effort supported by the Social Fund is, in this respect, a particularly valuable investment in the future. There is no short or long-term gain for anyone or any other justification for cutting the appropriations for the European Social Fund.

I would like to comment on some of the amendments which have been tabled. I can understand Parliament's interest in looking for ways to improve its budgetary powers and political control where the Social Fund is concerned, and there are, in the amendments before us, both ideas I would welcome and ideas against which I would argue. The Commission would welcome the introduction in the Social Fund

budget of a distinction between commitment appropriations and payment appropriations. This would certainly help in giving a clearer view of the financial management of the fund and consequently would facilitate the budgetary management by the national authorities and by the Commission. If the idea of making a distinction between commitment appropriations and payment appropriations is accepted by Parliament, the Commission could agree with the figures proposed by the Committee on Budgets, that is, 740m u.a. for commitment appropriations and 470m u.a. for payment appropriations. If this idea is not accepted, the Commission would wish to maintain the restoration of its initial demand, that is, 220m u.a. for Article 4 and 280m u.a. for Article 5.

Another idea put forward with the same intention as the proposed new classification of appropriations is that the two main chapters of the Social Fund budget should be subdivided into items. The Commission understands the point of this suggestion, which seems intended to tighten up the functioning of the Social Fund. This could be accepted by the Commission as long as the Commission's existing power to make transfers from one article to another is maintained. In any operation like the Social Fund, a fair degree of flexibility is important. While the Commission can accept the suggestions I have referred to, may I add that the Commission would also welcome the inclusion in the resolution of a paragraph underlining the importance of such flexibility. What Parliament and the Commission are, I think, trying to achieve is a combination of accountability and flexibility. In this respect, I think that the present format of the annual Social Fund report which the Commission submits to Council and Parliament on the activities of the fund during the financial year and on developments expected in the next three years, provides all the information the European Parliament requires to exercise political control and budgetary authority *vis-à-vis* the European Social Fund.

Following its publication in March 1975, there has been a great deal of interest in the Marjolin report on progress towards Economic and Monetary Union. One of the amendments takes up the idea put forward in this report of a Community unemployment fund. While, broadly speaking, the Commission welcomes every idea likely to make further Community resources available for action in the employment field, I must indicate some reservations about taking up the Marjolin proposal in this way and at this time. It is possible, for example, that the setting up of a new fund would take valuable time and resources from areas of activity of known and proved effectiveness, such as the

**Hillery**

Social Fund. Again, we may be tempted to move into new territory without adequate information. We are all aware of the difficulty in forecasting how the present unemployment picture will evolve. If extra funds can be found for employment, the Commission would urge that they be devoted to existing instruments such as the Social Fund. Parliament is aware, for example, that there is a new opening in the fund to help young people and that there will be a further opening to help people employed in the sectors most affected by the recession. The amendment which, in effect, asks us to consider the Marjolin proposal suggests an initial Community appropriation of 40m u.a. In my view, funds of that order would make a valuable contribution to the general impact of the Social Fund and the new initiatives I have just mentioned.

(Applause)

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — (F) Mr President, we must all welcome the fact that the Regional Fund is getting off the ground, as several speakers have said. As you know, 300m u.a. were earmarked by way of commitment appropriations and 150m u.a. by way of payment appropriations in 1975. The first series of decisions taken—665 decisions—involved the commitment of 160m u.a. and the payments scheduled for this year will total 90m u.a. out of the 150m u.a., while all the appropriations entered in the 1975 budget will be committed.

The situation is therefore clear for next year; it is all the more clear in the light of the report which has just been forwarded to you and I shall refer to the observations made by the rapporteur. In the 1976 budget we shall have commitment appropriations of 500m u.a. enabling us to continue this policy which, it should be recognized, is getting under way more quickly than some of us had expected.

As far as payment appropriations are concerned, the Commission had proposed 450m u.a.; the Council, which was rather pessimistic about our possibility of paying as a function of commitments with which it is not arguing, proposed a reduction to 300m u.a. The Commission—here I am answering Mr Shaw's question—considers these 300m u.a. inadequate. It would therefore be pleased if Amendment No 37 entering a supplementary appropriation blocked in Chapter 98 could be accepted; however, it does not exclude the possibility, as the rapporteur proposed in the body of his report, of the appropriation additional to that decided by the Coun-

cil not reaching the full 150m u.a. but being fixed at a rather lower level.

**President.** — I call Mr Bertrand, draftsman of the opinion of the Committee on Social Affairs and Employment.

**Mr. A. Bertrand.** — (NL) Mr President, I have just listened with interest to the statement by Mr Hillery, defending the financial resources for the Social Fund. I must say that I was rather surprised when he said that 40m u.a. could be the ideal sum for an increase which would enable the commitments of the Social Fund to be met. He said that Parliament knows how the Social Fund functions. Perhaps Parliament does not realize that the requests made by the Member States for appropriations to combat unemployment among young people, amounting to 200m u.a., already exceed the capabilities of the European Social Fund.

It is very surprising that the Member States are reticent about making resources available for the European Social Fund while at the same time submitting applications which exceed the available resources by hundreds of millions. How can you expect the Council's statement that it means business with social policy to be taken seriously, if it suggests at the same time that the appropriations can be reduced. And the Social Fund is after all the only Community instrument available to pursue a social policy which must absorb the consequences for those persons in the Community who are most seriously affected by the economic crisis and also help to finance certain structural measures for certain industries. Everyone realizes that far-reaching structural reforms are necessary.

I am thinking of the textile and clothing industries. In the textile industry the number of workers has fallen by 320 000 in four years and 125 000 in the clothing industry. Everyone knows this is a structural phenomenon and not a conjunctural matter. And now that the Commission is submitting a new proposal to the Council, which is to be discussed in December this year, with a view to extending for an unlimited period the validity of Article 4 of the Social Fund Regulation which was originally valid for only three years while also adding the clothing industry to the textile industry, and with a view to extending the applicability of this article to self-employed persons who have to leave this sector of industry as well as wage-earners, at this very time how can there be any idea of reducing the appropriations? That is just not credible! Unless of course truth is distorted out of a desire not to raise the

**Bertrand**

appropriations of the European Social Fund to an appropriate level but to allow the burden to be borne by the national governments, thus giving a misguided impression and returning to national egoism at a time when everyone knows that the individual Member States are quite unable to solve these problems on their own.

For these reasons the Committee on Social Affairs and Employment recommends restoring the appropriations of 220m and 280m u.a. as requested by the Commission in its first proposal.

*(Applause)*

**President.** — I call Mr Albers, draftsman of the opinion of the Committee on Regional Policy and Transport, to speak on behalf of the Socialist Group.

**Mr Albers.** — *(NL)* Mr President, the Committee on Regional Policy and Transport discussed the Regional Fund budget at its meeting of 21 and 22 October on the basis of an opinion to the Committee on Budgets drawn up by the rapporteur, Mr Delmotte, for whom I am deputizing at this sitting.

The members of the committee expressed their disappointment that the start of the fund's activities had been considerably delayed because differences of opinion existed for some time on the extent of the appropriations made available. In this connection the Committee on Regional Policy and Transport studied the position regarding the Regional Fund and in particular examined the proposals made by the Commission on the amount considered necessary by way of payment appropriations for 1976.

The figure of 450m u.a. entered in the draft budget was seen as a logical consequence of the fact that the commitment appropriations for 1975, 1976 and 1977 amount to 300m, 500m and again 500m u.a. respectively. In 1975, 50% of the commitment appropriation, namely 150m u.a., will be made available as payment appropriations; it therefore seemed obvious that the Commission should raise the percentage for 1976 to 60% of the commitment appropriations of 500m, i.e. 300m u.a. plus the 150m u.a. remaining from 1975, giving a total of 450m u.a. by way of payment appropriations.

The decision of the Council of Ministers to cut the payment appropriations proposed by the Commission from 450m to 300m u.a. was in direct contradiction to this logical reasoning. The Committee on Regional Policy and Transport gave particular consideration to this contradiction. Of great importance here were the

data to be provided by the Commission on the number of projects submitted by the Member States in the areas of infrastructure in general and of weak agricultural areas in particular, and projects with a direct bearing on the development of employment opportunities in industry, trade and the service sector.

It was noted with satisfaction that by mid-October 94m u.a. in all could be allocated, while it was anticipated that the remainder of the available credits would be earmarked by December. It must be noted here that the officials concerned have had to work under high pressure to study a total of 750 projects, 448 of which relate to infrastructure measures, 95 to weak agricultural areas and 207 to industry, trade and the service sector, the aim being in the latter case to secure 36 000 jobs.

With the 160m u.a. made available by the Community the Member States will be spending 1 254m u.a. Having regard to these figures made available by the Commission, the Committee on Regional Policy and Transport reached the conclusion that the reduction in payment appropriations of 150m u.a. proposed by the Council is too high. It seems likely that under the pressure of the poor economic situation the Member States will be obliged to accelerate their structural measures. So far only a few Member States have submitted projects claiming all the appropriations made available to them. Only one country has not yet submitted a single project. In the light of these facts and on the basis of forecasts founded on statistical data which became available only recently, the Committee on Regional Policy and Transport unanimously considered it necessary to table an amendment designed to raise the available payment appropriation to 375m u.a. or 75m u.a. more than in the Council's decision.

In this way 45% of the commitment appropriations of 500m u.a. will be available for spending, or 225m plus a further 150m u.a. still available from 1975 making a total of 375m u.a. In addition, the Committee on Regional Policy and Transport proposes entering 75m u.a. in Chapter 98, an amount which could be entered with the Parliament's approval. In the Commission's view it will then not be necessary to deal with supplementary budgets as expected by the Council. We must avoid a situation in which the Member States may hesitate to finance certain projects because it takes too long for the money to be made available from the Community's budget.

Our aim must be to adapt the rhythm of payments as far as possible to the extent to which the commitment appropriations become available.

**Albers**

On behalf of the Committee on Regional Policy and Transport I wish to state that this was our aim in tabling the amendments; let me draw your attention once again to the fact that all the members of the committee present were able to agree to this approach. Clearly the Committee on Regional Policy and Transport regrets the fact that the Committee on Budgets did not endorse this view and took a decision approving 300m u.a. as payment appropriations and entering 150m u.a. in Chapter 98.

Mr President, I now wish to speak briefly on the same subject on behalf of my group. The Socialist Group is not happy with the time taken to get the European Regional Fund off the ground. In a society developing in a socialist direction we see an increasing influence exerted on the level of investments and the place at which they are effected. In the view of our group the days are definitely over in which entrepreneurs and investors could determine in complete freedom where and how they would invest available funds. In the different Member States of the European Community, programmes are being developed aimed at giving a new chance to areas which have fallen behind in their infrastructures and are thus suffering from structural unemployment, the aim being to gradually remedy their underprivileged status.

To achieve this aim, industries are being encouraged by investment premiums to set up in these areas, civil service agencies are established in these areas as a matter of priority or transferred to them and investments in new plant or extensions of existing facilities in the congested areas are inhibited by charging special levies, by special area planning provisions or by environmental legislation; at the same time, the public authorities expend considerable sums on improving the road system and public transport facilities and on developing well equipped industrial sites.

Mr President, now that the economic crisis is causing unemployment to rise in the European Community so that it has now reached a figure of 5 000 000, the heaviest burden has to be borne by the weakest regions, exactly as in previous periods of recession. Even in those countries whose economic growth is still reasonable in comparison with that of other Member States, in some parts of the country unemployment has reached 10 to 20% of the active population and its nature now represents a structural problem. Precisely in times of economic difficulty there is a serious risk that each government will try to reduce its own difficulties as far as possible without regard to the much greater disparities in the European

Community as such. With a view to the further development of the European Community, we are convinced that aid must be offered in the form of projects designed to combat the worst phenomena of poverty, to develop employment and eliminate social and cultural handicaps. These projects must be given high priority and in the view of the Socialist Group the European Regional Fund should play a decisive role. If this is not possible it seems likely that the differences in the development of the European Community will merely worsen and projects which are financially supported and can thus be implemented in the Member States will merely help to reduce the differences between given areas of individual Member States with the secondary effect that the sharp contrasts between regions of the Community as such will merely be heightened to the detriment of European integration.

My group noted with great interest the summary of the number of projects and amounts allocated. It is striking that France has managed to create 22 000 jobs with 121 projects distributed between 19 regions. France is thus clearly in the lead, followed at a distance by Italy with 25 projects and 8 000 jobs, and Ireland with 40 projects and 4 000 jobs.

Our group would now like better information on the total number of projects. In our view we are having to base our judgment about the desirability of making funds available too much on overall summaries without having the possibility of testing the proposals against our political views and without any clarity as to whether the choice of projects is judicious and the distribution scale used correct. Our doubts are heightened by the statement by the Directorate concerned that only a limited number of expert officials are available to work through the mass of requests.

What happens in practice? When the available payment appropriations are higher, should the standards relating to the projects offered be lowered so that money can be made available more quickly? What is the political influence of varying amounts of appropriations on the attempt to meet a particular objective? More information would be desirable to enable the Parliament to hold a debate based on the real facts with a possibility of choice between alternatives.

Against this background it is understandable—and because to understand is also to forgive—forgivable that the Committee on Budgets, perhaps at its wits' end, decided by a majority and with the support of some of my political friends, to maintain the amount of 300m u.a.

**Albers**

proposed by the Council and to enter 150m u.a. in Chapter 98 in the hope and firm expectation that it will have an opportunity in the course of this year to discuss in this Parliament proposals for new amounts to be added to the payment appropriations. This decision of the Committee on Budgets shows the strong resolve and political determination of the European Parliament to play an informed part in the decisions on the direction to be taken by the Community's regional policy. I consider this to be of great importance, if only to refute the tall stories which are going around in newspaper articles about misguided luxury projects supposedly financed by the Regional Fund.

*(Applause)*

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

**Mr Cousté.** — *(F)* Mr President, in Title III I should like to comment on the five amendments tabled by our group in the social sector, beginning with Amendments Nos 31, 38 and 85 relating to Article 4 of the new Social Fund or under the budgetary nomenclature, Chapter 50.

Through our Amendment No 31, here I am echoing other concerns expressed just now, we are seeking to restore the appropriations requested by the Commission by giving back to it the 70m u.a. deleted by the Council. The Committee on Budgets favoured an increase of only 40m u.a. The 70m u.a. we are asking for would therefore have to be distributed between the new articles, namely 500 to 504.

Amendment No 38 concerns the commitment appropriations. Our group has obtained some satisfaction, thanks to the Committee on Budgets which favoured the restoration of the commitment appropriations requested by the Commission for 1977 and 1978. However, having regard to the fact that the amounts of the 1976 payment appropriations must be added, the Committee on Budgets has fixed the total amount of the commitment appropriations at 310m u.a. Our group therefore hopes that the 30m u.a. which were not restored as payment appropriations for 1976 will be entered as commitment appropriations. That is why we have tabled an amendment designed to increase to 340m u.a. the commitment appropriations assigned to Article 4 of the new Social Fund. Consequently we withdraw Amendment No 38, which will please the chairman of the Committee on Budgets, and maintain Amendment No 85 whose justification and extent I believe I have clearly explained to this Parliament.

We have tabled two other amendments, Nos 32 and 33, to Article 5 of the European Social Fund or Articles 510 and 511 of the budgetary nomenclature.

The purpose of Amendment No 32 is to give the Commission the payment appropriations it needs for its action by increasing by 30m u.a. the amount of the appropriations decided by the Council for chapter 50—I repeat 250m u.a. This amendment received the support of the Committee on Budgets, which distributed the amount of 280m u.a. (250 + 30) obtained in this way between the new Articles 510 and 511 in its Amendments No 72 and No 73. We shall therefore support Amendments Nos 72 and 73 tabled by the Committee on Budgets.

Amendment No 33 relates to the commitment appropriations. Our group hopes that the Commission will have a sufficient body of commitment appropriations to face the present economic situation and I am grateful to the Commission for the new arguments it has just put forward on the same lines. Our amendment is designed to increase to 150m u.a. the commitment appropriations made available to the Commission. I would remind you that the Committee on Budgets supported our amendment and incorporated it in Amendments No 72 and No 73 for formal reasons and also because of the creation of a new item.

The creation of a commitment column for the Social Fund requires the entry of the commitment appropriations in this column and the addition to the 150m u.a. by way of commitment appropriations provided for 1977 and 1978 of the amount of the payment appropriations provided for 1976, namely 280m u.a. Clearly no payments can be made unless the corresponding funds have been committed. That is why the total commitment appropriation amounts to 280m u.a. plus 150 or to be perfectly clear, Mr President, an overall total of 430m u.a. That is the purpose of our amendments and of the proposals made by the Committee on Budgets; we are convinced that Parliament will approve our proposals.

*(Applause)*

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

**Mr Albertsen.** — *(DK)* Mr President, ladies and gentlemen, if we look at the figures for the budget item we are discussing we will see that only a small part of the Community budget is concerned, at the most 5 to 6%. If we look at what these amounts are to be used for we will see that the action involved concerns Community citizens that are hardest hit: the handicap-

### Albertsen

ped, the unemployed, migrant workers and other weak groups in the Member States. But when we know what the main topic of this and possibly other similar debates in preceding years has been, we cannot but express disappointment and some regret. Since the amounts we are discussing are very small indeed, we would obviously expect in precisely this situation of marked unemployment and inflation, which we recently spent a whole day discussing, that the institutions that have to adopt a position on the low figures the Commission has proposed would in any case not reduce them. There has also been some growth, but it is very small and is hardly to be measured if we take inflation and the size of the task into consideration.

Of what use is it to set ourselves grand objectives such as conducting a progressive and humane policy towards migrant workers and their children if we do not have the means necessary for attaining those objectives? Of what use is it to acknowledge that unemployment especially affects the young generation for whom we all feel a special responsibility if we are not willing to make the sacrifices necessary to cope with the tasks incumbent upon us? In my opinion, this budget item, no matter how small it is, is perhaps the item which to the outside world and to the peoples of the Community is the most important and the one we should discuss most seriously. It is to be particularly welcomed that a large majority in the Committee on Budgets is in favour of most of the appropriations under discussion, so that the Commission's original proposal is being accepted to a large extent. We have seen however that we had to give the Commission the possibility of using funds for the coming financial year that it has not had the strength or efficiency to use during the year for which they were in fact granted. I am 100% sure that we will not experience a similar situation when we approach the end of the financial year now starting, otherwise there is no meaning in the objectives we have set; if the appropriations are reduced, the objectives cannot be achieved.

In our present situation we must realise that it is mainly the lowest paid, those with the least education and the young that have to pay for our economic difficulties because of increased unemployment and all the economic and human tragedies it entails. We also know that these problems hit the least-developed regions of the Member States hardest; regions which even in periods of normal economic growth need extra economic help to promote trade. I therefore believe that our reaction to the proposals before us will prove whether we live up to our obligations. There is in fact reason for people to put forward the opinion that Parliament does not

perhaps always meet its responsibilities because it is relatively free of responsibility. But it seems to me that such talk is, unreasonable and unfair and that it is Parliament—and we have the opinion of the Committee on Budgets on this point—that is showing responsibility for the tasks involved. I hope today's discussion and the attitude and material presented by the Committee on Budgets as the basis for our discussion will have an influence on those who have to achieve the objectives we set and on those who will finally adopt them, namely the Council. Grand statements at summit conferences and fine speeches by prominent statesmen do not help so much. There is no question of ensuring that everyone has a colour television, a car or a luxury villa. It is a question of ensuring that young people have an education and a decent standard of living and that people who have no hope should have their hopes revived through the attitude and the levelheadedness we are demonstrating.

As regards Mr Cousté's summary of the various proposed amendments, I shall merely say that we agree with them. There is only one area in which we in the Socialist Group want to go slightly further than the Committee on Budgets, namely, the appropriations for consultations with trade unions. We consider such consultations to be so important that they must have a working basis to ensure that something actually comes out of them—although we are well aware that there will be a series of discussions in Brussels in the coming week on this subject. We are of the opinion that if the work of ensuring full employment, which for the Socialist Group is a basic long-term aim, is to succeed, it can only do so through cooperation with the organizations concerned, which in our opinion are mainly, the trade organizations but also other sectors of the labour market. We completely disagree with the view the Council has reached so far that one should conduct a policy of *status quo* as regards social expenditure. We do not think that it is a question of saving but of getting priorities right and we feel that it is very important to give priority to people even though it means that others have to contribute to improving the status of less fortunate groups. We therefore recommend that the appropriations approved by a majority of the Committee on Budgets for this area should be approved by Parliament. We want the appropriations for consultation with trade unions to be maintained, particularly the appropriation mentioned again in Article 256. I have noted Mr Cheysson's speech in this connection and I acknowledge that he was positive, but I also believe that he, with his positive attitude, can accept an appropriation of 200 thousand u.a.

**Albertsen**

On behalf of the Socialist Group I recommend these appropriations and suggest that a token entry be made under Article 307. We are quite well aware that the possibility of achieving anything in this area is very small, but to demonstrate a positive attitude we suggest that such a token entry would be reasonable and correct.

*(Applause)*

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

**Mr Dalyell.** — I have two questions to ask Mr Cheysson on what he said this morning. Could he expand on the results that the Commission has obtained from its system of spot checks in national administrations and controls designed to bring to light fraud or maladministration in the CAP undertaken by the specialist flying squads acting in the individual Member States in liaison with national administrations. Some of us think that the sums of money involved in abuse of the CAP may be equivalent to a good part of the amount we are discussing in the Social Fund.

My second question is a genuine question, and not a rhetorical one. I want to ask what the basis is for the regulation on the establishment of a European Community institute for economic analysis and research. This is not exactly small beer, because twenty-one A posts are involved. The question that some of us are asking is why such work is not done within the Commission. Do we really need to set up yet another independent institute, and anyhow would this kind of work not be better done in the universities of our different countries?

The cuts proposed by the Council in the social sector are, I must say frankly to the Council, scarcely defended in the documents that they have provided. The commentaries that accompany the budget presentation in Volume 4 simply take up those already made by the Commission in its preliminary draft with only the figures changed. In Volume 7, which is the explanatory memorandum, a very cursory reference is made to the changes adopted by the Council, involving a 12.67% increase over and above the appropriations for 1975, without any justification provided for the cuts made in the Commission's preliminary draft. I say to the Council that this is exceedingly unsatisfactory, and it is for this kind of reason that some moderate men, of whom I am one, may next year be persuaded to vote against the total budget if this kind of thing goes on. Indeed, had one not first seen the Commission's preliminary draft, one really would be under the impression

that the Council was supporting a perfectly normal development of the fund. This is in fact not at all the case. An increase of 12.67% in the appropriation for the two principle items in the budget for the Social Fund is scarcely sufficient to keep up with the rate of inflation, and certainly not the rate of inflation in a number of our Member States. So at best we have a proposal for a Social Fund that is static at a time when the needs for social action are vastly expanded, as Mr Albertsen emphasized. As a demonstration of lack of seriousness, it would be hard to find a better example than the Council's commentary on page 21 of Volume 7, where it says in reference to the appropriations under Article 500,

'this extension of the scope of Article 500 to young workers shows the Council's will to tackle the problems of a category of workers most seriously affected by employment difficulties.'

This does not amount to very much in fact. Whilst we can fully agree that the question of young unemployed has become a priority of priorities, with a special claim on any increase in budgetary appropriations, it is patently clear that the small increase in appropriations envisaged by the Council in comparison with the 1975 expenditure, would almost entirely be swallowed up by inflation and would enable no Community contribution to be made to the solution of the chronic problem of youth unemployment within the Community.

To double expenditure on Article 4 of the Social Fund and largely to implement the Council's decision of 17 June in favour of the young unemployed, but also to increase the aid for workers leaving agriculture, for the handicapped and for migrant workers, a smaller increase for expenditure under Article 5 of the Social Fund, particularly in favour of those unemployed due to lack of qualifications required by technical progress, showed at least that the Commission was making an imaginative effort to enable the Community to share the burdens with the Member States during this period of recession. At a time when the Member States are trying to trim their budgets, economies in the budget of the Communities for the social sector are false economies and must be denounced as such. If the Council had its way the proportion of Community spending in the social sector in comparison with the agricultural spending under the EAGGF would actually fall. How is the Community and how are we going to explain this to our public? We must have a certain confidence in the Commission's estimates that the appropriations envisaged could be usefully spent in 1976, and we already know that in terms of cost effectiveness, spending in the social sector



**Dalyell**

by the Community fares well in comparison with other sectors. Why limit Community action in this sphere? It brings us back to the very question that Mr Cheysson asked in his speech this morning: Do we have a Community policy? And this is a classic case of the contrast between Community policy and national policy, and some of us believe what Mr Cheysson said was absolutely right and the Council has an obligation to do something about it.

The proposals made by the Committee on Budgets in its draft amendments take into account the need for restraint in Community spending but go a long way towards putting back into the budget the money that the Commission proposed. Instead of the 500m u.a. for the two articles proposed by the Commission, the Committee on Budgets is putting forward a total of 470m u.a., a total increase of 70m u.a. above the Council's proposal and 115m u.a. above the expenditure already in the budget for 1975. This seems to us sufficient to enable the Community to play a greater role in avoiding unemployment in 1976. I do not put it any higher than a greater role'. Furthermore, by regrouping all the commitment appropriations in the 1976 budget and enabling the Commission to undertake commitments for 1976 totalling 740m for the two articles, the Community can take action now when it is most needed rather than postponing it until a later date when the situation may have radically altered. We believe that this is the minimum contribution that the Community can make at this time. In terms of expenditure, I would remind the House that the total we envisage under Articles 4 and 5 of the new Social Fund, is still less than half the expenditure the Council proposes for the milk product sector under the EAGGF. I am bearing in mind what some of our colleagues have said about agriculture being sacrosanct. I hope that if the Council goes away with anything from this debate, it will be the feeling that next year agriculture is no longer—and we are not attacking agriculture—a sacred cow. To reduce expenditure even further would make a nonsense of a Community social policy and the radical imbalance in the budget even more difficult to explain away. As Mr Albertsen said, we in Parliament have a responsibility in this matter. I happen to agree with Mr Hillery that the idea of a new fund has certain disadvantages. I accept that. But in relation to the Social Fund, we have an obligation, and I repeat that if what has happened this year is repeated, some very moderate people who like to think that in political matters our feet are on the ground, will vote against the entire budget next year. I ask the Council to heed this warning.

(Applause)

## IN THE CHAIR: MR SPENALE

*President*

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

**Mr Yeats.** — Mr President, we have heard a number of speeches in which speakers from all sides of the House expressed the sense of outrage that affects us all at these savage cuts which have been made by the Council this year in the Commission's original proposals for the Social Fund. I think this very genuine and very justified sense of outrage ought not to allow us to forget that there have been equally savage and equally unreasonable cuts made by the Council in the Regional Fund for the coming year. This inexplicable decision of the Council has had the effect of generating a great sense of disappointment in many of the regions of our Community, regions which have not over the years benefited from Community policy to anything like the extent of the more prosperous areas, and regions, indeed, which in a number of cases, have an average income per head of only some 40% of the Community average.

We must always remember that these regional imbalances which exist to such an extent in our Community have a double effect. In the first place, they result in a continuing and sometimes increasing impoverishment of the poorer areas such as the south of Italy, the west of Ireland, parts of Britain and of many other member countries; indeed all the member countries have areas which to one extent or another have failed to benefit as richer areas have from our policies. Over quite extensive areas, we have pockets of unemployment of 10, 15, 20%, not just in this year, when we are all suffering from an economic crises, but always, year after year after year, generation after generation. In these areas you have problems such as this. You have very low living standards. And you have above all enormous levels of emigration. It seems altogether extraordinary that in our Community today there should be millions of workers who have had to leave their families and friends, the places where they were born and were brought up, in order to find work in crowded cities.

This brings me to the second problem caused by regional imbalances—that of excessive concentration in cities in the richer areas of the Community. It is not merely that these imbalances cause poverty in certain areas and a continuing drain on manpower; in the industrial areas you have overcrowding, excessive traffic, pollution of all kinds, and a general lack of



**Yeats**

space and amenities. Now these are the kind of problems which from the inception of the Community it has been hoped to deal with by regional policy, and that is why it is so tragic to have, year after year and particularly again in this budget, disappointed hopes, because the Regional Fund, which from the very first was far too small to make more than a marginal difference in these areas, has now in this budget been cut still further. One wonders whether we are serious at all. One wonders whether there is any real intention in the Community, any real intention in the minds of the Council, to do anything practical to remedy the regional deficiencies in our midst, to remedy these enormous levels of unemployment, to bring work to people in their own regions rather than have millions of migrants living in poor housing conditions with no proper education for their children, with all kinds of language problems, living among strangers in overcrowded cities. Is there any real intention to deal with these matters? Or is this budget before us a sign that we do not really care? The money therefore must be restored, and, as I have already mentioned on behalf of our group, it is satisfactory to see that the Committee on Budgets has recommended that the 150m u.a. be put into Chapter 98 in order that they can be used in the coming year if the Council so decides, but when taking this decision, I think we should at least be clear in our minds that this is merely restoring the Regional Fund to its original condition as it left the Commission, but that it will not be sufficient, that even if this sum is restored, we may in coming years see very little relative improvement in the position. One may hope that the difference, which is already so large, between the rich and the poor areas will not grow greater; one fears that it will not grow less. In any case, the very least that we must do is to endorse this recommendation by the Committee on Budgets and restore this money which was so unreasonably and indeed outrageously removed by the Council.

*(Applause)*

**President.** — I call Mr Poncelet.

**Mr Poncelet, member of the Council.** — *(F)* Mr President, ladies and gentlemen, allow a European speaking to other Europeans to say in all simplicity and sincerity that my presence here reflects first of all the excellent relationship established between all the Ministers of the Council of the European Communities, and more particularly the relations which I would describe as friendly established between our President, Mr Fabbri, and myself, as I am pleased to state in public here.

Furthermore it is appropriate to confirm the new and important powers which the European Parliament now has in the budgetary sphere; as you may guess, the Council in its entirety therefore takes an especial interest in your work which it intends to follow closely. Allow me to say at once how pleased I am to be in this Chamber again to be able to engage in a dialogue—all too short—with you the Members of the European Parliament. I am therefore most grateful to President Fabbri for the generous understanding he has shown in agreeing to allow me to speak for a moment.

Ladies and gentlemen, I am most grateful to your President, Mr Spénale, for the kind words he addressed to me at the beginning of our sitting this afternoon; I was particularly touched by his words which went straight to my heart, as did the observations addressed to me by a number of other Members. Ladies and gentlemen, I have an excellent memory of the discussions which it was my honour to lead last year when I was President of the Council of the Communities and defended our budget.

I am convinced also that most of my colleagues, or indeed all of them, would have liked to attend your budgetary session if only briefly as I am doing. But, as you know, major obligations and a heavy timetable prevented them from being with you. They are sorry they could not be here and I would ask you to accept their apologies.

I noted with great interest, and if you will pardon me saying so with satisfaction, the excellent report drafted and brilliantly presented by your rapporteur, Mr Cointat. I would say at once that I do not agree with some of his remarks and some of his suggestions. But I recognize that he has performed an important task which does honour to your Assembly. I am therefore happy to address my warm congratulations to him.

This year it is not my task to defend the Council's budget. Mr Fabbri will be doing so in due course with the commitment and competence which we all recognize in the Council. Allow me to express my best wishes to him for the success of his undertaking.

I should, however, now like to make a few short general remarks on our dialogue. I wanted to be here today to familiarize myself with the different points of view expressed by your Assembly without waiting for the parliamentary delegation you will be appointing to come to outline them as is now traditional to the Council. I realize that the present procedure is taking place under more difficult conditions than last year, as Mr Cheysson pointed out during his

**Poncelet**

speech. This does not surprise me because the situation is the same in our Member States because of the financial difficulties confronting us all. It also does not surprise me because I know that the treaty we have to apply is rich in resources for those who are adept in legal subtleties. However, for my part I am profoundly convinced that our dialogue can only be conducted satisfactorily if the questions are approached—and it is normal for me to say this—in a political rather than procedural spirit. From time to time the procedure must be left to our excellent colleagues and our approach given a political dimension. If we do not do this who can?

In this spirit I was most gratified to note that on 22 September the Council—and I am speaking here in the presence of those who attended our discussions—was able to give the parliamentary delegation an assurance that the Treaty would not be interpreted in an abnormally restrictive manner as regards the effective powers of your Assembly. I wish to give you an assurance that in the second stage of our dialogue I personally shall be committed to the same aim.

I said a moment ago that we were facing difficulties. That is true. A French author once wrote that man is an apprentice and that no man knows himself until he has suffered. Far from demoralizing us and weakening our convictions, the difficulties and constraints now facing us must forge the links of our European unity. The solidity of our convictions will be measured in adversity. We share our convictions: yes, we want Europe. We must build it stone by stone. That is a difficult task; each of us must try to pull in the same direction and at the same time; in this way we shall be able to construct the European edifice and ensure by our action that Europe will no longer have to celebrate the ends of conflicts whose dates some of us remember today, the end of conflicts in which Europeans engaged in fratricidal combats. Then at long last the language of love and help between all men first in Europe and afterwards throughout the world may be heard.

*(Applause)*

**President.** — Mr Poncelet, the reaction of the House shows you how much your voluntary and therefore all the more significant contribution to our work has been appreciated.

We hope, Mr Poncelet, that your contribution will have practical results and that the French delegation, which you are leading to the Council of Finance Ministers, will prove to be all the more discerning, in the spirit which you yourself have demonstrated that is, it will pay more attention to fundamental and political decisions

than to procedures and possible obstacles. We thank you in advance.

*(Applause)*

I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — *(F)* Mr President, the Commission has three series of observations to make on this important set of figures and titles.

First of all, it wishes to thank the Committee on Agriculture and the Committee on Budgets for adopting a number of proposals relating to agricultural research and certain types of action not covered by the EAGGF.

On this point we are sorry that our proposals to strengthen the Foot and Mouth Disease Research Institute in Ankara and to set up an emergency veterinary fund were not adopted. We are afraid that these savings may prove very costly if a new epidemic were to threaten us.

Secondly, as regards the Guidance Section of the EAGGF the amount of 325m u.a. is of course fixed by the regulation. We are sorry that the joint actions which have a genuine guidance effect are not developing more quickly. 138.5m u.a. are entered in our budget for this year—as everyone knows—to which may be added 45.3m u.a., depending on whether the Parliament and Council agree to the premiums for reconstitution of herds being shared between the Guidance and Guarantee Sections of the EAGGF. The remainder will go to specific actions; once again it deserves to be stressed that these are not genuine structural operations of the kind on which the definition of the guidance policy was based.

We come now to the essential aspect, namely the Guarantee Section of the EAGGF. The Commission is proposing, and the Council in its draft has confirmed, a total appropriation of 5 160m u.a. as against 4 570m available to us in 1975 after carrying forward and transferring appropriations. This is a large sum. Perhaps it is enough for me to say that this sum is calculated by application of the regulations which have been adopted by the Community institutions and therefore represent an obligation for the Community which no Community institution can overrule as long as the regulations exist.

I might also stress that these sums were examined by a committee of experts of the governments of the Member States. Their calculations are based not only on the evaluations of the Commission but also on those of the EAGGF Committee and I would remind you that in this area we have an instrument for verification—which

**Cheysson**

is justified in view of the size of the amounts involved—before the amounts are proposed to the budgetary institutions and this provision does not exist for any other section of our budget.

I would remind you that the rise in these appropriations is due to climatic factors and world prices. This element in our policy is sensitive to fluctuations more than any other, but we shall have occasion to return to this point in connection with the supplementary budget later on. For the time being I shall simply point out that sugar alone accounts for a substantial increase in our expenditure but the increase bears no relation to what the cost of sugar would have been if the Community did not have a common agricultural policy. Let me add that the entire agricultural budget for 1975 would not have been sufficient to pay the additional sums which our housewives would have to expend to purchase their sugar at world rates if there had not been a common agricultural policy.

I might also say that the EAGGF guarantee appropriations represent at present a constant share of our gross national product: 0.48% in 1976 in the proposal put forward by the Commission and Council as in 1975 against 0.33% in 1974 and 0.47% in 1973. The share of GNP devoted to agriculture remains constant.

The most important point to stress is, as the rapporteur of the Committee on Budgets has done, that if the common agricultural policy is the most expensive the reason is that it is the most advanced and because this is the sector in which the governments have already transferred to the Community a part of their responsibilities and charges. It is therefore a sector which cannot be compared with the others. I made this observation in my general introduction a short while ago, when I stressed the present imbalance in the budget. We in the Commission criticize the Council for having prevented a restoration of the balance by not insisting sufficiently, as it seems to us, especially in the present crisis, on the development of the other policies, the human policies. But this criticism does not apply to the common agricultural policy where, I repeat, in the context of the existing regulations and responsibilities entrusted to us the amounts do not seem open to discussion in our view.

Let us examine this increase of 590m u.a. First of all, it must be remembered that the substantial sums earmarked for the Guarantee Section of the EAGGF include amounts linked with the effects of monetary instability: first of all, there are the temporary compensatory amounts on accession which will disappear in 1978 at the end of the transitional period but total 262m u.a. in 1976. Then there are the abnormal amounts

which result from our present monetary disorder and the fluctuations in the value of our respective currencies in relation to one another, i.e. 260m u.a. by way of compensatory amounts for trade both between Member States and with third countries and 319m, a considerable sum, resulting from the two rates of the unit of account for agricultural and budgetary purposes, both of which rates are artificial.

The remainder of the increase is due to the milk stocks—in this area we are in a situation of over-production in Europe at present—and to delays in payment in the olive oil and hard wheat sector. In some quarters there is a temptation to reduce these amounts. The Commission wishes to do so before anyone else in view of its real responsibilities in this area, which are much greater than the responsibilities of many of those who speak of a cost reduction. That is why, between our first estimates and the preliminary draft budget which we submitted to the Council and Parliament, we made a reduction of 140m u.a.; this was possible as a result of some measure of stabilization.

Will a further reduction be possible? That depends in large measure on the decisions taken by the Council when it considers the stocktaking of the common agricultural policy and on the decisions which will be taken at our recommendation to prevent the monetary disorder from having too great an effect on the finances of the Community. When the Commission is convinced that such savings are possible it will propose them. What form will this proposal take? Probably that of a supplementary budget if our conclusions are only reached at the beginning of next year, because there is an unforeseeable aspect here which would justify a proposal to reduce the budget. If we could have made proposals immediately we should have done so. When we do submit our proposals we shall look at the criticisms made to us for failing to adopt a position on the review of the normal budget when the agricultural prices are adapted: there is indeed a weakness here in the Commission's presentation and I recognize the validity of the criticism made by the Committee on Budgets.

Mr President, I have made a few remarks on the Guarantee Section of the EAGGF. We are concerned more than anyone else by the imbalance in the budget. We think it is attributable to the fact that the Council, the Governments, and the Community have not shown the courage necessary in other areas: we do not believe it is possible to deprive farmers of their due unless—but here I am straying from the subject of this debate—agricultural policy is changed.

**President.** — I call Mr Kofoed, draftsman of the opinion of the Committee on Agriculture.

**Mr Kofoed.** — (DK) Mr President, ladies and gentlemen, the Committee on Agriculture has been critical of the 1976 budget for agriculture. Some of its criticism is directed mainly at the procedure used in 1975 which we deeply regret.

But before I summarize the committee's criticisms I would like to answer those who think that the EAGGF appropriations are far too large. It is correct that the common agricultural policy takes up two-thirds of the Community's budget but this is, as everybody knows, merely because of the lack of developments in the common policy in other areas. I cite for instance the Regional and Social Fund. Seen in relation to total funds and the advantages achieved, the expenditure must be regarded as low. If we take into account incomes from the common agricultural policy which Mr Cheysson mentioned, then expenditure on the Guarantee Section amounts to only 0.48% of the gross national product and only 2.07% of total consumer expenditure on foodstuffs in Europe. That is the price paid to ensure that food is available to all Community consumers at stable prices, and that in a world of inflation in which the price of basic products such as wheat and sugar has increased to a level that is higher than Community prices. We can thus see that the common agricultural policy is a stabilizing factor, not merely in the Community, but in the world as a whole.

Of even greater importance is a fact that many people forget: the common agricultural policy accounts for only one-third of total expenditure on agriculture within the Community; the remaining two-thirds are purely national expenditure. Reducing the Community budget for the common agricultural policy would not mean any real savings for the European taxpayer. National budgets would instead be increased. The result would merely be an increase in total expenditure to the detriment of the only common policy that exists in the Community. As national aid arrangements became more comprehensive, the common agricultural policy would disintegrate, and who in this Assembly can guarantee that we would be able to draw up a new common policy that would require a very great effort?

I should also like to draw Members' attention to the fact that the EAGGF budget has been increased above its normal limits because of costs that in all essentials cannot be considered as agricultural. We have just heard of the 262m u.a. for accession arrangements and of between 170 and 200m u.a. to reduce the effect on consumers of national currency fluctuations. In

1975 the Guarantee Fund was involved in additional expenditure for importing sugar to ensure adequate supplies for consumers, and I could mention other measures. In any case the amount involved is between 600 and 700m u.a.; it is not for the benefit of agriculture but is in fact a measure on behalf of consumers, which should not involve Guarantee Section expenditure, and which is caused by the fact that it has not been possible to pursue a rational economic policy in Europe and the fact that policies in other areas have been neglected.

It is certainly the Council that has most responsibility for this. The required courage has been lacking. We should therefore tell people who criticize the Guarantee Fund and the agricultural policy that the Community agricultural policy pays for some things that do not concern agriculture.

We in the Committee on Agriculture have put forward certain criticisms. We are for instance somewhat critical of the idea of denaturing premiums. We think they should be brought to an end. We do not think that the world grain situation is such that we can defend the denaturing of foodstuffs. When we know that there is not enough food for the world's population and when we know that people are starving it is a bad thing that we continue to have denaturing premiums for wheat.

We also doubt whether it is wise at the present time for the Commission to propose reducing expenditure in the beef and veal sector compared with 1975. But that is of course a matter of opinion. For instance, as regards aid in the beef and veal sector, it is perhaps necessary to maintain the social measures because we must also take account of less fortunate social groups in the Community.

There is also the question of the fisheries sector. Mr Lardinois stated during a debate in Parliament that new proposals would be put forward for aiding this hard-pressed sector. And the fishery crisis continues. It is therefore quite incomprehensible that it is proposed to reduce the budget compared with 1975. I think that at this time the Commission and the Council should be able to see that this is not possible if we are to live up to our intentions. I also support the debate there has been on the imbalance between the Guarantee Section and the Guidance Section. We in the Committee on Agriculture feel it is important to ensure that the Guidance Section can expand. That is what is needed if we are to have an agricultural policy and if we are to have an agricultural sector that works in Europe.

**Kofoed**

May I turn to the question of the Guarantee Section and beef and veal producers. We in the Committee on Agriculture feel that it is wrong to let these calf premiums affect the Guidance Section. We remember that when this aid was approved in February 1975 it was aimed at supporting agricultural incomes and it cannot therefore come under the Guidance Section; it should come under the Guarantee Section. That, in any case, was the Council's political decision in February, and we cannot therefore manipulate or conduct the agricultural policy with the budget as it now stands.

I should like to make one last remark to the Members of Parliament, especially those from certain Member States that want the agricultural budget to be reduced in one fell swoop.

Firstly, the expenditure is a result of existing regulations, and every reduction will affect the common organization of the market. If we really want to see the agricultural budget reduced we must ensure that the improvements and reforms adopted and approved even in Parliament are a reality.

Secondly, I repeat that if we agree that the agricultural budget should cover the whole of the agricultural policy, and if we reduce the agricultural budget, then we know that it will be replaced by national aid arrangements. By doing so we will have provided the basis for the disintegration of the common agricultural policy and therefore of a common Europe.

*(Applause)*

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

**Mr Früh.** — *(D)* Mr President, ladies and gentlemen, I wish to outline the views of the Christian-Democratic Group on the agricultural budget which is always a matter for keen discussion.

Opinions on this matter differ very widely. They range from the view expressed in a committee that methodical disorder is being created here, to praise of agricultural policy, although such praise is very rare and is not often found even among farmers. But one point must to my mind be made quite clearly: agricultural policy is the only integrated policy in this Community and I hope that this is a matter of satisfaction in this House and to all politicians who genuinely want to see Europe built, and not a criticism despite all the attendant difficulties.

But then of course there is the provocative figure, namely that the agricultural budget is to swallow up 70% of the entire Community budget which many people say is creating a top-heavy

imbalance which cannot be accepted for much longer.

The previous speaker already pointed out that some of the criticisms levied at our agricultural policy have no foundation in fact. Allow me to mention a few points. It represents 70% of the overall budget simply because regional policy has not yet got off the ground and the little that has been done in that sector was largely financed from the Mansholt reserve; until we have a rational regional policy, agricultural policy is unfortunately obliged to take over certain duties of regional policy in various sectors. Sometimes this affects wine, at other times olive oil. At first sight there is indeed a great disequilibrium if the agricultural budget is compared with the Social Fund.

Mr Dalyell just said that this was the last time he could vote in favour of such an imbalance. I too feel that it is astonishing at first sight to note that a fraction of the Community budget goes to the Social Fund while 70% is spent on the agricultural policy; this might lead people to wonder whether the EEC is an agricultural Community or anything else besides.

But I think this view requires some correction, namely that the national budgets must be seen here in conjunction with the EEC budget. I am convinced that as long as the social budget is catered for in the national budgets to the extent shown in the social report of the Federal Government, it is quite clear that few resources will remain for the common social policy. Let me quote one figure. The social budget in Germany alone amounts to 268 000m DM as shown in the social report and I am the last person to criticize this fact. Presumably these appropriations are urgently necessary. But this social budget of a single Member State is ten times larger than the overall budget of our Community. I think it is so difficult to pursue a social policy in the Community because many national governments with their small majorities—and this is readily understandable—preferred to distribute social welfare themselves and not pass through the channel of the Community.

If we consider on the other hand that not a single penny is spent nationally to support milk—a product which has been compared with the Social Fund—and that all this expenditure has been shifted to the EAGGF I believe we should put the whole matter in the proper perspective again and say that greater Community action is necessary in those sectors in which the EEC falls short but at the same time the national budgets also fall short or are even stagnating, as the agricultural budget has been stagnating for five years in Germany, in those sectors in which

**Früh**

the most important functions have been transferred to the EEC.

I could continue this example by referring to the other budgets of energy research and development aid but I shall not do so.

I wish to add a second point namely that this agricultural budget has in fact grown to such an extent because, if I may put it in these terms, it has flourished and grown strong under the EEC regulations.

Now as far as I know if a particular sector follows the regulations and the Treaty provisions it cannot be criticized for doing so. And it was also necessary for this sector to grow strong because, as the Council representative confirmed a short while ago, it has become the cement of this Community and must remain strong. This agricultural policy has to bear a heavy burden which is not connected directly with agricultural policy alone but also with monetary policy, monetary union and the enlargement of the EEC, etc. The sharp rise in the agricultural budget in the last four years has come in for sharp criticism. But of course the EEC has also been enlarged. Agricultural policy now caters for the needs of 260m instead of 180m consumers. In addition this common agricultural policy has to bear further political burdens. Allow me to mention New Zealand and Mediterranean Policy. Everything on which the Member States cannot agree is simply added to the burden of agricultural policy.

Allow me to make one final remark on the subject of the imbalance in the agricultural budgets but also on the imbalance between certain claims on the budget of the Community and the imbalance in the national budgets. I cannot quite understand why the EEC budget and in particular the agricultural budget which forms the central core of it, should be such an intolerable burden on the national budgets as we repeatedly hear from certain quarters, at least in Germany from our governments and public opinion.

If this budget, and here I quote Mr Cheysson's figures, represents 0.57% of our gross domestic product, I fail to understand how governments which, for example, in the past five years have increased their own demand on their national product from 37 to 47% can be placed in a difficult position by such a minimum demand on their gross domestic product.

In conclusion, after these observations, my group endorses Mr Cointat's views on this budget and I should like to express our warm appreciation to him on behalf of our group for his excellent report. I would like to add one point not simply for the attention of this House but also for public opinion. People who become heated about

the agricultural budget—as is only too easy because it is a happy hunting ground for demagoguery, for claims that surpluses are being produced, stored, destroyed, given away and bartered—should remember that the agricultural budget has so far also had to perform a function of integration for other sectors. Perhaps it would be better for the critics to search their own conscience and consider how they might facilitate by their attitude the achievement of a reasonable agricultural policy and enable the difficult business of agricultural policy to be made smoother.

One thing has been achieved with this agricultural policy even if it is not altogether satisfactory: namely and increase in the productivity of agriculture and the provision of supplies to consumers at reasonable prices despite constant movements in world market prices, as well as an improvement of the incomes of our farmers; these after all are the objectives of agricultural policy laid down in the Treaty. Therefore, despite all the justified criticism, I hope that the other sectors will imitate agricultural policy and mobilize political resolve so that greater progress can be made towards European unification, the brunt of which has been borne for years by agricultural policy.

*(Applause)*

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

**Mr Espersen.** — *(DK)* During the budget debate in October, I, on behalf of the Socialist Group, criticized the common agricultural policy. Our group criticized the fact that there were large reductions in other important areas while agricultural expenditure was allowed to increase without any criticism. Mr Brunner said today that it was a question of responsible reductions in various areas such as the energy sector and our group agrees that this criticism, even though hard, is justified. But nothing was to happen in the agricultural sector. Other speakers agreed with me that the agricultural policy should not be regarded as something sacrosanct and Mr Cheysson said today that the agricultural sector is not one in which the population is suffering. This is not something I am saying merely to express a wish for reductions; I am expressing a wish that things be seen in proportion.

But the will to see things in proportion and the will to insist on new ways which was apparent in October has not prevailed in the Committee on Budgets. The opinion of the Committee on Agriculture is critical in various respects and Mr Kofoed has repeated them today. We are reminded of the two detailed communications

**Espersen**

from the Commission in 1973 and 1975 on the reform of the common agricultural policy.

May I remind you of the main points of those proposals: a reduction of the disequilibrium in some agricultural markets, especially dairy products and wine; and a reduction in EAGGF Guarantee Section expenditure for the benefit of the effective introduction of a dynamic, socially just structural policy.

Apparently all this was approved by the Committee on Agriculture but we saw that it was a long time before it discussed the subject; it has still not done so—and the same applies to the Committee on Budgets. Apparently they do not want to do anything of real importance. The Socialist Group regrets this. We must obviously take this into account but we should like to take this opportunity to point out that the Council is largely responsible for the fact that consideration and assessment of the common agricultural policy has not led to concrete decisions.

If the Heads of State and of Government do not succeed in December in providing the inspiration for speedy changes and a new way of thinking to ensure that the common agricultural policy continues to be the cornerstone of Community cooperation that it has been so far then the agricultural policy may very well become a disintegrating instead of an integrating factor. Then we could very well be faced with the result that Mr Früh said he feared a moment ago. We know that many farmers are dissatisfied with a policy that provides real income advantages for only a minority. The European consumer organizations will repeat what our group has said in a report to be published shortly. They will say that the common agricultural policy has without doubt been of advantage to European consumers in recent years but has nevertheless had some unfortunate consequences, especially in the form of large surpluses of wine and powdered milk.

These unfortunate consequences have to be rectified so that the situation which is mainly due to a wrong structure, can be improved. More funds must therefore be provided for the Guidance Section and fewer funds for the Guarantee Section. Middlemen's profits must also be investigated closely to ensure as cheap a distribution as possible. This is also something the consumer organizations say and it is a point of view that we in the Socialist Group support.

The Council of Ministers and the European Council should know that we regard it as absolutely essential for agreement to be reached this year on a revision of the agricultural policy as requested by Parliament and the Commission.

The consumers expect such a revision and the consumers as we know are all of us.

*(Applause)*

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

**Mr Scott-Hopkins.** — Mr President, it was indeed very gratifying to find that we had two Ministers present during this debate and it has been extremely interesting to hear Mr Poncelet and we shall look forward to further interventions from him. I was particularly struck when he said he would personally take it on his shoulders to represent the interests of the Community and the interests of this Parliament at the next joint meeting in order to get something really worthwhile moving. One hopes that when he intervenes later on in this debate, as I hope he will, he will be able to give us more of his ideas on the Social Fund, for instance, and on the various other points made by Members from all parts of the House, and on the question of research and development and energy. We did not really hear much from him on those issues which are, of course, of prime importance to us. But I am sure we shall before we finish this debate this evening.

Turning to the agricultural sector, may I give my congratulations, as everyone else has, to our rapporteur, Mr Cointat; he presented the agricultural problem with great clarity, as indeed one would expect from a former Minister of Agriculture, and put starkly the decisions that we have to take as a House, and I do not think there can be any doubt in people's minds as to which way we should go on this particular issue. Last year was the first occasion, for instance, that the Commission, in presenting the estimates, tried to estimate closely the expenditure for 1975. They got it wrong, as indeed the Commission will always do when they are trying to estimate future expenditure accurately in the agricultural sector. The vagaries of weather, of the farmers themselves, world trade, are too difficult to allow close estimating, as every national government, every national Minister has found over the ages. But the result is that because expenditure was closely budgeted last year and because the Council unwisely allowed no margin of flexibility, no reserve in Chapter 98, we now have later on tonight a debate on the supplementary budget. We have also got to go through the farce of the transfer from chapter to chapter of expenditure for 1975.

Can one say now that in 1975 the Commission have learnt from their mistakes, if one can put it as crudely as that, which they made last year? I think to a certain extent they have. In the



**Scott-Hopkins**

forward estimates for the EAGGF, in particular in the Guarantee Section, they have gone back half way to the older habits of previous years when they overestimated in order to give themselves some flexibility, because once again the Council have not been prepared to give them any reserves. There are all the climatic changes ahead of us, as Mr Cointat pointed out, there are all the effects of the existing harvest, which were not taken into account when these estimates were made, and what is more important, there is the annual price review of the Community within the next two months. Who knows what the results of that will be? Inflation has increased the import costs of agriculture, farm wages have gone up, and although there have been adjustments in world prices, nevertheless there is inevitably going to be an increase in the Guarantee Section. And yet there is apparently no provision, no flexibility allowed by the Council for this inevitable increase. What will happen, therefore, Mr President, is that some time during next year there will be yet another supplementary budget on agriculture, there will be yet more transfers between chapters under this heading. Mr Espersen has just made the point about possible overestimation in the milk sector, or in the cereal sector, but the balances will be used in other sectors and so we shall be back to round about the same level of expenditure we have now.

The net result of this effort by the Commission to build flexibility into their estimates is, of course, that our constituents, our governments are all saying—and indeed many Members today are saying—that the percentage for agriculture is too high. There is, against this, the arguments already put forward by Mr Früh and others, that the rest of the expenditure in the Community is too low. If one raises this other expenditure of course, one gets a better relative proportion. I hope sincerely that this is exactly what will happen in the coming year, through supplementary budgets. If the Council refuse the very reasonable amendments which we are putting forward in the social field, the energy field and the development field, then supplementary budgets will probably be necessary. But if the Council accepts them, then the percentage allocated to agriculture will be lowered proportionally, and that is what I hope will indeed happen.

But I submit that the Council was right not to change the Commission's figures. I regret the fact that the Council did not build in a reserve, because they are going to need it, but my group will certainly support our rapporteur when we come to the voting. Any change now is only yet another estimate and what I think is dangerous is that we are perhaps going to give

to outside people, who have not followed our debates and do not follow these matters all that carefully, a false impression that we really know exactly what we are talking about when we propose to reduce the cereal estimates by so many million units of account or increase the beef sector. We are no more accurate than the Commission are or were last year, and this is something which we must bear in mind.

Mr President, there are various very small points which I think need mentioning. Everyone knows that what the world wants today is food produced in abundance, food produced efficiently, not at excessive cost. We, in this Community, are ideally placed to produce the maximum amount of food from our land. What we are not very clever at doing is distributing that food. The distribution side is not as good as it should be, and this is why I regret, as Mr Cheysson said himself, that the Guidance Section has not received enough emphasis. We need to improve not only the structure on the land but the structure of marketing, the distribution of the produce from the land to the consumer, whether that consumer is in the Community or outside it. This is where we need the great improvement and I sincerely hope that will happen.

There are finally two quick points which I wish to mention, Mr President. The first one was mentioned by Mr Cheysson as well, and is the fact that within the EAGGF we have the monetary compensatory amounts. I have always failed to see—since this has become a large item—how and why this should remain within the EAGGF expenditure. It is under no control whatever by the agricultural sector. There is nothing whatever we can do to influence it. Surely, it should not be under that particular heading. It should be under a separate heading and it should be separately accounted for. I sincerely hope that this will be taken into account and something will be done about it. We have been saying this now, Heaven knows, for three years.

My last point is one which has been made by many Members, namely that there have been and are misapplications of the funds in the agricultural sector, the one sector which is the basis of the Community's cohesion, and I sincerely hope that, in the coming year, a Court of Auditors will be established and I hope that there will be established by this House a form of supervisory committee, perhaps along the lines of the Public Accounts Committee, which will be able to supervise the work not only of the Court of Auditors but also the Commission's work on expenditure. I think this is absolutely vital, so that our constituents in all our member countries can have the confidence that the money which is spent, not only in the agricultural sector but in other sectors as well, is properly



**Scott-Hopkins**

spent, in the way the Council and this House have decided, and not misapplied in any way. The sooner the Council and the Commission authorize the establishment of this Court of Auditors, the better it will be for this House and indeed for all the institutions of the Community.

And so, Mr President I hope that we shall go along with our rapporteur in the voting on Thursday, and that we shall say to the Commission that we think their estimates are probably wrong but to change them now would be also wrong, and we want the other cuts to a large extent restored, which will change the balance which at the moment excessively favours the EAGGF.

*(Applause)*

**President.** — I call Lord Bruce of Donington.

**Lord Bruce of Donington.** — Mr President, since I hope to have the opportunity, at the close of this debate, of speaking on behalf of my group, I shall confine my present remarks to a very small time indeed.

A number of us who have been a little worried about the general scope of the EAGGF have put down a series of proposed modifications that will be called during the vote on Thursday. The object of these proposed modifications is to take out of Titles 6 and 7 the increases proposed this year in certain chapters and transfer them to Chapter 98. It is important, Mr President, that the House should realize that there is no intention on our part to challenge the basis of the common agricultural policy prior to the structural enquiries now being carried on by the Commission. Our sole purpose in tabling the proposed modifications is to invite the House to support a greater degree of control over expenditure under the EAGGF. The purpose is not to vote against any increase in it, but merely to ensure, by the transfer to Chapter 98, that the increases proposed during the current year do come under the closer supervision of Parliament. We are assured by both the Council and the Commission that there is nothing they desire more than an increase in the powers of Parliament, an increase in the control exercised by Parliament over the activities of the Community, and I would invite the House to remember the support given by it this afternoon to the observations that fell from the lips of Mr Normanton, who indeed was pressing for a far greater degree of control over all the expenditure of the Community.

When the amendments are called on Thursday, I hope they will command support from all parts of the House.

Thank you, Mr President.

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — (F) Mr President, my remarks on Chapter 9 will be very brief, not because that chapter is unimportant but because it is extremely clear.

This is a chapter which has been reduced since 1975: a reduction in food aid and aid to non-associated countries. I am aware that most of our activities take place outside the budget, under the agreements concluded in Lomé. We have provided for payments of about 430m u.a. in 1976 to the signatories of the Lomé Convention, which is not included in the budget.

In the budget, however it is incredible and unacceptable—as stated in the motion for a resolution—for the Community, which is always congratulating itself on its Third World policy, to come forward with reductions in all areas.

There is no point, I feel, in making any further comments of a general nature, but on behalf of the Commission I would like to say to the Assembly that I hope it will approve the proposals of the Committee on Development and Cooperation, supported by the Committee on Budgets, with regard to food aid. These proposals go further than the Commission's proposals on milk powder, since it is probably better to send the milk powder to poor countries than to process it for pigfeed.

We also hope that the Assembly will support the proposal of the Committee on Budgets concerning a first attempt at cooperation with non-governmental organizations; even if the sum set aside for this purpose is lower than that which we have proposed, we can at least make a start.

With regard to aid to non-associated developing countries, the Committee on Budgets, supporting the proposal from the Committee on Development and Cooperation, suggests 40m u.a. This seems to us to be a low figure in comparison with the 100m u.a. which we proposed to the governments, but at least the principle is maintained.

The Commission warmly recommends that the Assembly adopt the proposals of the Committee on Budgets on all points.

*(Applause)*

**President.** — I call Lord Reay, draftsman of the opinion of the Committee on Development and Cooperation.

**Lord Reay.** — Mr President, of all the sectors in the budget, development policy is that which has been worst hit by the cuts made by the

**Lord Reay**

Council to the Commission's preliminary draft budget: out of a total of some 600m u.a. which have been cut from that budget, more than 200m—more than one-third—have come out of this sector.

I should like to make a distinction here between compulsory and non-compulsory items, insofar as the cuts are concerned and insofar as the amendments are concerned, which the Committee on Development and Cooperation wishes to introduce to this Parliament.

Under non-compulsory expenditure, the principal item is the aid to non-associated developing countries. Here the Commission proposed the sum of 100m u.a. and this was cut but the Council to nothing, and the Committee on Development and Cooperation wishes to see this restored to a figure of 40m u.a. Now the Commissioner has just said that this sum is lower than that originally proposed by the committee, but in view of the very limited degree of control which this Parliament has over the budget, and the very narrow range of the margin of manoeuvre, we felt that it was better to bring this down in the hope that in the end some part of it at least might be included in the margin over which this Parliament has control. When this Parliament adopted the Härzsche report on 14 July this year, we went so far as to express the opinion that even the figure of 100m u.a. was too modest for a policy such as this, while of course we welcomed the inauguration of the policy; we were able to do this because the figure of 100m had already been proposed by the Commission in April as a sum with which this policy might be started. The Council had already accepted that there should be a policy, a common policy of aid to non-associated developing countries, but has not yet been able to agree a sum. We believe that we should write in a sum for 1976, and that 40m u.a., which is modest enough in all conscience, would at least enable a common policy to be started.

The second amendment which the Committee on Development and Cooperation has down in the field of non-compulsory expenditure is Amendment No 24, where we would like to put in a sum of 2.5m u.a. in place of the figure of 5m u.a. originally proposed by the Commission, and as suggested by the Council, for aid to non-governmental organizations. This is a field where the European Parliament in the past has urged the Commission to formulate proposals and is something which is very dear to many Members of this Parliament.

The third amendment in this field which the committee had tabled, Amendment No 23, can

be withdrawn in the light of the amendment which the Council has itself made to the budget, and of which we were informed by letter yesterday. This was the amendment to put in 3.5m u.a. by way of trade promotion with non-associated countries.

If you add up therefore the sums of the amendments in the non-compulsory field, where the and Cooperation Committee on Development seeks to amend the budget, you will find a total figure of 42.5m u.a.

In the field of compulsory expenditure, in four separate proposed modifications, the committee has sought to restore the full amount of the cuts made by the Council in the food aid programme. Here for reasons which are spelt out in the justification to proposed modification No 6 and also in the report from the Committee on Development and Cooperation itself, the committee believes that for the Community to remain faithful to what it has repeatedly promised in international forums—for example, at the session recently held in the United Nations—and for this Parliament itself to remain consistent with the resolutions it has adopted here, where repeatedly in the past we have expressed the wish that the Community should considerably extend its food aid policy, we think that we really have no alternative but to ask for these cuts to be restored to their full degree.

There is one instance in which the Committee on Budgets, which accepted all the proposed modifications from the Committee on Development and Cooperation, supported a EPD Group proposed modification which went farther than the corresponding one from the Committee on Development and Cooperation.

This is a proposal to put in an amount of 50m u.a. for aid in skimmed milk powder to the developing countries. The figure which our committee put forward was only 17m u.a.; but I would recommend that Parliament accept the proposed modification put forward by the EPD Group, although we have retained our own proposed modification, which has been circulated separately in case that of the EPD Group should not be accepted. As Mr Cointat pointed out in his speech this morning, with the Commission having received requests from developing countries amounting to 180 000 tons of skimmed milk powder and with the Community stocks standing at the moment at more than a million tonnes, it is beyond the comprehension of our committee why the Council, without explanation, should have cut the programme from one of 80 000 tonnes, as proposed by the Commission, to one of 55 000 tonnes. Because

**Lord Reay**

we do not understand the logic of this, we would like to see the EPD Group proposal supported; in fact, the amount that they propose would pay for something of the order of 135 000 tonnes.

Mr President, I hope that this Parliament will support the amendments and the proposed modifications in this sector. If the time comes when this Parliament will have to make a serious choice of what it is to put into its own margin of manoeuvre, I sincerely hope that this will be done in a balanced manner and therefore that a sizeable sum will be included for development policy. Only in this way can the Parliament show that it looks outward and does not only concern itself with the welfare of the people living within the Community. To quote from Mr Cointat's report: 'Facing the crisis ... requires ... an increase in Community aid; withdrawal into isolation would be particularly inappropriate on the part of a Europe which professes its faith in world solidarity and has set up ambitious aid mechanisms. Assistance to the developing countries has become part and parcel of the Community's activities and in some measure conditions its image in the world at large.'

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

**Mr Broeks.** — (NL) Mr President, ladies and gentlemen, may I start by thanking the rapporteur of the Committee on Development and Cooperation, Lord Reay. What he has said and defended here has the full agreement of our group, as does what he noted regarding the amendment from the European Progressive Democrats.

When, at the part-session in October, we discussed the Commission proposals to the Council regarding tariff preferences for the non-associated countries, our group expressed its disappointment at the fact that in 1976 there was no progress over the preceding year. In that respect the Commission referred to the unfavourable economic situation in the countries of the Nine. However, it must be taken as read that, as regards both tariff preferences and food aid which is one of the things we are discussing today, the economic situation in the EEC, though worse than in preceding years, still looks very rosy by comparison with the situation in the Third World. Our group regards the aid to the Third World as not only our most important moral duty but also as the first priority for our Parliament.

Certainly there are thousands of people in the nine Member States who should be helped, but none of them as badly off as the hundreds of

thousands in the countries that are to be provided with food aid at the moment. The attitude adopted here by the Commission and particularly by the Council contrasts sharply with the attitude of the Member States to the countries that are party to the Lomé Convention and those given equal treatment. We regret all this particularly, because this parsimonious handout is intended for countries that are among the most densely populated and the poorest in the world.

Though we may have criticisms of the Commission regarding tariff preferences, it is nevertheless due praise for having in one way or another taken a rather wider view regarding food aid. That is why the Council's attitude regarding food aid is doubly disappointing, to put it mildly. How is it possible for ministers of countries which, though they may be facing economic difficulties now, are nonetheless rich, to decide not to help in a way the Commission considers possible the poorest countries in the world where many are starving? For us that is simply a riddle! The most shameful aspect is probably the reduction of food aid in the form of skimmed milk powder. At the moment the Member States simply do not know what to do with their stocks of milk powder. There is eleven hundred thousand tonnes in the EEC. Normally stocks are around 500 thousand tonnes, so that at the moment there is a 600 thousand tonne surplus. Some can of course be sold at a minimum price to Russia... But it is almost certainly cheaper to give that skimmed milk powder as food aid to undernourished people in 1976 than to continue to store it or to use it to feed pigs. The Council rejected the Commission's proposals out of hand, with, we feel, insufficient justification. Our group said last month that the EEC is not capable of shouldering the whole burden of aid to the non-associated countries. But now that Canada, America, Sweden, Australia and even Saudi Arabia have set a good example with food aid in the form of grain, the contrast with the Council's attitude is particularly unfavourable.

Is there really in the Community a single member of the Council, a single minister, who believes that the 200m u.a. that the Council wants to economize in aid will be able to make any improvement at all to the economic situation in the countries of the Nine? In our group nobody believes that. We hope that the Council will still come to see the error of its ways. We strongly urge the Council to do so, and we hope that if these amendments are adopted by Parliament, the Council may yet make them its own and be a bit less pennypinching with aid to the Third World.

(Applause)

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

**Mr Deschamps.** — (F) Mr President, ladies and gentlemen, on behalf of the Christian-Democratic Group I would like to thank the Committee on Budgets for approving all the amendments proposed by the Committee on Development and Cooperation.

As a result, the basic guidelines of our cooperation policy are no longer the affair of a few experts meeting in that committee. They are really the policy of the whole of the European Parliament, which remains consistent with its basic positions on this subject and, in particular, the unanimous approval which it gave on 20 May last to the report by Mr Bersani on the general Community development cooperation policy.

Turning to the Council, I would urge it to follow Parliament's example and to remain consistent with its own statements, since the very credibility of the Community in international relations is at stake.

As Lord Reay pointed out in his opinion—and I would warmly congratulate him on the way in which he has represented the Committee on Development and Cooperation in this matter—the Council has recently made formal statements to the United Nations Assembly and to the World Food Conference. A drastic reduction in funds for cooperation, which the Council desires and is carrying out, is therefore a formal contradiction of the positive statements by which the Council and the Community are bound in the eyes of the world.

Gentlemen of the Council, we cannot speak in two different and conflicting languages, one within the United Nations and international bodies and the other in discussions in the Council. I repeat that the question goes further than the financial implications. As in any large-scale budgetary debate, the discussion is on of fundamental policy. Mr Poncelet pointed this out just now, and asked us to consider questions on this political basis. You cannot reverse your decision by refusing to allow the Commission the funds to pursue the policy which you have proclaimed in this extremely important sector. However, that is what we are afraid you are going to do.

Like you, we are perfectly aware of the fact that the present economic situation in each of the Community countries does not allow us to achieve every objective we would have liked to achieve. The Commission, too, has realized this, since it has agreed to make proposals which are quite different from the initial ones. The Committee on Development and Cooperation, while emphatically reaffirming that the share of co-

operation funds in those sacrifices which have proved necessary had been too great, nevertheless showed what I consider exemplary wisdom.

I would inform the Council that we consider the amended proposals approved by the Committee on Budgets as a strict minimum, and we would ask it, in the inevitable fixing of priorities, to take account of the opinions of the Committee on Development and Cooperation.

I would like to refer to two specific points which are of particular importance to me and to the Christian-Democratic Group. First of all, I am pleased that other groups share our feelings—Mr Broeksz has just mentioned this—but I think we must be insistent on the question of milk. The policy of reducing Community aid given in the form of this product or of refusing to increase it—as the Commission proposes—is not only absurd from a financial point of view—we have over a million metric tons in storage, which is costing us a great deal—but is also deplorable if we consider that powdered milk is rich in proteins. To refuse this protein to the children of the Third World is to destroy all the action which we are taking elsewhere in the matter of development cooperation, to make it impossible for these children—and these men of tomorrow—to benefit to the full from all the technical aid which we are giving. That is why we in the Christian-Democratic Group, sharing the insistence of Lord Reay and the Socialist Group, will support the amendment tabled in this connection by the Group of European Progressive Democrats.

Finally, a word about subsidies to non-governmental organizations. The Commission asked for 5 million, we finally get 2.5 million. That is better than nothing! We should be pleased that this form of aid has been recognized in principle. I do regret, however, that some people gave in so soon rather than press for the 5 million. When we see the day-to-day running of the cooperation policy and consider all that non-governmental organizations alone, with their flexibility and speed, can offer in certain projects which are essential to developing countries, we must hope that this entry will be raised to a more reasonable level in the next budget, whatever circumstances may prevail.

I shall conclude, Mr President, ladies and gentlemen, by repeating the appeal to the Council which I made just now. It must act in a consistent manner. It has approved the cooperation policy laid down and ratified by this Parliament. Let it therefore give the Commission the funds to implement it, and it will find that Parliament supports it in its task.

(Applause)

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

**Mr Cousté.** — (F) Mr President, our Assembly has just heard an appeal from Mr Cheysson concerning not only food aid but also the funds necessary for non-associated developing countries.

I believe, Mr President, that the three amendments which we are defending here—and in particular the one which Mr Deschamps has just mentioned—will re-establish an indispensable equilibrium in the budget.

The first amendment, No 10, to which Mr Deschamps has just referred, concerns food aid, and we hope that this revenue will be increased by 50m u.a. It is true that the Community has stocks of over a million tonnes of skimmed milk powder, whereas the absorption capacity of the world market is almost nil, with the exception, of course, of Russia's request for about a hundred thousand tonnes. In any event, the selling of 100 or 120 thousand tonnes of skimmed milk powder to Russia at a very low price would by no means solve the problems posed by this enormous quantity which we have in storage. It would therefore be a good idea, instead of spending quite substantial sums for a minimum of profit by transforming this milk powder into animal feed—which, incidentally, is what the Russians would probably do—for the Community to step up its programme of food aid in the form of dairy products and to distribute this milk powder to those who are hungry. We urge that this should be done, since if our amendment were to be adopted—Lord Reay referred to this earlier on—the 130 thousand tonnes could be spread throughout the world as food aid.

The second amendment, No 11, tabled on behalf of our group, seeks to improve the organization of financial and technical cooperation with the Maghreb countries and Malta. Of course, Malta is an associated country, but for reasons of convenience and because we are dealing with Article 910, we are making our proposal in the form of a single amendment and hope that financial and technical cooperation with the Maghreb countries and Malta will be introduced a new action. The Commission has also introduced a new chapter, Chapter 91, for financial and technical cooperation with the Maghreb countries and Malta, and made a budgetary entry of 10m u.a. The aim of our amendment is to reintroduce what the Council deleted; the inclusion of a token entry in the 1976 budget would at least show the political determination of the Community to aid not only Algeria, Tunisia and Morocco, but also Malta. As we

know, that would in no way affect later developments in the actions undertaken.

The third amendment, Mr President, is No 86. Its aim is to raise appropriations by 2.5m u.a. Why? It refers to Chapter 98. In its resolution of 15 July 1975, the Council decided in favour of Community guidelines for policies to promote date-processing in the Community, and on 5 March 1975 the Commission submitted the first proposals for priority actions, costing of a total of 4m u.a. for 1976. On the same subject, and on the basis of a report drawn up by myself, Parliament decided almost unanimously on 23 September to approve these proposals for priority actions. Consequently, the Commission logically proposed in the preliminary draft budget that an entry of 4m u.a. should be made. However, the Council did not accept this proposals and made a token entry under Item 3211 and a reserve of 1.5m u.a. under Chapter 98. We wonder why the figure should be 1.5m u.a., since that is an arbitrary sum. But the essential point of Amendment No 86 is that although we accept the use of Chapter 98, the figure fixed by the Council seems to us to be both inadequate and unjustified; in this amendment, we therefore propose that the sum of 4m u.a. proposed by the Commission should be re-established in the budget as amended by the Council, an increase of 2.5m u.a., so that priority action in the field of data-processing aimed at introducing a real European data-processing policy should not remain a mere intention but should become a desirable and urgent fact.

(Applause)

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

**Mr Gerlach.** — (D) Mr President, in view of the keen interest and the animation with which the public service, and in particular European officialdom, is being discussed by our citizens, I have taken the liberty of submitting to this Assembly an amendment to the motion for a resolution, and I feel that it is not possible for the European Parliament, particularly in its deliberations on the budget, to ignore such a topical matter, which, in the German Federal Republic at least, has given rise to a discussion that has been unprecedented in its zeal for and commitment to European ideals.

I refer to the whole problem of the administration and the officials of the European Communities, the so-called malaise of European technocracy. At the same time we are also witnessing the eruption of long pent-up resentments against the whole idea of Europe. And one thing

**Gerlach**

that we can be sure of in the case of spontaneous reactions of this kind is that they are an articulation of murmurs and whisperings that have been muffled for a long time.

That brings me to my first question: why has there never yet been, at least to my knowledge, a wide-ranging debate in this Parliament on the whole subject of European officials, their living and working conditions in the widest sense and their staff regulations, which are far from being as dry and abstract as one might think? I am afraid that we have been guilty of some neglect in this matter. I should like to put my position on this matter in a nutshell: we must not neglect, as we have hitherto done, the administrative problems of European politics. There is absolutely no danger that we will devote too much time and space to these problems.

Having set out the problem in this manner my second question is as follows: who is to blame in this matter? Of course, one sometimes gets the impression that the whole discussion is dominated by this consideration of who is to blame. That, naturally, would be wrong. That is not at all the prime consideration. It is useless to point the finger of blame at anyone or at any institution, whether Council, Parliament or Commission. It seems to me that all have been somewhat at fault in this matter. There was always something more urgent and something more important to do than to deal with the technical problems of giving the European officials sound structures and organizations for themselves and for their administrative work. Each institution dealt with this matter in a bureaucratic way, issuing statutes and regulations, drawing up new schedules, passing budget appropriations, taking transitional organizational measures, etc.

While all these individual steps were being taken, no attempt was made to get down to fundamental issues, and thus it is that we now see, on the one hand, clear evidence of disarray, frustration, even uncertainty amongst the officials in Brussels and Luxembourg, while on the other hand, and it is not only in the German Federal Republic that this is true, we find that people are only beginning to appreciate the problem for the first time, with the result that their reactions are inevitably coloured by prejudices of every kind.

My third question is whether we are not faced here with a phenomenon of a general nature. For some time now national policy with regard to the Civil Service has been followed and discussed with particularly keen interest in our Member States. For the moment, however, Brussels and the Commission seem to be largely unaffected by this trend. Should this fact, Mr

President, not give us some food for thought? There are many factors at national level leading to this state of affairs, for instance, the rapid increase in the number of those employed in the public service, the increasing demands being made on the public purse in the Member States in the form of salary and wage rises, which cut the amount of money available for badly-needed investments in the many infrastructural sectors and in the general struggle to maintain a good standard of living for all citizens.

In spite of the drastically altered situation in regard to employment and the changing picture with regard to real incomes for our citizens, all the matters we have mentioned seem to have had hardly any impact at Community level.

In the face of all this, can Europe's institutions, the Commission, the Council and also this Parliament, act as if nothing whatever had happened? I think this is hardly possible. Indeed, in this debate we must try to see to it that these matters are not simply dealt with in the Member States and ignored in the European Parliament, because it is our duty, and indeed our responsibility, to face up to the groundswell of criticism that has been so long held back and is now bursting forth. We, the parliamentarians of Europe, are surely the people best qualified to judge as to what criticism is justified of the less acceptable features of European administration and the major structural problems of the public service in the European Community. I agree that European officials are certainly not an untouchable caste, but on the other hand, we are well aware, from our daily dealings with them their high motivation, their zeal and industry at all levels and their creative and imaginative approach are an indispensable leaven for European integration and will always remain so.

However, all this does not change the fact that it may possibly now be the right time to ask whether changes should not be made in certain areas. There is no area of life in which some mistakes have not been made and in which there are not some unacceptable features, but given this fact, it is also true to say that we must give deep thought to possible structural changes. It seems to me that it would be a fitting task for this Assembly to get to grips with this problem straight away. It is obvious that the trade unions would also have to be involved in any attempt to tackle this problem, because they would have to set out for us their interests and their solutions. In this way, a genuine dialogue could be initiated. There is clearly no point in sweeping these unpleasant truths under the carpet, because nothing will be

**Gerlach**

achieved by closing our eyes to changing realities. However, I have the distinct impression that the trade unions, having got over their initial surprise and shock, will see the entire problem clearly and in a forthright manner.

Before I conclude my remarks on this topic, I will ask a few questions that seem to me to be important. Perhaps they will help to put the whole matter in a clearer perspective.

In all our deliberations, do we give sufficient thought to the unique legislative powers of the Community? Do we not tend imperceptibly to centralize at European level the implementation of Community decisions? Is there not some truth in what I am saying? If there is, then we are transgressing against the principle of the division of labour along sensible lines, which in turn leads to a loss of energy and efficiency, both politically and materially. In particular, it will mean that the next time European decisions have to be taken, the Member States will take a very cautious approach, having burnt their fingers before, and will tend to have implementing measures delegated to the Member States, wherever possible.

My second point is that the achievements of the administrations of all our European institutions deserve the highest tributes. It is to be hoped that history will yet record our appreciation of the stupendous achievements of officials from the European Member States over the last twenty years, particularly in the 50's and 60's when Europe was founded. It would seem as if something of the pioneering spirit of these great years has inevitably been lost.

Thirdly, I do not wish to overlook the important problem of officials' salaries. Is it right that the new system that has just been arranged between Council, Commission and staff representatives with regard to the harmonization of the remuneration of officials should have been decided upon without Parliament being involved? Does this not feed fuel to the flames of criticism of bureaucratic methods? Does not the fact that there was no public debate on this matter arouse at least some feelings of uneasiness? In their efforts to resolve some technical inadequacies of the system that had been followed hitherto, the government experts seem to have achieved no more than making European officials a very privileged class. We should look into all these matters very carefully.

I feel, Mr President, that I am justified in asking whether the present salary structure corresponds to the actual needs? Is it necessary to rethink the present method of determining salaries and to give up the old system of a uniform percentage gradation for all categories and grades?

Please do not misunderstand me, I am not opposed to the setting up of a special staff regulation, whatever kind it may be.

On the contrary, what is needed is greater flexibility, and that would only be hindered by any measures of this kind.

I hope, Mr President, that my remarks here will serve to awaken Parliament to its full responsibility in these matters.

*(Applause)*

**President.** — I call Lord Bruce of Donington.

**Lord Bruce of Donington.** — Mr President, members of all groups in this House have paid the Commission and the Council the compliment of giving very serious study indeed to the proposals that have been put forward to Parliament, and no one has devoted more time and trouble than our distinguished rapporteur on the Committee on Budgets, Mr Cointat, to whom I would like to pay my personal tribute for the clarity and indeed the brilliance of his report. Mr President, the tributes to the Council and to the Commission are not deserved. The budget that has been produced by the Commission and then by the Council is little more than a puny political mouse. When Mr Cointat presented his report, he emphasized that the total resources in the budget, the total income and expenditure, amounted to 0.6% of the gross national product of the nine countries of the Community. Mr President, this is far below the ordinary mathematical estimating tolerance that is given to those that assess the gross national product. He also indicated—quite correctly, as emphasized by Mr Michel Shaw—that the total resources of the Community available through its budget represented rather less than 2% of the aggregate national budgets of the nine members of the Community.

But we have not been talking about total amounts today. We have been talking about increases and decreases, and when one looks at the increases in the budget for 1976 above those for 1975, including the supplementary estimates, we find that the increases about which we have been arguing represent 0.064% of the gross national product of the Community, or alternatively 0.21% of the total aggregate budget of the nine countries of the Community.

Mr President, the Council in its wisdom saw fit to reduce the estimates put forward by the Commission, diminutive though they were, by 601m u.a.; and it made a great song of this, as though it was a world-shattering event that was only forced upon them by the austerities which



**Lord Bruce of Donington**

were being endured by the Member States. In point of fact, the cuts that they have made and sought to justify represent 0.048% of the gross national product of the Community and 0.16% of their total gross budgets.

These are the things about which they have been making a fuss. These are the things upon which they say the economies of the Member States hang. They complain that in this time of austerity we have to cut the Social Fund by so much, we have to cut the Regional Fund by so much, we have to cut the Reserve Fund by so much. It is unlikely that these items, taken together, have any effect whatsoever on the economies of the Member States by whom the contributions will be made. In fact they will have very little effect on the net contribution when the refunds or the benefits come back. So the whole case put forward by the Council is by inference a completely bogus one. It has no foundation in logic whatsoever, and when one comes to consider that the total food-aid, research, Regional Fund and Social Fund appropriations under the revised budget only amount to 0.085% of the Community's gross national product, and that if you trebled the existing budget it would only amount to 0.255% of the Community's GNP, then one sees the kind of charade that the Council and, to a lesser extent, the Commission, have put Members of Parliament through. Mr President, what is at issue is not the individual cuts that have been made, deplorable as these may be. The question is not even one of the imbalance between the EAGGF side and the remainder, which has been referred to by honourable Members in all parts of this House and which has been underlined by Mr Cheysson. The real question at issue, bearing in mind the trivial quantity comprised in the Community budget we are now supposed to be considering, is whether that really represents sufficient to constitute the budget as a serious political instrument. The question that I have to ask, and the question many of us will be asking in the days that lie ahead is: Do the Council really try and tell Members of this House, and do the Commission support it in putting forward the suggestion, that the budget, aside from the benefit it brings to agriculture, plays any serious part whatsoever in the political life of the Community? This is the question we have to ask when we are considering this derisory budget. I repeat that, if the expenditure on the social side, the regional side, the research side, the food-aid side, were trebled, it would still not raise the expenditure of this Community to the level of statistical tolerance that is normally applied by economists when making forecasts, and can have no effect whatsoever upon the economies of Europe.

Let us see what is going to happen in 1976 when the effects of this budget, minuscule as they may be, will come into operation. The Commission issued on October 15, its forecast for the year 1975-76, and sent a copy to the Council. What did it say? Did it spell out the gloom and doom that has laden all the Council's replies to the questions put to it by Mr Cointat? Did it justify the more pessimistic observations made by the Commission in the course of the proceedings of the Committee on Budgets? No! The report in the hands of the Council and presently to be in the hands of Parliament shows, it says, 'the likelihood of a considerable upturn in the economies in the spring of this year'—and that, Mr President. I am happy to inform you, includes my own country. So even though the effects may be marginal, they will still, in 1976, not be justified.

Mr President, I close, on behalf of my group, by saying this: on the basis of the present facts, my group is not satisfied that the budget represents a serious endeavour by both Commission and Council to make it a political instrument in the forging of a new Europe. My group expects that, when the amendments that have been made are put to the Council and the Commission, they will be accepted without argument, because otherwise there is no seriousness in the budget at all. Mr President, members of the Socialist Group, like other honourable Members, are not in the European Community or the European Parliament for fun. They are in it because they want to see established on the continent of Europe a far fairer, a far juster and a far more equitable society, and they require to be satisfied by the meeting that takes place next December that the Council and the Commission have the will to do the job that ought to be done.

(Applause)

**President.** — I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) Mr President, as we close this debate, which in my opinion has been a great debate, well organized, disciplined, and extremely interesting, I feel that it is my duty to speak again to put a few more points to Parliament.

First of all, I would like to address Mr Norman-  
ton. He raised a problem which worries me, that of loans, in particular Euratom loans. I am worried at the position which he adopted by recommending that these loans should not be included in the budget, in part or in full. I hope he will allow me to point out that there was an anomaly in the preliminary draft budget submitted by the Commission: Euratom loans



**Cointat**

were included, being given a token entry, whereas the Community loan was not. We must be consistent! In the Council's draft budget, there was another anomaly: the Council deleted the budgetary entry for Euratom loans, but sent a letter in respect of the loan to Portugal, entering it in the budget. The Council, too, must be consistent. We must choose either to enter all loans in the budget or to enter none at all.

The Committee on Budgets has made its choice: it opted for inclusion in the budget, subject to procedures yet to be fixed. In particular, it did so because current loans accounted for 4 200m u.a. or 57% of the budget, and it was not acceptable that such a sum should not be subject to any form of parliamentary control. I hope, Mr Normanton, that I have convinced you that the proposal of the Committee on Budgets is a well-founded one.

However, I would also like to say to Mr Cheysson that although I was very sad—and I was—to have to speak of a stagnation budget, of a recession, because I believe that that is the true nature of affairs, I hope that it will be modified and made more acceptable.

In any case, I am grateful to you, Mr Commissioner, for having satisfied Parliament with regard to a number of our preoccupations. In particular, you have confirmed—and Lord Bruce mentioned this just now—that this Community budget does not represent a large proportion of the Community's GNP: 0.57% or even, as compared with national budgets, 2.4%.

I would also like to thank you for having agreed, as the Commission representative, on many questions raised by the various committees and in the motion for a resolution, in particular with regard to agriculture.

With regard to agriculture—and here I support the remarks made by Mr Kofoed on behalf of the Committee on Agriculture, which in my view were very reasonable—I would refer to two matters in particular: the first is that EAGGF expenditure, represented as a percentage, remains constant in relation to the GNP, the second is that a balance must be restored between agricultural expenditure and that of other sectors in the Community. However, I put it to Parliament that if it follows the proposals of the Committee on Budgets, particularly by 'improving' appropriations in other sectors, the agricultural share will be reduced from 74 to 70%. As a result, I can only approve Mr Cheysson's remarks, and I hope that President Fabbri will shortly put our minds at ease in a similar manner and that there will be no more talk of accusations of irresponsibility in budgetary matters.

If, next Thursday, the European Parliament acts as recommended by its Committee on Budgets and all those speakers who have approved the proposed modifications or draft amendments which have been adopted, I think our hopes will then lie in the dialogue between the Council and our institution. I believe in that dialogue and I am extremely grateful to Mr Poncelet for having confirmed this point just now. We are responsible people. Parliament—Mr Aigner will agree with this—proved last year that it had rejected all financial demagogy by not using up completely its margin for manoeuvre. I hope that the same will happen this year.

What is the position with regard to non-compulsory expenditure? If we adopt all the amendments accepted by the Committee on Budgets, appropriations would increase by 313m u.a., an increase of 30.61% in non-compulsory expenditure. That may seem a lot, but let us examine the figure more closely. In fact, this figure of 313m u.a. includes many appropriations which are blocked or which are given only a provisional entry under Chapter 98. As a result, these appropriations are not directly utilizable. I therefore feel justified in deducting them from the total. These appropriations come to about 151m u.a., including 150 million for the Regional Fund. This leaves an increase of 162m u.a. in non-compulsory expenditure, or 15.8%. However, of these increases accepted by the Committee on Budgets which are available for use, a number of appropriations are not operational.

These are appropriations connected with budgetary entries or actions on which the Council has not yet taken a decision. In other words, the Council has the last word, since no formal decision has been taken and the European Parliament has entered these appropriations only in order to avoid a supplementary budget. As a result, following this argument, this expenditure too, which represents 77.5m u.a., and which, I repeat, is subject to a decision of the Council, can be deducted. As a result, only 84.5m u.a. remain truly operational and immediately available for the Commission to spend without further formalities. Ladies and gentlemen, since we have a margin for manoeuvre, these 84.5m u.a. represent 8.27%. They are connected especially with the Social Fund, (70m u.a.) and development in the field of hydrocarbons (10m u.a.)

If we accept this way of looking at the question, which on the face of it may surprise some, but which seems coherent from the pragmatic point of view if not in legal terms, it becomes apparent that we may find a convenient solution

**Cointat**

and that we can begin the dialogue between the Council, Parliament and Commission with a calm outlook and a great deal of confidence and optimism. That is what I hope for, Mr President, as I conclude my remarks at the close of this debate.

(Applause)

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — (F) Mr President, after having listened to the two previous speakers I am tempted to let myself be carried away and to dream with Lord Bruce of what might be a really big European budget... but I am aware of the difficulties which the Commission has had on each occasion that it has made a concrete proposal, particularly the moment it is translated into figures. I know—and I have counted them—how many months have then gone by. This is why I shall limit myself to the figures that we have put forward, which I recognize to be both general in nature and minute in scale, but which will nevertheless, it must be emphasized, have a real effect in the field to which they have been allocated, whether for food aid, regional development or the Social Fund.

I too should like to join the rapporteur in a run around the mathematical garden which he has planted with such abandon, but I have already exceeded my speaking time so I shall be very dull and answer only the four questions which were put explicitly to the Commission during the debate.

The chairman of the Committee on Budgets and Mr Shaw spoke about Article 98 and wanted to know the Commission's opinion on this matter.

Like the Committee on Budgets—and this is nothing new—we believe in a procedure of entering all appropriations the need for which can be foreseen. But we do, of course, recognize that these appropriations may be blocked at the discretion of the Community institutions when the relevant rules have yet to be fully applied or have not entered into effect. These appropriations can be blocked either by being entered in Chapter 98 or by a special mention in the form of a remark on a article or item of the budget.

I would point out that this second possibility, which, incidentally, is not laid down in the Financial Regulation, but will henceforth be effectively applied, may on some occasions be considered more reliable by Parliament, which can then insist that its formal agreement be given before the appropriations are unblocked and put to use.

Mr President, Mr Bangemann and you yourself, during a very brief intervention concerning the Staff Regulations, referred to the problems of the staff. We were asked why we insisted upon this 'structural' condition. May I repeat in this connection something I have already said this morning, which is that the Commission, more and more, finds itself having to tackle a greater number of executive tasks quite apart from its function as initiator and proposer. If you have executive tasks you need executive staff. It is as simple as that. There is a lot one can do with generals, but you cannot have them type invoices and reports, let alone the accounts!

The third question which I would like to answer was put by Mr Dalyell, who referred to the institute for economic analysis and research which we are at present proposing to set up. The Commission's proposal in detail has just been forwarded to the Community institutions and you will see what its intention is. It struck us that there existed at the present nobody with the ability to look into the implications of a progressive communitization of the European economies and population. These things are anything but simple. What is the effect of the development of Community policy on the effectiveness of national machinery? Can we be certain that imbalances are necessarily attenuated by the effects of Community procedures? We have discovered that sometimes the reverse is true. In some sectors the Community activities have increased the imbalances which already existed between the regions of the Community, particularly in some fields of activity.

If then, as we said to you this morning, we want to move on from sectoral activities to a Community policy, we must have at our disposal more elaborate means for economic analysis, and it is this which gave us the idea of this institute.

Finally, Mr Dalyell also asked me about the measures being undertaken by the Commission and its opinion on the control of the implementation of the budget, on the checking of expenditure and its regularity. This is a very important point, because it is essential that the representatives of the peoples of Europe have confidence in the conditions under which the money is used. This confidence will be strengthened when the European Court of Auditors provides you with more effective external means of control and makes your Sub-Committee on the Budget of the Communities fully effective.

Do not forget that 80% of our expenditure is carried out through the intermediary of national administrations. Strengthened control procedures thus implies a strengthening of the Commission's internal means of control and of co-

**Cheysson**

operation with the governments and between the governments. As regards internal control, we have now set up teams to cover wide sectors, who have been trained and work on the spot in the various Member States in cooperation with the national governments and administrations. What is involved are either systematic spot checks or checks which arise as the result of rumours or problems in this or that sector. The latter are more or less doubling from one year to the next. This year we have had 325 days of checks compared with 170 last year. At present our activities are centered especially on beef, which seems likely to give rise to fraud of one kind or another.

Cooperation with the governments of the Member States is an essential factor. This is why we have decided to hold joint training courses for the auditors of the governments of the Member States; this is why we are encouraging the administration to adopt the rapid direct information procedures which already exist between customs and excise services but have not yet been introduced between the other economic departments; this is why we are asking them to agree to provide one another with useful help and to help us. Nevertheless, it is a complex problem, because Community misdemeanours are not regarded in the same way by the various national laws; under the laws of some states a misdemeanour will give rise to a penalty, while under others it results merely in notification being given to the Commission, which is powerless to act.

Our action so far in these fields has concerned the milk and olive oil sectors and is now concentrated on the beef sector. It is being managed by a special control committee made up of nine top government representatives who have directed us throughout this action, whether it was a matter of spot checks or intergovernmental cooperation. 58 cases of fraud have been discovered during the past six months, cases which certainly would not have been brought to light otherwise. This is not enough. However, it represents progress. We intend to apply the same procedures to the Social and Regional Funds as we have to the EAGGF.

*(Applause)*

**President.** — I call Mr Fabbri.

**Mr Fabbri, President-in-Office of the Council.**  
— (I) Mr President, ladies and gentlemen, I believe that at the end of this interesting, full, serious and responsible debate which—as Members have pointed out—in certain ways produced some innovations compared with the debates on the budgets of previous years, the

Council's first duty—and this is not merely a formality—is to extend heartfelt thanks to those responsible for the positive results of the debates, that is to say first of all the rapporteur Mr Cointat and his co-rapporteurs Miss Flesch and Mr Aigner, and then the chairmen of the various committees, in particular Mr Lange, chairman of the Committee on Budgets, and the 30 speakers who have taken part in today's debate.

Today's debate is not an isolated event in the discussion of budgetary and economic problems in Community countries, because it links up with the debate held during the sitting of 14 October, when discussions were held on the socio-economic conditions of the Community countries and the provisions to be adopted to meet the present difficult economic situation, and also because it comes within the framework of the speech made here the following day by Mr Rumor. Moreover, the Committee on Budgets has devoted at least four meetings to it and this Assembly a whole day. I believe that if the representatives of European public opinion were present here today, they would be satisfied by progress made and by the sense of responsibility with which budgetary problems have been treated.

I must also thank my colleague Mr Poncelet who, taking part on his own initiative—as the President of the Assembly pointed out—in today's debate, has brought to bear his valuable experience of the debate last year which he led with skill, wisdom and intelligence. I am convinced that he will be a worthy ally in putting before the Council the problems discussed here, the requests and desires of the Assembly, which in practice come down to a desire for greater political weight to be given to the Assembly in its relations with the Council, and greater powers of consultation, investigation and decisions for Parliament in relation to the Council.

It has been stressed by some Members—I will mention by name Lord Bessborough, who led the Parliament delegation at the meeting with the Council—that the first approach, or concertation as it has been called, between Parliament and the Council was extremely successful. And, perhaps because this first approach was so successful we believe that others should follow. If it were not too banal a comparison I could compare the situation to that of the child who after tasting the cake asks its mother for more. I realize this is a trivial example, but I also realize the necessity for Parliament to strengthen its relations with the Council and in this I can give my word that at the meeting to be held on 3 December, which will be preceded, as I said in the letter which I sent to

**Fabbri**

you today, Mr President, by a concertation meeting with representatives to be appointed by this Assembly, I will make every effort to establish new and more effective relations which will be of benefit to all and above all of benefit to Europe.

In reply to the various speeches, I would first of all like to deal with some procedural matters which have been raised, in particular the question of some importance concerning the timetable. It was pointed out by the rapporteur that the very strict time-limits do not allow the thorough and serious consideration which is necessary. I can merely say here, without wishing to anticipate, that the Council is in favour of facilitating meetings with Parliament and the Commission to decide on a new arrangement for the time-table which will make our work more effective and fruitful.

Another procedural question of equal importance is that of the distinction between a simple budget or supplementary budgets, a problem which has been brought up in this Assembly and in the Commission several times and one on which the Council could limit itself to repeating the position which it has already expressed and which is well known. However, before answering the comments which have been made, I would like to make some preliminary remarks. My task at this moment, faced with the Assembly's extremely critical approach to the Council, could be seen as either an easy or a difficult one. Easy, if I simply repeat the already well-known position of the Council; difficult, if I try to answer in keeping with the seriousness and intensity of the debate and above all because the sometimes severe words—and there have many severe words heard today—against the Council, are motivated only by the desire to make the European institutions more effective. In the second case it becomes really difficult to reply, but in that spirit of cooperation which I asked for from this Assembly—and which will continue at the meeting of 3 December—I think that we can find the stimulus to solve the problems facing us. I will not follow the easy road of giving the preordained answers and I will try, even if I may be accused of imprudence, to choose the more difficult route, that is to try to come to terms with the reasons for discontent expressed by Parliament and summarized in particular by the rapporteur Mr Cointat.

As regards the supplementary budgets then, I must say that it is impossible to imagine supplementary budgets being abolished. Even when the institutions have own resources available to them, such as the percentage of VAT, I believe that supplementary budgets will not be

definitively abolished. I therefore appreciate greatly the wisdom of the remark made by Mr Shaw, when he said that supplementary budgets could not be definitively excluded. This is the Council's view too. It is a different matter if there are a whole series of supplementary budgets, but I think that abolishing the supplementary budget is a step backwards, especially at times like this when the economic situation develops so rapidly and in which estimates in many sectors of economic activity often do not correspond to hard realities.

In addition I feel that we should not prejudge decisions to be taken on new Community measures. To those who have said, perhaps over severely, that the 1976 budget presented by the Council is a mere accounting document and not the expression of political will, I would like to ask whether this criticism rests on the fact that the 1976 budget registers the income and expenditure deriving from Council decisions rather than reflecting a predetermined policy which includes these decisions. Personally I believe that it is not right to follow the second procedure. Entries in the budget, not only for accounting reasons, but for reasons of order, for reasons—I would suggest—of democracy too, should follow the decisions adopted by the executive body, which is the Council. Only then, when decisions have been made, can this political will expressed in the Council be transformed into accounting facts.

On the overall problem of all the amendments tabled by the Assembly I am perfectly aware that, as Mr Cointat pointed out, the main aim of Parliament at this stage is to establish more effective dialogue with the Council on the structure of the budget. And the Council, I repeat, is not going to shirk this dialogue, and naturally hopes that it will be possible to arrive, within the provisions of the Treaty, at an ever closer understanding between our two institutions.

Coming now to the statement by the President of the Assembly, Mr Spénale, on the question of Parliament's representation at the discussion in the Council of the proposed amendments to the Staff Regulations, I can assure you that your letter to the Council a few days ago on this subject is a present being closely considered by the Council itself, and it will make its decision known very shortly.

Having made these comments on the budget as a whole and on procedural questions, I would like now to deal with the main points mentioned in speeches by Members of Parliament. First of all, I think that one should not play down, but emphasize and re-affirm the importance of the decision made by the Council of Ministers

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to the Community on aids to Portugal. It should also be recalled, in reply to the arguments on which Mr Cointat's speech was based, that the Council, on 6 November, transmitted the letter rectifying the draft budget on two sectors: aid to Portugal and development cooperation. Through the European Investment Bank, the Community has decided to grant loans to Portugal, totalling 150m u.a. and, to reimburse the Bank for the interest reductions granted, it has decided to include in the budget a new appropriation of 12 million. Moreover, it has provided in the draft budget a sum, for the time being very small, of 3m u.a. to encourage trade between the Community and some non-associated developing countries, who are not due to participate in the Lomé Convention. These are in particular non-associated developing countries with which the Community has concluded bilateral and cooperation agreements.

On this subject, Mr Cointat said: 'What is happening here? You are using two different sets of standards. You are adopting the procedure of a rectifying letter for Portugal, and not using it for the developing countries.'

I should point out that rectifying letters, as Mr Cointat well knows, are sent to Parliament only when the Council has taken a decision on the subject concerned. This happened for Portugal, but did not happen for the other subject. And therefore, with the greatest respect, I must reject Mr Cointat's efforts at polite polemics.

The budgetary problems discussed most have been: the Regional Fund, research, the Social Fund, energy policy (especially nuclear power stations), the structure of the EAGGF, Guidance and Guarantee Sections, and problems of development aid.

I must first make a personal statement. Members of Parliament will certainly be aware—since the press has freely published the positions of the representatives of the various countries in the Council of Ministers—what has been my country's position on these problems, especially as regards the Social Fund, since Italy believes that at a time of serious economic problems, such as the present, it is not logical to reduce or fail to grant a suitable increase in appropriations to the Social Fund. The Commissioner Mr Cheysson, who dutifully said before this Assembly that he considered the appropriations absolutely inadequate and insufficient, can vouch for what I am saying. For this reason, and not for polemical reasons, but to re-establish a certain relationship, and the possibility of correcting any errors, if they still can be corrected, I would like to ask Members of Parlia-

ment who spoke passionately here in favour of restoring the sum proposed by the Commission for the Social Fund, to approach their respective governments, if they were responsible for the reductions.

It is known that decisions on the budget are adopted by a qualified majority and that Italy, together with other countries which certainly did not form a qualified majority, but rather a disqualified minority, was put into the position of having to accept a verdict which they certainly did not agree with. And here I close these personal remarks and return to the various topics.

The Regional Fund: the speeches by Mr Albers, Mr Aigner—whom I am obliged to quote several times, because his speech stretched like a second report over all the positions and problems which arose on the budget—and Mr Yeats, dealt at length with this subject. I must stress, in my official position as President-in-Office of the Council of Ministers for the budget, that the Council, in including in the draft budget the commitment appropriations of 500m u.a. and payment appropriations of 300m u.a. did not intend to reduce the activities of the Regional Fund, much less did it intend to make a step backwards from the decisions taken by the Heads of Government in setting up this fund. The Council's decision, as has already been stated, means only that it is convinced that the total sums available for payments are adequate for 1976. Moreover the Council has committed itself, if these sums prove inadequate, to provide for a supplementary budget. I believe therefore, that while accepting the spirit of the criticisms put forward in this respect, it should be admitted that the Council is right to believe that the appropriations included are adequate, and therefore it is pointless to add a sum which artificially expands the budget, without producing any practical effects. However, if it happens, although I believe it unlikely, that the fund is inadequate, there will be a supplementary budget, which could be of approximately 150m u.a. but possibly a little more or a little less, according to the needs that arise.

As regards appropriations for research, the Council is perfectly aware of the new research programme proposed by the Commission, but unfortunately it has not yet taken a decision on that, and therefore it feels that it is not right to prejudge this decision by entering in the budget any sum, which does not result from a joint decision from the Council. The sum provided for in the amendment presented by Parliament is lower than that proposed by the Commission, and therefore in a certain sense

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it prejudices the amount of appropriations which will actually be necessary to put the research programmes into practice. I therefore believe that in this case it would be wiser to wait until the Council adopts a policy, and only when the decision has been taken on these research programmes will the financing be decided on the basis of a supplementary budget. And here again we have the usual questions of supplementary budgets, which I think I have already dealt with.

The distinction between commitment appropriations and payment appropriations arises in connection with various amendments put forward by Parliament and concerns in particular Community contracts for new industrial projects and for industrial development, other industrial development measures, and the Social Fund.

I would like to recall that the Commission has proposed an amendment to the Financial Regulation introducing as a general principle the distinction between commitment appropriations and payment appropriations for multi-annual operations. Parliament, consulted on this proposed amendment to the regulation, adopted a resolution in which it expressed the opinion that for the time being any decision on the introduction of such a distinction should be kept up-to-date, with the aim of studying the possibilities of including it, under certain fixed conditions, in a proposal for an overall revision of the Financial Regulation.

I would like also to point out that, on the basis of the agreements between the Council and Parliament, the amendment to the Financial Regulation is also subject to the new concertation procedure established between Parliament and the Council; this means that if the Council intended, to take a hypothetical example, not to accept Parliament's opinion, it would have to seek agreement with Parliament itself under the concertation procedure.

I therefore feel that it would be inappropriate and very unlikely for the Council to carry out an amendment to the Financial Regulation, for which the procedure I have just mentioned is necessary, through the simple approval of an amendment proposed by Parliament in the budgetary procedure. I therefore believe that this problem should be considered with the greatest attention both by the Council and by Parliament and I would ask Parliament to reflect on this.

As regards the European Social Fund, I have already stated what the Commission's position has been, as repeated today; I listened very carefully to the criticisms made by Mr Bertrand, Mr Cousté, or Mr Albertsen, Mr Dalyell, Mr

Yeats, Mr Aigner and Mr Fabbri; I have already stated what my own country's position is. I will tell you now what the Council's position is. The Council, by inserting under Article 50 the sum of 150m u.a. for expenditure mentioned in Article 4 and by inserting under Article 510 a further 250m u.a. for expenditure under Article 5, has permitted an increase of 12.67% over the corresponding appropriations for the previous year. It is easy to object that no account has been taken of inflation, of the loss of purchasing power of the currencies, which means that appropriations for 1976 remain the same or only a very little higher than those for 1975. I would however like to point out that the intention was to give priority to training programmes, and this meant that greater stress was laid on Article 4 than on Article 5.

I should also point out that part of the appropriations entered under Article 500 were for a new measure decided upon by the Council to help young unemployed, that is to say young people below the age of 25 out of work or looking for their first job. The Council has also agreed to the commitments for which the Commission has asked permission to enter into after reconsidering its own estimates, that is to say for 1977: 60m u.a. under Article 500 and 90m u.a. under Article 510, and, for 1978, 30m u.a. under Article 500 and 45m u.a. under Article 510, and this represents a new way of approaching the budget, that is to say through so-called multiannual appropriations.

I am aware of the reasons which induced Parliament, in the present social and economic situation of the Community, to propose further increases to these appropriations. I will certainly draw the attention of the Council to this, as will certainly be done also by the members of the delegation at the meeting of 3 December next.

For Euratom loans for nuclear power stations, a token entry under Article 329 has been proposed. I have to say that if the Council has not seen fit to create a special article for these loans it is because in effect it has not yet been able to take up a definitive position on them, and therefore it is not possible to authorize the Commission to issue Euratom loans, just as it is not possible to permit any entries in the budget for such loans. Besides, it appears to me difficult for the Council, in considering the budget, to take such a decision which is already being considered in another context and under another procedure. I say this although I am aware, as has been made vividly clear in the speeches by Mr Normanton, Mr Flämig, Mr Springorum, Mr Frehsee, and Mr Aigner, that the energy problem is important at a time of the energy crisis which we are going through.

**Fabrizi**

We come then to the EAGGF, especially the Guarantee Section. It is known that the Council has declared its agreement to the total appropriations requested by the Commission for Titles 6 and 7 in its estimates for 1976, that is to say the sum of 5 000 million u.a. approximately. To Mr Cointat, who in his reply seemed to be expressing doubts about this, I must say that these appropriations cannot be changed, in view of the information which we have at present available on the world economic situation.

For the Guidance Section, as regards the annual endowment of 325 million u.a., the Council has given its agreement to the inclusion of a new heading, 8311, for premiums for preserving traditional farming areas, with appropriations of 45½ m u.a.

This budgetary heading and the appropriations will nevertheless remain blocked until the Council has taken a decision on a proposal for a regulation on this and consultations between the Council and the Parliament are already under way. I noted the declaration made on behalf of the Committee on Agriculture, requesting that this heading remain a part of the Guarantee Section of the EAGGF and not be charged against the Guidance Section. However, I would point out that if this expenditure were not charged against the Guidance Section, this would mean in reality that the endowment for the financing of individual projects would in effect be reduced by a corresponding amount, that is to say by 45½ m u.a.

A final point: problems of development aid, and here I paid great attention to the speeches by Lord Reay, Mr Deschamps, Mr Broeks and Mr Cousté. In this field, too, we are facing practical difficulties on which the Council has not yet reached overall agreement. Financial cooperation with non-associated developing countries involves extremely important problems, and the Council has still to take a basic and definitive decision. It believed it right not to prejudge this decision by entering a heading in the budget, but it is clear that at the right time, in full agreement with the other institutions, and therefore with this Parliament too, it will be ready to draw the budgetary consequences which prove necessary from any decisions it adopts. As regards cooperation with developing countries, entrusted to non-governmental organizations, the Council has not included in the draft budget any heading for these since no proposals on the subject have yet been presented by the Commission.

Finally, as regards financial and technical cooperation with the Maghreb countries and with

Malta, I should point out that, as is well known, negotiations with these countries are still under way and therefore it is not possible to adopt any decision or to provide for a decision giving rise to a budgetary heading. Here too, therefore, it appeared right to wait the conclusion of negotiations, before drawing any consequences on a budgetary level. The appropriate decisions will be taken with a supplementary budget in this case also.

Returning to the basic question which arose in the debate which I mentioned at length at the beginning of my speech, that is to say the desire expressed once more by Parliament to have greater decision-making power in its relations with the Council on the budget, I am prepared to try, within the framework of the Council of Ministers, to act not only as an ambassador for the Parliament, but also to express my own personal wish that this desire by Parliament will meet with comprehension on the part of the Council. We previously had a similar statement from Mr Poncelet, who will also be present, representing his country, at the meeting of the Council of Ministers of 3 December. There is therefore a strong hope that our work will be fruitful.

I believe in any case that the work on the budget has been fruitful. In spite of the criticisms, perhaps too severe—as I have already said—made of the Council, it is aware that in the present situation it is difficult from an economic and social point of view, but it has done what it could. Therefore, even although I cannot conclude on the note of optimism which I expressed a few weeks ago in the debate on the economic and social situation in Community countries and the remedies to the present economic situation—an optimism which Mr Bertrand, if I am not mistaken, criticized me for, as he disagreed with my estimates of recovery by mid-1976—, I would say that we must at least express a cautious optimism about the spirit which has inspired discussions on the budget and the will expressed both by Parliament and the Commission. And as regards the peoples of Europe who are watching us, even when we are carrying out duties which may seem more technical than political—but which I personally believe are more political than technical—, I believe that if those people that we represent here today were watching us, they would certainly express satisfaction.

This European public opinion, this opinion of the peoples of Europe, I believe has been validly defended here by the European Parliament. Europe is growing in the minds of free and democratic men. Our efforts must therefore constantly match the ever greater awareness



**Fabbri**

and expectations of people. Our action must be increasingly urgent and tenacious, even when it concerns questions such as those we have been discussing today, which may be of minor importance but which if resolved with a spirit of co-operation and desire for improvement, can help us to construct the Europe we are all working for. As regards the even more important questions which we have dealt with today, for example that of overcoming the shortcomings which have appeared at the interinstitutional level, if they are resolved with the desire to make progress we will be able to be proud to be worthy representatives of our people, and will have confidence that Europe's future will be a free and democratic future.

(Applause)

**IN THE CHAIR: SIR GEOFFREY DE FREITAS**

*Vice-president*

**President.** — The debate on the draft general budget for 1976 is closed.

I would remind Members once again of what Parliament decided yesterday, namely that all draft amendments and proposed modifications are deemed to have been tabled and debated. On Thursday morning there will be a series of votes and no debate.

**3. Amending and supplementary budget No 3 for 1975**

**President.** — The next item is the introduction of and debate on the report by Mr Aigner on behalf of the Committee on Budgets on the draft amending and supplementary budget No 3 of the European Communities for the financial year 1975 (doc. 364/75).

I call Mr Aigner.

**Mr Aigner, rapporteur.** — (D) Mr President, ladies and gentlemen, I wish to present to you on behalf of the Committee on Budgets my report and the accompanying resolution on the draft amending and supplementary budget No 3 of the European Communities for the financial year 1975, and I would ask you to accept this resolution.

• Mr President, I do not wish to go over the same ground that we have already covered in our debate on the first reading. I should only like to point out that the most important part of this supplementary budget concerns the EAGGF, and specifically the Guarantee Sec-

tion, and that the second part only is a corrective budget, which calls for no new appropriations but makes them available by way of transfer from other chapters. This corrective budget proved to be necessary as a result of the Council decision of 26 June 1975 concerning the control and storage of radioactive wastes and the decisions of 22 and 25 August concerning research in the field of energy with particular reference to standards and reference substances and in the area of high-temperature materials.

Mr President, the principal part concerns the Agricultural Fund. In order to meet the financial obligations arising from the agricultural marketing regulations for the current year, the Commission needs total new resources to the tune of 591.5 million u.a. in excess of the figures in the 1975 general budget. Price rises, the economic recession and developments on the world market and in monetary affairs generally were the factors which caused the Commission's needs to be far in excess of its estimated expenditure. I may be allowed to quote the various headings once more. The highest expenditures were called for in the following sectors: for sugar, more than 119 million u.a.; for beef and veal, mainly as a result of decisions on prices, twice 200 million u.a., in other words, 400 million u.a.; for wine, 105 million u.a.; for tobacco, 15 million u.a. and for the monetary compensatory amounts 100 million u.a.; for accession compensatory amounts, in other words, the amounts in intra-Community trade, another 213 million u.a. and for fish and other smaller headings a further 10 million u.a.

As against that we have savings under the following headings: for rice minus 25 million u.a., for milk—this is an optimistic way of looking at it, because in reality expenditures are needed here which have been postponed until the New Year—in this year minus 400 million u.a., for fats minus 217 million u.a., for pork minus 75 million u.a., for cereals minus 30 million u.a. and for eggs and poultry and other headings of this kind minus 15 million u.a.

Now, in order to observe a so-called political limit of 200 million u.a. for this supplementary budget, the Commission has submitted transfer proposals in what I would almost call a kind of acrobatic act. However much one may admire this intellectual and budgetary agility, I must put it on record, however, that this kind of acrobatics has very little to do with budget management and certainly cannot be directly reconciled with it. I must admit also, however, Mr President, that in view of the Council's attitude there was very little else left for the Commission to do, and I am very grateful to



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the President-in-Office of the Council for going into such depths in giving us his position on supplementary budgets in his closing remarks. This shows quite clearly, Mr President, that our objections are not only of a theoretical nature but that they are real and well founded. In 1974—you will remember that I was rapporteur for the budget—we made the same proposals for 1975 as did the Commission, because we knew that as a result of decisions on agricultural prices and of various unknown quantities, such as developments on the world market, price trends, monetary developments and so on, we would need at least an additional reserve for the agricultural budget to the tune of 200 million u.a. We asked the Council to enter this sum in the budget, albeit blocked, in Chapter 98, but the Council refused, even though it was also aware of these factors and knew that a supplementary budget would be inevitable, if our argument was correct.

Mr President-in-Office of the Council, I may remind you that it should be the goal of our joint endeavours to bring about full financial independence for the Community as soon as possible. However, when you have fixed the revenues for a particular year by means of the relevant decisions within the value added tax system, how do you propose to finance supplementary budgets at all, since you cannot then approach the Member States for further contributions? This is the whole basis of our criticism of the policy of supplementary budgets: we wish to see a radical change in the Council's political approach. I will give you a simple example of what I mean. If you make an entry today to cover the construction of a parliament building or a Council building, you cannot know what the final cost of that building is going to be, since you must wait until all the tenders are to hand. What you do then is to enter an estimated figure. That is a political approach, and this political approach, which is possible in national states, should, I feel, be possible also in our Member States, so that we can get away from our shopkeeper's method of drawing up our budget and achieve a real political approach to Community policy.

Now I am prepared to admit that in view of the Council's attitude there was nothing else for it in 1975 but to resort to the manoeuvre carried out by the Commission in drawing up the budget. It is proposed by the Commission that there be a total transfer of appropriations to the tune of 825 million u.a. within the Guarantee Section.

Ladies and gentlemen, it is obvious that this is a kind of sidetrack, which is not worthy of a properly executed budget. 60 million u.a. were transferred from the food aid sector to the

Guarantee Section and 62.5 millions were simply taken from the Guarantee Section of the EAGGF, which legally were earmarked for the promotion and improvement of the beef and veal sector. The Committee on Agriculture quite rightly resisted the idea that this regulation should be implemented with the aid of resources from the Guidance Section of the EAGGF, and our Committee on Budgets associated itself in this House with this vote.

A further 62 million u.a. were withheld from the Member States. I hope that the Community and the Commission will bend their energies fully to having this measure carried through. It is likely that they will have to face some lawsuits on this score. Taken together with the transferred appropriations and the newly applied for resources of 200 million u.a., the Agricultural Fund for 1975 would thus, according to the Commission's proposal, amount to 4 240.5 million u.a.

I feel that this completely new shape to the agricultural budget may rightly be regarded as a second budget. Since, in the normal course of events, Parliament is often not even aware of amendments of this kind while the budgetary procedures are being carried out, it is with difficulty that one can speak of a democratic control of this 70% share of our general budget. And it is for this reason, Mr President-in-Office of the Council, that we have attached certain reservations and conditions to our acceptance to this supplementary budget, and indeed we are asking the Council to make a declaration that these supplementary budgets will be done away with wherever possible.

We realize, of course, that there will always be a need for the possibility of supplementary budgets in some area or another, but what we want is that having a policy of introducing supplementary budgets should finally be brought to an end. We want the Council to make a binding declaration of intent in the course of this procedure of adopting the budget, and indeed, and I say this deliberately as a lawyer, we ask for this as a *conditio sine qua non* for Parliament's acceptance, because we can then draw the necessary legal consequences from it.

I would even make a second condition, namely, that the Council should solemnly declare, and we are giving it enough time to do this, that before the budget deliberations of 1977 it will finally debate and adopt a sixth directive on the harmonization of common principles for the assessment of value added tax. I feel that if we are ever to acquire financial independence—and that is our joint task, it has been requested so often by this Parliament and has

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been promised so often by all the institutions, including the Council—then we must ask for this declaration as a necessary precondition.

This brings me, Mr President, to the decisive procedural point. We realize that we can impose such conditions only in the context of a second procedure. Mr Cheysson, I would ask you to consider this matter together with us here in this House. We cannot have this kind of conditional agreement to a budget. We need an amendment therefore. We need an amendment, so that we can arrive at some degree of agreement and that Parliament may have the last word. And it is not only for the reasons I have given above but also for this procedural reason that I, as rapporteur for the committee, have tabled a proposal for an amendment concerning a new entry of 2.5 million u.a. for the old and well worn subject of beekeeping.

Now, Mr Cheysson, I am well aware of the difficulties involved. We spoke about them already today. The Commission fears, and rightly so, that if this procedure is not finalized within this year, it will not be able to pay its bills. But I would say to you, Mr Cheysson, that we have discussed this matter at great length in our committee and in all the committees, and we feel that without some pressure from the Member States, which are obliged to go without their money for the first time, the kind of declaration that we want from the Council cannot be achieved.

I have recently been accused of making too much play with parliamentary tricks. However, ladies and gentlemen, this is a matter in which we will get no second chance. The representatives of the Member States in the Council will soon feel for the very first time the consequences of their actions, if the Commission is no longer able to pay its bills in a few days' time.

The Council and the Members of the Council can avert this unhappy state of affairs straight away, if they make this renewed declaration of intent before this Parliament during these budgetary deliberations and procedures with a view to meeting the conditions being imposed by us and indeed this is nothing new, since they have given this declaration of intent often enough already. We feel that we would then be on a different legal footing in the coming years.

To come back to the point at issue, I may say that this Parliament and all the committees that were concerned with the matter are more than disappointed that our Parliament was held up and obstructed for an entire year, and by the Commission at that. We were promised a regulation during the budgetary adoption pro-

cedures of 1975, otherwise we would never have agreed to the abolition of the premiums for denaturing of sugar. The Council and the Commission promised to submit a regulation to Parliament as quickly as possible, but this regulation has not been submitted up to the present time. Today I got a telex message from the Commission to say that a proposal of this kind is now being submitted after a further round of talks with the associations and organizations concerned, probably with the Committee of Agricultural Organizations in the EEC.

Mr President, if the Commission and the Council make promises of this kind in the course of the budgetary procedure, then Parliament cannot be expected to wait for an entire year, especially in the present distressful situation, because everybody knows that it is not just a question of the bees—they are only of secondary importance—but that it is a matter that concerns the whole environment. You will be aware that 80% of our entire growth and fertilization in the Community depends on pollination by bees. The research institutes have addressed urgent appeals to the Commission and also to Parliament's committees to finally introduce a regulation on this matter, because today we are witnessing a drastic fall in the number of bees.

Mr President, I believe and I hope that at its meeting tomorrow the Committee on Budgets—I have almost finished, Mr President—will adopt a new form of resolution which will bridge things over for the Council and for the Commission.

It will then be the Council's move, however, and the Council must then give this declaration of intent. I should like at this point only to suggest to the President-in-Office the wording that I would propose myself, so that this House and also the Commission may know what way I myself would like to vote in the Committee on Budgets: Intends to adopt this supplementary budget, 'provided the Council makes a declaration of intent to the delegation from Parliament at the next round of discussions at the very latest and that Parliament already authorizes the President of the European Parliament, subject to the reservations set out in paragraph 3, to regard the budget as fixed when the time comes'.

Mr President, if Parliament accepts this wording, the Council and the Commission will be able to fulfil all the conditions required by the Parliament in this matter without any further delay, and the budget can then take effect in due time so that the Member States can also get the moneys due to them.

*(Applause)*

**President.** — I call Mr Scott-Hopkins, draftsman of the opinion of the Committee on Agriculture.

**Mr Scott-Hopkins.** — I shall address myself exclusively and, I hope, briefly to that part of the supplementary budget which refers to the agricultural sector.

There is no doubt, as I said in the earlier debate, that the reason for this supplementary budget stems from the refusal of the Council last year to give any reserve at all in Chapter 98. There was obviously going to be a need in the autumn of 1974 for a certain amount of flexibility, because everybody knew at that time that prices were increasing rapidly in the agricultural sector, that there was going to be a price increase between January and March of 1975 and that that would have to be paid for during 1975; and that therefore the forward estimate which the Commission put forward about September for 1975 would obviously not be adequate, as the Council cut out the 200m u.a. which were meant to be a reserve for use should there be an increase, as inevitably there was going to be, in the price side of the Guarantee Section.

And so therefore this whole issue is really the fault of the Council. There can be no blame attached to the Commission for this. The figure of 200m u.a. became a figure that was fixed in everybody's mind, and I think the Commission ought to be congratulated for the fact that they have stuck to this rather mystic figure of 200m u.a. in putting forward the supplementary budget now.

But the negative effect of this has been—and I hope that the House will realize this—that because of this arbitrary limit of 200 million u.a., because the Council refused to provide any flexibility, the hours we spent last year during the budgetary debate discussing the agricultural sector were an absolute waste of time. If honourable Members will turn to page 17 of the report, they will see the number of changes which have taken place in the agricultural sector, from chapter to chapter, changes which the Commission are proposing now in order to try and balance up their books. All the debates we had last year were an absolute waste of time: the whole thing is now being changed out of necessity. The Commission have rightly set themselves a limit of 200m u.a.; they have also got a situation where that is not enough, because they have got more deficits than they can cope with; and so they have to make a lot of transfers in order to cope with the situation. That is in itself an extremely unsatisfactory method of going about things, and it bears out the point that our rapporteur

Mr Aigner has made already. That is not all: the Commission unfortunately found that there was not enough flexibility even with the extra 200m u.a. and so they had, as Mr Aigner has said, to indulge in some extremely dubious practices. Quite frankly, one rather doubts the legality of them, though I do not doubt that Mr Cheyssson, when he comes to answer, will be able to justify what is being done without any problem at all.

Nevertheless, what they have done is to transfer from the Guidance to the Guarantee Section a fairly high proportion of money in order to meet the deficit in the beef programme, and this is a change, as far as I can make out, in the legal basis of the regulation which is in force—No 464 of 1975. This is what they are doing: they have transferred 62.5m u.a. from one section, Guidance, to another, Guarantee. I doubt whether there is any legal basis for that. Again, I am sure Mr Cheyssson will be able to justify this; but over and above that, they have transferred appropriations from outside the agricultural sector, although here there is a certain argument that part of this money which they have transferred from food aid to the Guarantee Section in point of fact would have been there anyhow. Here we are talking about 34m u.a. which comes completely from outside and which undoubtedly should not have been transferred. As far as I can make out, it is a very dubious practice to be certainly deprecated and avoided in the future.

And so, Mr President, whilst one congratulates the Commission on their strict discipline in these difficult economic times of sticking to 200m u.a., the net result of all these machinations and changes from chapter to chapter is that what we were doing last year was a waste of time. What is more, with this kind of supplementary budget we do not have the opportunity of discussing, chapter by chapter, whether or not we approve of what is happening. It has happened, and I hope this will not be the position in which the Commission will find themselves in the future. I hope the Council will relent and will give them, for the 1976 budget, a reasonable amount of reserve and flexibility, because I am sure that this is necessary.

In conclusion, I hope that the House will accept this supplementary budget whilst deprecating the method in which it has been approved. Finally, may I ask the Commission and Mr Cheyssson, the Commissioner, whether they are sure that this is enough? Because, in point of fact, this only goes up to the present, and they have got some bills to pay in the future. Are we going to have yet another four supplement-

**Scott-Hopkins**

tary budgets? Because if so, then I think this House will really get very angry with both the Council and the Commission.

*(Applause)*

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

**Mr Frehsee.** — *(D)* Mr President, on behalf of the Socialist Group I wish to congratulate the rapporteur of the Committee on Budgets on both his written report and the passionate speech we have just heard, the substance of which I fully endorse. And I congratulate especially the draftsman of the opinion of the Committee on Agriculture for the ruthless criticism he offers. I would recommend every Member of this House who is interested in the subject to make a thorough study of Mr Scott-Hopkins' opinion. It is extremely important in the context of both budgetary policy in general and of agricultural policy in the 1976 budget, the debate on which we have just concluded, in particular.

Not only does Mr Scott-Hopkins' opinion mercilessly criticize the agricultural budget, showing it up as the wretched instrument we know it to be; it also provides a striking exposure of the Council's budgetary policy and practices, and to some extent also those of the Commission—I make this point somewhat reluctantly, but it is a fact that the Commission has never sought our Council in connection with all these manipulations.

We agree with Mr Scott-Hopkins when he speaks, as he does in the opinion, of budgetary sleights-of-hand which cannot be condoned and of the fact that this third supplementary budget is making nonsense of the budget put forward exactly a year ago for the 1975 financial year. Those are the words used in the opinion, and we fully endorse them. And I would say to you, Mr Aigner, that it is much more than a mere acrobatic act, as you referred to it just now. Through this supplementary budget and what has been done in the course of the year, the 1975 budget which we adopted after prolonged and very thorough and responsible debate in this House, has been turned into a farce.

I agree with the previous speakers that the Commission should be commended for its efforts to cover the deficit under the Guarantee Section of the EAGGF from the available fund and to ask for an additional appropriation of only 200 million u.a. but at the same time the huge scale of the transfers proposed within the EAGGF is frankly horrifying. We understand

fully the need for some cushioning of the budget, and that quite a large cushion may sometimes be required, but this shifting around of more than 20% of the entire fund is really too much of a good thing. With the best will in the world we cannot in all seriousness describe the 1975 budget as either truthful or clear.

Whilst in some subsidy and intervention sectors for certain products over 800m u.a. of the earmarked appropriations were not needed, in the case of other products we have a shortfall in excess of 1 000m u.a.

It cannot seriously be claimed that totally unpredictable increases in costs occurred in the case of sugar, beef and veal and wine.

World market prices for sugar, Mr Cheysson, were already high at the time when the 1975 budget was submitted, and you were already aware then of the growing shortage, which would necessitate substantial imports involving large subsidies. It is the budgetary policy that I am criticizing, not the subsidies.

Payment of the non-marketing subsidies for beef was at that time also in full swing, and the vast wine lake was likewise already there for everyone to see. And yet for these three products alone, it now turns out, additional appropriations of more than 500m u.a. were needed.

Again, it is impossible to accept that additional spending on accession compensatory amounts, to the tune of over 100m u.a. and monetary compensatory amounts, 230m u.a. were so totally unpredictable.

Conversely, in the case of milk and milk products and fats and oils, it was predictable, and the Commissioner responsible Mr Lardinois, made such a forecast in public, that the change in the basis of assessment for milk, the very high assessment of milk protein at the expense of milk fat, would in future result in the replacement of butter mountains by powdered milk mountains that would be cheaper to finance. Quite simply, the 1975 budget was just not properly drawn up, and the two rapporteurs have rightly pointed out that this so-called third supplementary budget for 1975 is not a supplementary budget at all but represents a comprehensive revision of the 1975 agricultural budget as originally presented. It is to be interpreted that neither the Committee on Budgets nor the Committee on Agriculture were informed, never mind consulted on these huge shifts in expenditure. Parliament's powers—and they are in fact obligations—to supervise the budget have been considerably and unacceptably reduced. The Socialist Group therefore

**Frehsee**

endorses the request made by the Committee on Budgets in the motion for a resolution, and in particular in paragraph 3. I shall refrain from quoting it so as to bring the debate to a speedier conclusion.

I do not at this point propose, Mr President-in-Office of the Council, to delve into the complexities of supplementary budgets. Undoubtedly, market management cannot be divorced from the risk of market trends which, as we all know, it is impossible to forecast exactly, and the movement in the prices of sugar and cereals in 1974 provide fresh and convincing proof of that truth. It will not therefore in all cases be possible to avoid supplementary budgets in the agricultural sector. All the same, it should only be considered as a last resort. And this condition was not fulfilled when the Council refused 1 year ago to accept the Commission's request for a provision of 200m u.a. to be made for costs that were virtually certain to arise—Mr Aigner is right in pointing out that we had said so at the time—on the basis of expected market and agricultural price trends. It is regrettable that the Council rejected Parliament's very clear recommendation in this regard. It is no good beating about the bush, for it is an established fact.

The proposals in this so called supplementary budget call also for cutbacks in appropriations and transfers from other chapters outside the EAGGF, mainly chapters relating to food aid. This again amounts to falsification of the budget and requires an amendment to the relevant legal provisions. We reject the transfer of appropriations from the Guidance to the Guarantee section, involving 62.5m u.a. for the financing of the system of premiums for beef producers. We suspect that the explanation put forward for this is little more than a pretext and that in fact someone is merely yielding to the temptation to use these funds to meet shortages in the budget for the Guarantee Section. We are categorically opposed to a cutback in the provision for the Guidance fund, which is in any case on the modest side.

Like the rapporteurs, we feel that we ought to study whether the monetary compensatory amounts and accession compensatory amounts should not in fact, as suggested in the reports, appear elsewhere in the general budget of the Communities, in other words outside the EAGGF.

In conclusion, Mr President, I have to say that this third supplementary budget for 1975 relating to the EAGGF has strengthened the Socialist Group's scepticism with regard to the draft agricultural budget for 1976. This explains

the proposal on the 1976 agricultural budget tabled by our group this afternoon, which will be considered the day after tomorrow.

We shall vote for the adoption of this supplementary budget for 1975. We shall do so recognizing the Commission's concern for thrift, but at the same time with considerable dismay at the horrifying lack of honesty in this budget. We also qualify our approval with a protest against the disregard for Parliament's budgetary rights and obligations, as brought out in this motion for a resolution drawn up by the Committee on Budgets by this entirely novel procedure, as explained a moment ago by Mr Aigner. We must, however, and I say this in all seriousness, warn against any future attempt to impose such a practice upon us. We must warn against the danger of our being forced one day to withhold our approval of a budget.

*(Applause)*

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

**Mr Notenboom.** — *(NL)* Mr President, the Christian-Democratic Group also finds this document extremely unsatisfactory. The unjustified reduction of last year's estimates may now even lead to a situation where the Commission will not have the necessary financial resources to pay out certain amounts. That will not be the fault of the Commission, nor of the Parliament. In parentheses, I also wonder whether the reduction in the Guarantee amounts in the 1976 budget, that I gather the Socialist Group will propose tomorrow in amendments we have not yet received, is not a little illogical, since we are, and rightly too, reproaching the Council in this way. But that is merely an aside.

The possibility or necessity of changes will always be inherent in these Guarantee amounts. That follows from their nature. That cannot be criticized as such. But the press and public opinion cannot understand this because so little explanation is given. It would perhaps, therefore, be a good idea to point once more to the suggestion made some time ago in the report by Mr Scott-Hopkins on the stocktaking of the common agricultural policy, namely the idea of a continuing multiannual forecast, which does not then need necessarily to be based entirely on hard figures. The changes from the forecast that would then prove necessary would then have an explanation regarding both price changes and the number of them. If we work that way from each year to the next, though the need for changes would remain, there would be greater clarity, and public opinion could be more easily satisfied.

**Notenboom**

Our group supports the rapporteur's proposal on aid for bee keepers; for its own sake. We have had to wait a year we did not want to. But we also support it because this fairly minor amendment nevertheless creates the necessity for consultation, so that this supplementary budget is also important from the procedural point of view.

The two conditions mentioned in paragraph 3, that the rapporteur, and we along with him, want to make our agreement dependent on, make this supplementary budget a very unusual one. I think this must be the first time that agreement has been linked to two such conditions. But Parliament has every reason to react in an unusual way to the unsatisfactory situation.

If payment difficulties arise, and I hope they do not, that is not Parliament's fault. We have delivered our opinion rapidly and with resourcefulness. And I hope that a formula will be found tomorrow to avoid an empty cash-box, to show during the consultations that the conditions are met. Our group is, however, particularly keen on keeping the conditions themselves in.

*(Applause)*

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — *(F)* Mr President, the Commission has been the object of all possible and imaginable criticism, and after having listened to the speakers I must say that I still do not understand very well what we are being reproached for. This draft supplementary budget consists of two parts. There were no comments on the 'research' part; I therefore take it that, as the motion for a resolution says, there are no observations on this point. The other section concerns agriculture. Parliament's debate was based on the report by Mr Aigner and the opinion drafted by Mr Scott-Hopkins, which went into all the factors which needed to be highlighted.

First of all, this exercise is totally useless. I should like to address the President of the Council and recall, with the greatest respect, a statement he made a short time ago to the effect that it was difficult to forecast the exact amounts in the agricultural field. May I point out that in 1974 the Commission had proposed the entering of a blocked appropriation of 200 million u.a. which is the subject of the supplementary budget before us and of a futile debate, a difficult dispute which, I feel, is likely to have extremely troublesome consequences.

We had made a forecast, but when I just gave an indication of my inability to accept Mr Frehsee's thesis, it was because it was not possible, at the time we made it, to know how things would develop! May I remind the honourable gentlemen just when that forecast was made? It was in the month of May 1974. The budget was adopted at the end of 1974, it is true, but on the basis of a preliminary draft which had been tabled in June 1974. It is precisely for the reason that we discovered in 1974, the lack of precision of forecasts made before the harvest, that, this year, we attempted—and it turned out to be a bad experience, as I recently mentioned—to make our forecast after the harvest and to introduce it in the form of a rectifying letter in September.

You reproached us, in the general budget, for having imposed an over-strict timetable and you are right. I have admitted this to Parliament on behalf of the Commission. But we have been forced ever since to make the agricultural forecast before the harvest, and may I say to you, Mr Frehsee, that if anyone had been able in spring 1974 to foresee the rise in the price of sugar, its fivefold rise, there would not have been the disasters we witnessed on the sugar market, to which a great many experts of undoubtedly far higher calibre than those of the Commission, who staked their entire fortunes and their positions, fell victim. Thus, if 325 million instead of 135 million u.a. have been earmarked for the sugar chapter, it is because the world sugar price has shot through the roof and because, to meet the obligations we have to Great Britain to help it guarantee its imports, we have had to import sugar from outside the Community under conditions which were—and I say this quite categorically—completely unpredictable in May or June 1974. And the same case could be made for wine and for meat. I recall that, in the case of meat, in spring 1974 the prognoses of the specialists were that we were still heading into shortage. Thus, at that time, there was absolutely no way of forecasting the massive intervention which was necessary on the meat market.

Do not forget that was eighteen months ago! Very well, our forecast has proved to be incorrect, about 20% in fact. I find that this margin of error is not too bad, if you take into account the development of world prices during this period, which rose fivefold in the case of sugar, and collapsed from by two-thirds in the case of meat.

What remains for us to do? Certainly, we could have put forward a supplementary budget amounting to several hundred million u.a. We would have made economies in certain items,

**Cheysson**

which would have led us to request carry overs to the end of this year: the appropriations would not have been utilized for valid reasons. On the other hand, we could have asked the governments for supplementary payments, or, rather, for a considerably increased share of own resources to cover the items for which the expenditure has risen as a result of objective and indisputable conditions. You would certainly have criticized us for poor management, because it would have been very bad management to have made major economies in the framework of the Guarantee Section of the EAGGF for certain items without having taken them into account in the call for funds which we made to the governments. We have thus proposed transfers within the EAGGF, and this seems to be at the present time the only logical and reasonable solution. It appears that when it also made various economies in the remainder of the budget, some of them, it must be added, were not of a lasting nature. Thus, in the absence of the availability of appropriations commitment for food aid—we always return to the same problem—we are obliged to enter in the budget all commitments which we shall be making for food aid, when by definition the food aid which we grant in the months of January and February was not paid in the previous financial year. The appropriation was entered for the 1975 financial year, while the payment can, by definition, take place only in 1976. We thus have 43 million u.a. committed as food aid which will be paid in January or February. Should we have asked you, should we have asked the governments for additional appropriations of 43 million u.a. and then propose a carry over of 43 million u.a. in the amount of appropriations not used by 31 December, since this food aid cannot be granted before January or February? That would have been awful management! We thus borrow from the 'Food Aid' heading, just as we have already done 3 times in the past—this is not a novelty; we did it 2 years ago, and twice before my arrival in the Commission—an unused appropriation... unused by definition, because since there is no appropriation for expenditure we were obliged to enter the total amount to be incurred—43 million u.a.—which will be returned as soon as possible after the beginning of the new financial year.

Apart from that, our management is extremely strict. We have established that certain appropriations granted in the framework of the EAGGF had been misused and we refuse to reimburse the Member States concerned the amounts involved. Are we going to be criticized for strictness, for discovering misuse of funds which may have been made by certain

administrations and to sanction them in consequence? I do not think so. We are saving some 62 million u.a. by refusing them to the Member States.

A point which the two rapporteurs very correctly emphasized remains to be discussed: it concerns our proposal to pay half of the premium for building up livestock herds through the Guidance Section of the EAGGF. The budgetary authorities—Parliament and Council—will decide. If they agree, as we are recommending them, to adopt this procedure, the course of events is foreseeable. If they do not accept it, we shall run into difficulties in December, which can however be minimized in view of the size of our appropriations, and of course no supplementary request will be made to the governments. This then is what we have done: we have pursued complicated management tactics because of the need to be concise: we have had a difficult year as regards the administration of the Guarantee Section of the EAGGF. Nevertheless, this method of handling things will appear to me to be normal as long as we do not want to ask for supplementary contributions at a time when we still have on our books available funds for the end of this financial year.

I come now to another point which, I do not deny, causes me some concern. The rapporteur reiterated various principles in paragraph 3 of the motion for a resolution, principles with which, as Parliament is aware, the Commission fully agrees.

Certainly, we would like to see the basic VAT rate harmonized as soon as possible so that we can move on to a genuine system of own resources financed by a direct levy from the VAT. Indeed, we should like this harmonization to take place before 1 January 1977. I do not want to repeat yet again that we are calling for all foreseeable and inevitable expenditure to be entered into the present budget. And I have just outlined our position as regards Chapter 98: it corresponds exactly with the view of Parliament. But there is a legal problem—I must repeat here what I said to the Committee on Budgets the other day—which concerns the drafting of paragraph 5 of the resolution.

The Treaty calls your approval, your amendment or your proposed modification, or your rejection. It does not provide for any of these eventualities to be conditional. In other words, if at the end of the 45 day time-limit laid down by the Treaty, in this case 19 November, the Assembly has neither approved nor rejected nor amended it, the text is deemed to have been approved in the version as forwarded by the Council.



**Cheysson**

As much as I wish it were, the laying down of conditions is not legally possible. Parliament must, before the time-limit—and let us assume that it is indeed 19 November—make its decision according to one of the three methods I have mentioned. It cannot act otherwise. The Treaty makes no provisions for any reservation to be expressed by Parliament.

I have emphasized this point, Mr President, not to undermine the value of the statement called for by the rapporteur and by the two political groups—for the Commission gives its full backing to this request—but to say that the formula used in paragraph 5 does cause us some concern.

(Applause)

**President.** — I call Mr Fabbri.

**Mr Fabbri, President-in-Office of the Council.** — (I) Mr President, ladies and gentlemen, Mr Cheysson's speech, with which I agree, dispenses me from replying in detail to the speech by Mr Frehsee as I would have wished.

Mr Cheysson, justifying the unforeseeable changes in agricultural prices and in general on the agricultural market, took the example of sugar, which I too was thinking of using to support the statement I made in my replies to the budgetary estimates for 1976.

Mr Cheysson also dispenses me from stressing the other notion of the ways in which Parliament can react to drafts presented by the Council. These were explicitly stated on the legal level.

I notice with the greatest attention the resolution and the excellent report which Mr Aigner has presented. Subject to possible amendments, as mentioned by Mr Aigner, I believe that Parliament will understand that at this time I am not able to commit myself on behalf of the Council to follow the resolution which will be adopted by Parliament, if only because of a basic duty which I have to my colleagues in the Council to refer to them on what has been said here. I can however assure Parliament that this resolution will be immediately considered by the Council and when I refer it to the Council I will stress the most important aspects.

In particular, I can state straight away that as regards the harmonization of the taxation basis for VAT, work is proceeding fast and a meeting is planned on this subject for 24 November. You are aware that the Italian presidency attributes great importance to the success of this work.

As regards finally the effective participation of Parliament in drawing up the budget, I believe that the experience of the discussions in recent years demonstrates the Council's sincere desire to give the greatest value to increasingly active participation by Parliament, as I have already mentioned. I am sure that it will continue on this road, if necessary improving existing practices.

(Applause)

**President.** — I call Mr Aigner.

**Mr Aigner, rapporteur.** — (D) Mr President, I would not wish Mr Cheysson's remark to remain unanswered. I shall simply say this: I would ask him to attend the meeting of the Committee on Budgets tomorrow, when we can find a quite clear legal definition and so provide the bridge for the Commission and Council.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Mr President, I was rather shocked by Mr Cheysson's answer concerning agriculture. He said that the estimates were drawn up in May 1974. Of course they were. But is he really telling me that he had no opportunity to make changes when he was presenting them to the Council in the summer, when he was coming to the House here in the autumn, no opportunity of changing them in the light of the events that were taking place? My God, what was I talking about, what were we all talking about? In various debates we told him this was going to happen. And if the Commission and the Council between them cannot now, in the autumn, change the estimates they put forward, then the system is a mockery.

**President.** — Does anyone else wish to speak? The general debate is closed.

I remind the House that the motion for a resolution contained in this report and the draft amendments will be put to the vote on Thursday.

#### 4. Commission discharge in respect of the 1971 budget

**President.** — The last item on the agenda is the report drawn up by Mr Gerlach, on behalf of the Committee on Budgets, on the giving of a discharge to the Commission of the European Communities in respect of the implementation of the European Communities' budget for the financial year 1971 on the basis of the report of the Audit Board (Doc. 365/75).

I call Mr Gerlach.



**Mr Gerlach, rapporteur.** — (D) Mr President, I have to submit a report that may evoke some nostalgia, in that we are now called upon to decide on the Commission's accounts for 1971, the Council having prevented a decision being taken earlier.

On 19 June 1975, this House decided that the Commission could not be given a discharge in respect of the implementation of the budget of the European Communities for the 1971 financial year since the Council had not yet given its discharge.

Today we are submitting the proposal for a decision for discharge in respect of the 1971 financial year with the following qualification: the Council—and I would respectively ask you, Mr President of the Council, to note this point—has, on the basis of the text before us, adopted decisions giving discharge that do not specifically employ the word 'discharge'. Consequently we make it clear in our motion for a resolution that we expect the Council in future to word its decisions on the giving of a discharge in readily intelligible terms. Mr President of the Council, I must at this point ask you, as the budgetary authority, to give this matter very serious thought. If you as the Council wish to work together with us in a spirit of cooperation then you must formulate your decisions clearly enough to enable us to come to a similarly clear decision.

Mr President of the Council, we have decided to give the Commission a discharge in respect of the 1971 budget because you did not previously give a discharge. I should like to thank you for confirming that the last word on individual budgets lies with Parliament, and I therefore request that this decision be adopted.

(Applause)

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — (F) Mr President, this matter was already raised in Parliament on 19 June 1975 at Mr Gerlach's initiative. The Commission then expressed its regret, together with the Parliament, that the compromise which it had been able to put forward, and which Parliament wanted to adopt, did not result in a decision from the Council. We can now state that the Council re-examined

the dossier and on 15 and 16 September proposed to give a discharge. We therefore hope that this matter can be brought to a final conclusion. We have no objective reason to think that a difficulty of this kind is likely to arise again in future, since it was due to problems of a particular period which are, thank heaven, now past. We should like at this point to thank Parliament, and the rapporteur, Mr Gerlach, in particular, for having helped us to get out of the situation which was completely abnormal and which may have led to doubts as to the proper administration of the accounts and their auditing.

(Applause)

**President.** — As no one else wishes to speak I put the proposal for a decision to the vote.

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

#### 5. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Wednesday, 12 November 1975, with the following agenda:

10.00 a.m. and 3 p.m.:

- Question Time;
- Corterier report on the recommendations of the EEC-Greece Joint Parliamentary Committee adopted on 27 June 1975;
- Terrenoire report on the Additional Protocol to the EEC-Greece Association Agreement;
- Joint debate on two oral questions with debate concerning air traffic safety;
- Oral question with debate on consumer protection;
- Oral question with debate on US protectionist measures;
- Oral question with debate on mass dismissals in two multinational undertakings;
- Dondelinger report on the extension of trade-union rights.

The sitting is closed.

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

<sup>1</sup> OJ C 280 of 8. 12. 1975.

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#### IN THE CHAIR: MR SPÉNALE

##### President

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

**President.** — The sitting is open.

##### 1. Approval of minutes

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

Are there any comments?

The minutes of proceedings are approved.

##### 2. Documents received

**President.** — I have received from Mrs Caretoni Romagnoli, on behalf of the Committee on Cultural Affairs and Youth, a report on the proposal from the Commission of the European Communities to the Council for a directive on the education of the children of migrant workers (Doc. 375/75).

##### 3. Authorization of reports

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

— Legal Affairs Committee:

Report on the future procedure of the Committees on Implementing Provisions;

The Committee on Public Health and the Environment has been asked for its opinion.

— Committee on Budgets:

Report on general modifications to the Financial Regulation of the Communities.

#### 4. Question Time

**President.** — The next item on the agenda is Question Time, involving questions addressed to the Council and Commission of the European Communities respectively (Doc. 360/75), in accordance with the provisions of Rule 47 A, paragraph 1, of the Rules of Procedure.

I would ask Members to observe strictly the procedure for the putting of questions.

We shall deal first with questions addressed to the Council of the European Communities. I call upon the President-in-Office of the Council to answer these and any supplementary questions.

I call Question No 1 by Mr Bordu. It is worded as follows:

'Does the Council consider the law passed by the Bundestag discriminating between citizens in regard to employment in the civil service in the Federal Republic of Germany compatible with the EEC Treaty and the Final Act of the CSCE?'

**Mr Battaglia, President-in-Office of the Council.** — (I) Mr President, I must reply to the honourable Member that, under the EEC Treaty, admission to the national civil services is not one of the subjects for which the Community is responsible, but continues to be the responsibility of the individual Member States. The Council therefore feels that it is not competent to answer this question.

**Mr Bordu.** — (F) Assuming that in due course the Community institutions — and hence Parliament — follow the Commission in adopting a basic act on human rights at Community level and decide that the protection of these rights is a Community responsibility, it will be necessary also to incorporate in this act the principle that only States whose internal legal systems respect human rights may be members of the Union.

In that case, what would be the position of the Federal Republic with regard to the Community?

**Mr Battaglia.** — (I) Mr Bordu, I welcome your keen interest in Europe, which I only wish might be extended to some other fields. However, I feel I can give no other answer. Once we have got that far, i.e. once the Commission has done what you mentioned and we are in an entirely new situation, we shall investigate which Western countries and, perhaps which Eastern countries may belong to the Community under the new rules.

(Applause)

**Mr Ellis.** — Does not the Council regard questions such as this an abuse of the procedures of Parliament in not only raising matters outside the competence of the Council and of Parliament, but also speciously purporting to have a concern with the legality of the actions of the government of a Member State which attempts legitimately to safeguard its people from the perverse influences of malign political groups? Furthermore, does not the Council consider the placing of such questions on the order paper to be detrimental to the policies of *détente* so assiduously pursued for so many years by the Government of the Federal Republic?

(Loud applause)

**Mr Battaglia.** — (I) I have no right to express an opinion on the questions asked. I feel this is something for other authorities of this House to decide.

**President.** — I agree that the President should discuss this matter with the Council.

I call Question No 2 by Mr Leonardi. It is worded as follows:

'How does the Council view the plan for the reorganization of the Leyland-Innocenti multinational, which in Italy has led to the threat of massive redundancies, and what measures, if any, does it intend to take?'

**Mr Battaglia, President-in-Office of the Council.** — (I) Here again, Mr President, I am afraid it is not the Council's task to comment on a plan to reorganize a company, even a multinational one. In any case, this plan does not have to be submitted to the Council.

This does not of course mean that the Council is not concerned at a general and even personal level about the possible consequences of this reorganization plan. However, the Council is not competent to discuss this problem.

**Mr Leonardi.** — (I) I am sorry that the Council is so often forced to reveal its lack of competence in the field of political construction. Ley-

land-Innocenti is another example of a failed intra-Community merger, and these mergers represent a political choice taken with a view to creating a counterweight to the foreign multinationals. Does the Council not now think that, after this series of failures, it would be better to reconsider this approach and draw the consequences from the experience to date, perhaps on the basis of a document drawn up by the Commission, so that we can assess the value of this policy of encouragement which the Community institutions have consistently tried to give to intra-Community mergers, the results of which, however, have been largely disappointing?

**Mr Battaglia.** — (I) A Commission report on this subject will always be welcome, Mr Leonardi. Personally, however — I obviously cannot speak on behalf of the Council — I must point out that the policy of promoting mergers between European companies is not intrinsically wrong if we want to create a European industrial structure possessing a minimum of homogeneity vis-à-vis a huge and continually expanding international market. The case of Leyland-Innocenti which you have raised is different, since it involves a sector — the motor industry — which is going through a crisis which is not cyclical, but structural, and which is the result of events with which we are all familiar. Thus any criticisms made of one case, of one particular feature — the mergers in the motor industry — need not apply to the whole policy of promoting mergers at European level, which serves, or could serve, to increase the homogeneity of the European industrial structure.

The Council — and the Commission, too, if I am not mistaken — has even expressed the view that in the advanced technology sectors, in particular, mergers are extremely desirable, and I think this opinion is widely shared by this House.

**Mr Dalyell.** — As one who represents 6 000 Leyland workers who are at the moment on a 3-day week, could I ask the Council to go into further detail of their plans and ideas as to how the motor industry ought to be restructured.

**Mr Battaglia.** — (I) I cannot make any proposals or give any facts, Mr Dalyell. If you want my personal opinion, I can give you it — even with lots of details — but I cannot make any proposals as representative of the Council.

**Mr Normanton.** — Would the Council not agree that the inclusion of the term 'multinational' in the question is quite irrelevant and that the

**Normanton**

operation of any company must conform to national laws, a matter which surely does not cause any dispute amongst us. In this context, therefore, would the President-in-Office of the Council press upon his colleagues the urgent need for reaching agreement on a Community policy on industrial aids?

**Mr Battaglia.** — (I) I would point out, first of all, that last year the Commission submitted a proposal on the control of mergers, and the Council will shortly be studying this. I might add that there may be useful indications in this field from the tripartite conference between governments, employers and trade unions which is due to open in Brussels on 18 November. I hope that this meeting will produce a more concrete answer to the questioner's concern.

**President.** — I call Question No 3 by Mr Dykes. It is worded as follows:

'When does the Council expect that Mr Tindemans will present his report on European Union?'

**Mr Battaglia, President-in-Office of the Council.** — (I) According to the information available to the Council, Mr Tindemans' report will be completed and presented to the governments of the Member States within the period laid down in the communiqué issued at the close of the meeting of Heads of Government on 9 and 10 December 1974.

**Mr Dykes.** — Does the Council representative expect Mr Tindemans' report to contain very much about direct elections to the European Parliament, and will he confirm that the Council of Ministers will be pressing ahead with their formulations for direct elections by 1978?

**Mr Battaglia.** — (I) I sincerely hope that Mr Tindemans does not make the same unfortunate mistake as the honourable Member does in confusing the direct elections to Parliament by virtue of Article 138 of the Treaty, and the widening of the Treaty to cover the new structures of the European Union, which is the subject of his report. I hope Mr Tindemans' report says nothing about direct elections to the European Parliament, and that this problem can be settled even before Mr Tindemans presents his final report.

I might also reply to Mr Dykes that one of the points on the Council's agenda reads 'Communications from Mr Tindemans on the fulfilment of the mandate given to him at last year's summit conference in Paris'.

**Mr Cousté.** — (F) I understand that the Tindemans report will be on the agenda of the European Council meeting in Rome on 1 and 2 December. This conflicts with what we have been told; I thought, like my colleague, that it was not going to be presented until January. What really is the position?

**Mr Battaglia.** — (I) The agenda for the European Council includes the item I have just mentioned. As I said, therefore, according to the information available to the Council, Mr Tindemans report will be completed and presented to the governments within the period laid down by the Paris Summit. I thus think everything is perfectly clear and logical.

**Mr Radoux.** — (F) Mr Battaglia, everything would be clear and logical if you confirmed that the report will be presented on 1 and 2 December, i.e. that the report will be written by then. My question is thus very clear: has the report been written or has it not been written? If the latter, could you confirm that there will be an oral report and that the written report will be presented later?

**Mr Battaglia.** — (I) Mr Radoux, my own personal hope is that Mr Tindemans' report will be presented to the European Council, complete and, in writing, on 1 December. This is my personal hope. If I have to give you the Council's view, I can only repeat that the report will be completed and submitted to the governments within the period laid down by the Paris Summit. I think I have made this sufficiently clear. I personally hope that it will be finished by 1 December and presented to the governments on 1 December. As far as the Council knows, Mr Tindemans will present it within the period laid down in the communiqué of 10 December 1974.

**Sir Geoffrey de Freitas.** — Whenever the report is completed, may I ask the Council if they would consider finding out if the Commission and Parliament would agree to setting up a joint, small *ad hoc* committee to study this report in conditions which would not in any way commit Parliament, the Council or the Commission?

**Mr Battaglia.** — (I) I cannot reply on behalf of the Council, but my own view is that setting up a committee to study this report would serve no useful purpose. It would, however, be useful—and again this is my own opinion—if the Council itself could examine this document and draw all the conclusions which need to be drawn from such a wide-ranging report dealing with

**Battaglia**

the fundamental principles of the Community. The Council would have to do this in its capacity as the Council, not as an *ad hoc* committee, so as to avoid further delay in studying a problem as important as this one.

**Lord Gladwyn.** — Am I to understand from what the President-in-Office said that the Ministers are likely to take a decision regarding direct elections to Parliament at their Summit Meeting on 12 December?

**Mr Battaglia.** — (I) I don't think I have made myself clear, Lord Gladwyn.

(Laughter)

One of the items on the agenda of the European Council is direct elections to the European Parliament. This item has nothing to do with the Tindemans report, which is concerned not with the problem of elections to the European Parliament, but with the problem of the achievement of European Union. I do of course hope that, on 1 December in Rome, the Council—I refer to the European Council—will take all the decisions needed to ensure direct elections to the European Parliament as soon as possible. This is my own personal view and that of the Italian Presidency.

**Mr Scott-Hopkins.** — Can the President of the Council say when this Parliament will have the opportunity of examining Mr Tindemans' report?

**Mr Battaglia.** — (I) As soon as the Tindemans report has been submitted to the governments by the date laid down by the Paris Summit, i.e. 31 December 1975, it will be made public, and I assume that Parliament will then be able to study it.

**Mr Schmidt.** — (D) Mr President-in-Office, when you say that you hope the Council will decide on direct elections to the European Parliament as soon as possible, does this mean that the 1978 deadline set by the Council itself is again in doubt?

**Mr Battaglia.** — (I) I hope the European Council on 1 December will settle all the problems which need to be solved with regard to direct elections to the European Parliament. If I had to say what was the view most widely held by the nine Member States, I would draw attention to the statement made only last week in the House of Commons by Mr Hattersley, Minister of State for Foreign Affairs, who stated personally that the 1978 deadline was too opti-

mistic. I myself, however, do not consider 1978 too optimistic, and I hope elections to the European Parliament will be held then.

(Applause)

However, neither I nor the President of this House—who attended the last joint meeting of Council and Parliament representatives—can guarantee that all nine Member States will be able to agree on this date. I personally hope that the European Council will reach a decision on 1 December, but I can give no assurance on the matter.

**President.** — We turn now to questions to the Commission of the European Communities. I would ask the responsible Commission representative to reply to these and any supplementary questions.

I call Question No 4 by Mr Leenhardt. It is worded as follows:

'Could the Commission explain why the request by the Swiss Confederation to have the Swiss Franc included in the 'snake' system has not yet been approved and what the obstacles are?'

**Mr Ortoli, President of the Commission.** — (F) Mr President, the Economic and Finance Ministers of the Community studied the problem of the entry of the Swiss Franc into the snake at the Council meeting on 22 September. There has been no further meeting since then.

At this meeting, there was basic agreement on the entry of the Swiss Franc, but the technical details have still to be examined, and these are now being studied by the Committee of the Governors of the Central Banks. They involve a number of complex problems, among them the conditions under which agreements might be made between central banks to improve the operation of the system, the general problem of the organization of the currency market etc.

This report is being studied by the Council, which had planned to discuss the question again at its next meeting on 17 November. It will not bring it up then because the Council meeting will probably not be long enough to allow this, but the question will be studied—in full, I hope—at the following Council meeting in December.

**Mr de la Malène.** — (F) Will the Commission representative continue to speak of the 'Community snake'?

**Mr Ortoli.** — (F) A Community institution is allowed to cooperate with other institutions.

**Sir Brandon Rhys Williams.** — Has the Commission worked out an orderly method of bringing about changes in central rates for currencies within the snake when they come under pressure, either because they have become too strong or because they have become too weak?

**Mr Ortolí.** — (F) This is the fundamental problem of organizing the snake: to find the machinery, including swap agreements, to ensure that the differentials between the currencies are maintained and that the general development of the snake is such that it does in fact meet our economic requirements.

**Mr Cousté.** — (F) The President of the Commission omitted to mention one possible condition—that a parity must be fixed for the Swiss Franc in relation to Community currencies. I feel this is the essential point.

**Mr Ortolí.** — (F) It is clear that once the Swiss Franc joined the snake—or rather, once it became associated with it, since it would not really be part of the Community organization—this rate would have to be fixed.

**President.** — With your permission, I shall call Question No 5 as soon as Mr Terrenoire, whose plane has just landed after being delayed by bad weather, has arrived.

Since they deal with more or less the same subject, I call Question No 6 by Mr Hamilton, worded as follows:

‘What plans are envisaged in the immediate future to give additional Community financial assistance for the alleviation of youth unemployment in the United Kingdom?’

and Question No 7 by Mr Härzschel, worded as follows:

‘What has been the trend during the last two years in unemployment among young people in Community countries; what measures has the Commission introduced to date; how much has so far been spent from the Social Fund on the provision of training vacancies and what additional practical steps does the Commission intend to take to solve the problem of rising unemployment among young people?’

**Mr Hillery, Vice-President of the Commission.** — Any Community contributions to alleviate youth unemployment in the United Kingdom must be made within the context of the difficulties facing all Member States. There has been an upward trend in unemployment among young people in the Community since 1969. Last year the situation deteriorated sharply, the level of youth unemployment increasing by 49% com-

pared with a rise of 25% in the level of adult unemployment.

This year the upward trend has continued, and there was a further increase this autumn as school and university leavers began to look for jobs. More young people are now unemployed than at any time since the creation of the Community. Following a Commission initiative the Standing Committee on Employment has set up two working parties consisting of government representatives and representatives of the social partners to consider proposals for action. Also on the proposal of the Commission, the Council decided in July last that actions specifically aimed to reduce unemployment among young people should be recognized for grants under Article 4 of the European Social Fund. Under the Council decision to which I have referred it has been decided to transfer 51m u.a. for 1975 for specific projects aimed at reducing unemployment among the young. The arrangements for 1976 are at present being considered. The Commission believes that the extended use of the Social Fund will play a significant role in helping Member States to deal with youth unemployment in 1976.

Unemployment affects most severely those young people who have received the least education and training. For this reason the Commission regards training as an important means of reducing youth unemployment. In addition to using the Social Fund the Commission is considering with the social partners the possibility of issuing a recommendation to Member States on a variety of aspects relating to practical training of the young unemployed.

The Commission will also be exploring with the Standing Committee on Employment in December the need to improve the placement and vocational guidance services of the Member States as well as the possibilities in the field of job creation and work-sharing.

Finally, since the Social Fund can support only recurrent expenditure, the Commission is conscious of its need to relate its intervention with that of other Community instruments, particularly the capital investment programme of the European Regional Development Fund.

**Mr Hamilton.** — I want to express my gratitude to the Commission for that detailed reply to a very important question. It was not meant to be as parochial as the wording might imply. I recognize that it is a world-wide problem, not merely a European problem. I hope the Commission will agree that there are few problems more sad and socially damaging than that of youth unemployment, especially if it is pro-



**Hamilton**

longed. I would like to ask the Commission whether it has any idea of what increases in expenditure it has in mind in the next year or two to expand training facilities for the young, because I gather that even in the world-wide recession from which we are now suffering, there is still a substantial shortage in certain sectors of industry throughout the Community, and certainly in the UK, of skilled labour. It is therefore imperative that we bend all our endeavours to increasing, and increasing urgently and immediately, training facilities for young people.

**Mr Hillery.** — Expenditure must, of course, be related to the decisions of Parliament on the budget, but the applications made under the recent opening of Article 4 are very much in excess of the resources available to the Commission. Nevertheless, we do hope to spend more in the coming year and the years ahead on this particular question than we have been able to do before the opening of Article 4.

**Mrs Kellett-Bowman.** — While we accept that, as has been said, the rate of youth unemployment throughout the Community is very, very serious indeed, it is certainly not least serious in my own area, where there are 40 unemployed for every job vacancy. Will the Commission therefore urge the Council very strongly to restore the cuts in the Social Fund so that it may be able to play a much more positive role in solving this problem. Will the Commission also press the Council to keep a very close watch on the governments of the Member States so that the Regional Fund money supplied is used for the purpose of giving real additional help in the regions and not devoted to other expenditure. May I just point out to the Commissioner, in view of the fact that he has mentioned that the unemployment is mainly confined to the less educated, that this is alas ceasing to be the case as many very highly educated young people are now feeling the pinch. It is therefore the training aspect which is so important, not the educational one.

**Mr Hillery.** — This was answered in yesterday's debate on the budget here in Parliament: every effort is being made by the Commission and Parliament to have the cuts in the Social Fund budget restored.

**Mr Ellis.** — Will the Commission bear in mind that many people in the peripheral regions of the Community, especially Socialists, have after 40 years of futile political pleading, now abandoned any hope of achieving any economic equality with the richer central areas under the

present nation state regime, a regime founded on capitalist aggrandizement and military conquest, and are looking to an effective European economic and regional policy based on a true union in a federal Europe for solutions to their so far intractable problems.

*(Applause from the Socialist Group)*

**Mr Howell.** — Would the Commissioner agree that we should rely less on measures that can be taken in the Community at the present time and realize that the problem of youth unemployment in Britain is largely due to our very high taxation and the fact that profits are restricted in such a way that new investment cannot be used to create jobs for the young?

*(Protests from the left)*

**Mr Hillery.** — I have no desire to get involved in the private battle going on between the British Members of Parliament. But I would say that there is a good case for Community measures for the problems facing us and particularly the problem of youth unemployment.

**Mr Burgbacher.** — (D) Will the Commission give us statistics showing what percentage of unemployed young people have not completed school education, what percentage have had no vocational training, and what percentage is unemployed in spite of having completed school education and had vocational training? I consider these statistics to be absolutely essential if we are to know where to start. A good doctor treats the causes, not the symptoms, and these figures would show the causes. I therefore feel they are essential. I know some countries in the Community already have them, so they should not be too difficult to compile.

**Mr Hillery.** — The figures I have been asked for do not exist in that form or in comparable form in all Member States, but I will try to get figures indicating in some way the breakdown of youth unemployment according to education, as asked for by the Member, but it will have to be at a later stage.

**Mr Osborn.** — Will the Commission be careful to consult not only educational authorities, but industry itself on the employment of young people? There is a reluctance amongst young people, even in my city, Sheffield, to take on apprenticeships in light engineering, heavy engineering and plant engineering. There is an attitude of mind which is wrong and if the Commission can influence industry and education authorities to change that in Britain and elsewhere, it will be to the advantage of youth employment.

**Mr Hillery.** — The nations setting up the new Social Fund in 1971 did not envisage aid to apprenticeships, and this seems to be a disadvantage. The Commission is at present trying to find ways in which the Social Fund can help in supporting apprenticeship training, but we have not yet found a method which would come within the regulation.

**Mr Noè.** — (I) I, too, should like to ask the Commission for the statistics, as Mr Burgbacher has done. I should like to ask whether, to be able to tackle this complex and serious problem more effectively, the Commission's study groups are compiling data for the last few years on the reduction or increase in employment in the agricultural, industrial and services sectors, so that we can know the trends in these three sectors, so that we can see which of them might offer future employment opportunities and so that we can plan the training which has been called for here. It is all very well training young people, but for what kind of jobs? This is the problem, and these data could help to solve it.

A study of this kind, which was carried out in the United States, gave an interesting picture: a reduction in the employment of young people in the agricultural sector—we are aware of this—, a reduction in the industrial field, but an enormous increase in the services sector, which is thus being examined. What is needed is a detailed analysis to see how many branches are included.

**Mr Hillery.** — As I said, the statistics at my disposal will be made available to Parliament as soon as I can get them into a form which can be circulated.

**Mr Härzschel.** — (D) May I first of all express my disappointment at not having received any precise statistics in reply to my question and then ask the Commission again: under what circumstances is aid now being granted? Could you tell Parliament this and also when we can expect the Commission to discuss these proposals with the governments of the Member States, so that something more can be done, and done in a coordinated fashion, at both Community and national level? I would ask you to give us a date, since I feel that this is an urgent problem and we do not have time to start lengthy studies.

**Mr Hillery.** — First of all, Question Time does not allow the distribution of statistics. As regards taking action, Article 4 of the Social Fund has already been opened to Member States to make applications for projects for youth under 25 years of age seeking employment. As I say, there will have to be selectivity, because

the applications already received total something like 279m u.a., while the money available under Article 4 is very much smaller. With regard to other actions for youth unemployment, the Commission intends to submit to the Standing Committee on Employment documents making some proposals in this area in December. If a further debate were needed in Parliament and if Parliament could arrange it, the Commission would be very happy to participate.

**Lord Bruce of Donington.** — In view of the Commissioner's indication to the House that to some extent his activities in the field of youth unemployment are inhibited by lack of funds, will he give the House the assurance that he will pluck up courage and go to the Council and make urgent representations for the augmentation of the Social Fund, which at the moment is at a derisory level. The Council had an opportunity yesterday of accounting for its action and was unable to do so. Will the Commissioner really see that some energetic representations are made to the Council.

**Mr Hillery.** — I cannot accept the suggestion that the lack of funds is solely due to the absence of the plucking up of courage. We need to pluck up some money, and I think Parliament can do this for us, as we debated here yesterday. But I do not know of anything more I can say to the Council, or about the Council, on this question. It is not a matter of courage, I can assure the Member, but certainly the Commission found the debate yesterday, which demonstrated the support of Parliament for the Commission's position, very encouraging.

**Mr Albers.** — (NL) While there is a clear link between the level of training and unemployment among the young, it has also been shown that young migrant workers are relatively hardest hit by unemployment, and does the Commission therefore not feel that there should be an additional programme to avoid the danger of young and unemployed migrant workers being sent back to their home countries?

**Mr Hillery.** — The young migrant worker belongs to two vulnerable groups, the young and the migrants, and so is in a worse position. The programme for migrants, which has already been forwarded to the Council, has been discussed by Parliament, but it would be again of great help to have an expression of strong support from Parliament for this programme, which will be considered by the Council at its December meeting. It is true that young migrant workers form a vulnerable group, and if they happen to be female, they suffer a triple disadvantage.

**Mr Laban.** — (NL) Since the fight against the persistent evil of youth unemployment is primarily a task for the national governments, and Community aid must be only supplementary, I should like to ask Mr Hillery whether he feels that the Member States themselves are doing enough to combat unemployment among the young?

**Mr Hillery.** — Part of the consultative discussions we have had with the social partners and the Member States has been aimed at finding schemes applied in some Member States which might be useful and could be adopted by other Member States. The meeting of the Standing Committee on Employment in December may show that the adoption throughout the Community of useful projects which have been initiated in some Member States, has been of benefit. So I think it has been useful to bring the nine Member States together on this problem. It is also useful to seek to solve problems through the Community instruments. They cannot solve all the problems, but they can guide the Member States in a direction which the Community, because of its special overall position, can see is the most likely to succeed.

**President.** — Ladies and gentlemen, please do not ask to speak on this question any more. It is certainly important, but we shall have had more than a dozen speakers.

**Mr Della Briotta.** — (I) Does the representative of the Commission not feel that lowering the retirement age may at this stage be the only concrete measure likely to alleviate, if not reduce, unemployment among young people?

**Mr Hillery.** — Early retirement is one of the possible ways in which new employment can be made available to younger age groups, but there are other methods of work-sharing, and I do not think it would be fair to say that it is the only way. It is one of the ways which should be considered and will be considered with the social partners in the Member States next week.

**Mr Bordu.** — (F) Each of us could talk at great length about the unemployment in his own country. One of the running sores in France, for instance, is the fact that it now has 700 000 unemployed young people. Youth unemployment is one of the dark spots in the European Community.

In view of the importance of this problem, the discussion to which it has given rise, and what the President has just said, I propose that a debate be organized on it to allow us to go

into greater detail than is possible during Question Time.

**President.** — Mr Bordu, the President's office will get in touch with the Commission about organizing such a debate.

**Mr Giraud.** — (F) I have two questions.

Firstly: the matter of early retirement has just been raised, but does Mr Hillery not feel that, if the retirement age is lowered, the problem of simultaneous retirement and employment would have to be studied? There is no point in letting people retire early if they then take up a second job.

Secondly: does the Commission not feel that apart from the problem of funds, which are of course important, one of the gravest questions is that of the inadequacy of vocational training and of the vacancies available?

**Mr Hillery.** — Early retirement is one of the methods of work-sharing which would make it possible to distribute the work available more equally and, as I said, I think this is something which will be discussed with the social partners.

The training services and the placement services in the nine Member States have not succeeded in filling all the available vacancies even at this time of unemployment. I think there may be half a million vacancies in the Community. So it is quite true to say that these services can, by their more precise action, reduce the unemployment figures, even in the present situation, without creating any new employment.

**President.** — I call Question No 8 by Dalyell. It is worded as follows:

'Will the Commission report on progress towards the objective of creating a European Data Bank Computer Industry, competitive with IBM?'

**Mr Spinelli, Member of the Commission.** — (I) The number of data banks in both the public and private sectors is steadily rising. In the public sector of the Member States alone there are more than 120 data banks. To be precise, however, it is not possible to talk of a data bank computer industry. Data banks are systems which depend on software for their management. In its document of 5 March last on priority actions in the data processing sector, the Commission proposed that the Community set up a data bank for organ transplants so as to ensure blood group compatibility. In its second group of priority proposals, submitted to the Council in September, it called for a study to assess the data systems currently available to users, as well as for an information storage and research

**Spinelli**

project providing a specifically European solution to the main requirements in the fields of legal, scientific and economic documentation etc. If adopted by the Council, these proposals, which are intended to ensure interchangeability of the systems, should help to enable European industry to provide services which can compete with the systems offered by the American-based companies. As regards the European computer industry as a whole, the Commission stressed its concern in its replies to two written questions, and this concern has been vindicated by the subsequent break-up of the Unidata group. The Commission is at present drawing up an action programme involving suitable measures to restore the balance in the field of competition.

**Mr Dalyell.** — What does Mr Spinelli suppose that he can usefully achieve with 27m u.a. that IBM cannot achieve with 2 200m dollars spent in 1974 on research alone? With one-seventieth of the resources is not Mr Spinelli in the position of Don Quixote tilting at windmills? To say in his answer that he can stand up well in competition with American research is absolutely preposterous. Could the money not be more fruitfully spent either on the Social Fund or fusion research rather than on these fanciful schemes?

*(Applause from certain quarters on the left)*

**Mr Spinelli.** — (I) It is clear that we cannot yet compete with IBM with the modest funds requested, but they can enable us to initiate some research which will help our companies to develop. I agree with Mr Dalyell that the problem of the electronics industry must be tackled on a much broader basis, and I have already announced that the Commission intends to do this. I feel, however, that research of the kind we have proposed is extremely useful and, if I am not mistaken, Parliament yesterday reinstated the appropriations we had requested and which had been deleted by the Council.

**Mr Cousté.** — (F) After this affirmative reply, does Mr Spinelli not also think that a European-based company may after all develop out of the current talks between CII and Honeywell Bull?

**Mr Spinelli.** — (I) The question concerns computers for data banks, and not the computer industry as a whole, which would obviously call for a much longer speech than I can make here in a brief one-minute reply to a specific question.

**Sir Brandon Rhys Williams.** — Is Mr Spinelli considering the implications for the computer industry of European Union and in particular the role of computers in providing an integrated

Community system of direct personal taxation and social security?

**Mr Spinelli.** — (I) The steps to be taken in the computer sector will all be submitted to Parliament, which will be able to discuss them in detail. At the moment, it is a bit difficult for me to reply on this particular aspect.

**Mr Noè.** — (I) In view of the break-up of the Unidata group, does the Commissioner not think that it would be realistic and beneficial if, in addition to the moves he has just mentioned, and which I welcome because of the results they could have in many sectors, the Commission took steps to encourage major American companies such as IBM—which another Member has just mentioned—*inter alia* to combat the unemployment dealt with in the previous question by increasing their activities in the fields of research and design, as they are already doing in Europe, since their considerable technological lead means that we can hardly expect to catch up with them within a few years?

**Mr Spinelli.** — (I) This problem will be dealt with as part of the general study of the problem.

**Lord Bessborough.** — I have two questions, since I have been invited by the Committee on Budgets to give an opinion on the proposals of the Commission regarding the building up of a data processing network within Europe and indeed a European data processing industry. Could the Commission tell us whether these proposals have yet been considered by the Council or by one of the COREPER working parties? Secondly does the Commissioner know of any prospects of further crossfrontier mergers of firms within the Community?

**Mr Spinelli.** — (I) In reply to the first part of the question, I can state that our proposals are being examined by COREPER, but this study is not yet at a very advanced stage, since, as you know, COREPER's working pace is largely outside the control and responsibility of the Commission.

As far as the second part of the question is concerned, we do not at present have any news on recent merger plans, only information about mergers completed some time ago.

**President.** — I call Question No 9 by Mr Scott-Hopkins. It is worded as follows:

'What steps are the Commission taking to restore the level of trade in pineapples from Malaysia to its pre-1973 level in view of the serious decline which has taken place since 1973, and what steps will be taken to ensure that total trade between the EEC and Malaysia will not decline from its 1974 level?'

**Mr Gundelach, Member of the Commission.** — Mr President, the first part of Mr Scott-Hopkins' question relates to imports of pineapples from Malaysia into the Community. The figures show in fact a considerable increase both in volume and in value during 1974 as compared with previous years. In 1972 these imports amounted to 12,000 tonnes with a value of 34m u.a., and in 1974 they amounted to 24,000 tonnes with the value more than doubled to 11.1m u.a. The 1975 figures are obviously not yet complete, but in view of the world recession and its effects on trade, which are now unfortunately becoming quite marked, it is not unreasonable to expect something of a reduction this year in the level of these imports from both Malaysia and elsewhere. Such reductions will not be due to phenomena like tariffs but, as will be clear from the second part of my answer, to the world recession.

At this point I would like to underline that the prime concern of the Malaysian Government, and indeed of most other developing countries, is the continued low level of economic activity in the industrialized countries, including the European countries. No single factor is more important for the success of the development policies of the developing countries than the maintenance of a reasonably high and stable level of economic activity in the industrialized countries.

The increase last year in the Community's imports of pineapples from Malaysia can reasonably be attributed to their inclusion for the first time in our generalized scheme of preferences. As for the future, the 1976 scheme will be further improved to the benefit of Malaysia among others, in that the Council has approved in principle, at the proposal of the Commission, an increase in the duty-reduced quota for crushed pineapple from 20,000 to 30,000 tonnes. The Council has also agreed to open an entirely new duty-reduced quota of 28,000 tonnes of sliced pineapple. These quotas will, I trust, be opened. As Mr Scott-Hopkins knows, this tailoring of the generalized scheme of preferences follows on from the joint declaration of intent in which the Community committed itself to an expansion of trade with the countries of the Asian Commonwealth.

In respect of pineapples, Malaysia has been the prime beneficiary of the recent developments of the generalized scheme of preferences. Other products that have benefited are palm oil, palm kernel oil, palm coconut oil for industrial purposes, paper, plywood and certain fish products. Moreover, to ensure that Malaysian businessmen are well placed to take advantage of the improved access they have thus gained to the

Community market, the Commission has held two information seminars in Malaysia. We have also given technical and financial assistance to Malaysian exporters at a number of fairs and exhibitions with the Community, and the Commission has organized study missions for Malaysian businessmen.

I would like to finish by saying that relations with the countries grouped in ASEAN have been put on a firmer footing by the establishment in the summer of 1975 of a joint study group to go into all questions of trade and development which may arise between the Community and these countries. I am sorry to have gone into this at some length, but this is one of the areas where the Community has recently had some success.

**Mr Scott-Hopkins.** — I am grateful to the Commissioner for the detailed reply he has given, and I am sure that it will go a long way to allaying a great many of the fears which exist.

Would he not accept that part of the difficulty has been that Malaysia and other countries in ASEAN have feared that following the Lomé Convention, they would find their trade with Europe adversely affected. This trade may not be of great importance to us, but the export of pineapple and the other products he mentioned are of great importance to those countries' economies.

**Mr Gundelach.** — These countries, including Malaysia, have indeed had these fears, and the methods to which I referred at some length—which I think are important—have gone a long way to allaying those fears. And we will continue on that road, I hope with the support of this Parliament.

**President.** — I call Question No 10 by Lord Gladwyn. It is worded as follows:

'The Woollen and Worsted Trades Federation of Bradford, England, complain of unsocial production methods and unfair marketing practices on the part of the woollen manufacturing industry of Prato, Tuscany.

Does the Commission consider that these complaints are wholly or partially justified and if so, what course is, in its view, open to the Bradford Federation in order to obtain redress?'

I call Mr Hughes for a procedural motion.

**Mr Hughes.** — Mr President, it would seem to me that the last question on pineapples and this question on the woollen industry in Tuscany and Bradford are not proper subjects for oral questions in this Parliament. I would ask you, Mr President, to use your good offices to see

**Hughes**

that questions on such narrow matters be put as written questions and not take up the time of this House on an already overburdened Question Time.

*(Applause from certain quarters on the left)*

**President.** — Your suggestion will be studied, Mr Hughes, but since the question is on today's agenda we must deal with it.

**Mr Spinelli, Member of the Commission.** — (I) Mr President, in September 1975 the Woollen and Worsted Trades Federation of Bradford submitted to the Commission a complaint about the competition aspects of products of the Prato wool industry.

After receiving earlier complaints the Commission made a comparative study in 1970 of the cost structure of worsted in the Community of the Six. The report published after the enquiry came to the conclusion that production conditions at Prato were extremely competitive and showed no abnormal features. Although there is a large number of wool mills in Prato, they are not organized into combines, and they receive no state subsidies.

As far as the new complaint by the Trades Federation is concerned, an enquiry is at present being made, and once this has been completed, and at any rate before the end of the year, the Commission departments will be able to make a statement.

**Lord Gladwyn.** — I take note of the Commissioner's reply to this question. It will certainly be of interest to the citizens of Bradford, if not to some of my colleagues on the left of the Assembly.

May I assume that as soon as the reinvestigation of this question by the Commission is completed, the federation will be informed of the results as soon as possible?

**Mr Normanton.** — While recognizing the difficulties facing a particular sector of the textile industry from unfair competition within the Community, may I remind the Commission that the European textile industry as a whole is much more concerned with unfair competition from outside the Community. Would the Commissioner once again assure the House that the Commission and indeed the governments of the Member States are really taking this problem of unfair competition around the world seriously.

*(Applause from certain quarters on the right)*

**Mr Spinelli.** — (I) It is certainly true that foreign competition represents the greatest danger to our textile industry.

The Commission is following all these problems closely, and I would point out that we are by no means helpless, since we have a multifibre agreement which governs and lays down limits for this competition.

Nevertheless, there measures must be compatible with our general policy of support for industrial development in the developing countries, in view of the consequences for our own industry, and the need for certain changes which the textile sector is in any case now making.

**President.** — I call Question No 11 by Mr Cointat. It is worded as follows:

'Are not the stocks of some one million tonnes of milk powder in the Community partly the result of a certain negligence by the Commission in the proper management of stocks in accordance with a coherent commercial policy and partly a reflection of their unwillingness to dispose of these stocks in 1975 for extremely short-term budgetary reasons?'

**Mr Hillery, Vice-President of the Commission.** — Mr President, the present level of skimmed milk powder stocks in the EEC is the result of a number of factors which for the most part are not dependent on the market management in 1975. The private stocks at the beginning of 1975, about 220,000 tonnes, were progressively reduced and resulted in the transfer of the surplus to the public sector. On the other hand, there was a continual reduction in the quantities of liquid skimmed milk returned to the farm. This has contributed to an increase in skimmed milk powder production of about 100,000 tonnes. The drop in the price of soya has contributed considerably to the reduction in the level of incorporation of skimmed milk powder in animal feedingstuffs. This situation has resulted, in 1975, in a reduction of 80,000 to 100,000 tonnes compared with the quantities used in 1974 for animal feed. Finally, the general situation in the world market has considerably changed since the previous year.

**Mr Cointat.** — (F) Is it true that the carry-over as per 1 January 1975 was 580,000 tonnes of milk powder and, if so, can one therefore assume that the surplus in 1975 is lower than in 1974?

**Mr Hillery.** — The carry-over in 1974-75 was in fact about 520,000 tonnes. The net increase in the 1975 stocks has been less than the carry-over. We expect for 1975 a net increase of 490,000 tonnes.

**Mr Scott-Hopkins.** — Could the Commissioner give us any information about the disposal of these stocks of dried milk on the world market, about the quantities he hopes will be used as food aid in 1976 and about any other kind of arrangements that are being made at this moment.

**Mr Hillery.** — I can give information on the arrangements for 1975, and we expect to do more in 1976. 70,000 tonnes have been supplied as food aid. Sales of skimmed milk powder at reduced prices to developing countries amount to 6,000 tonnes to date, and it is expected that further quantities will be sold before the end of the year. The Council agreed to the disposal of old skimmed milk powder for incorporation in feed. This will account for 40,000 tonnes on the internal market and 40,000 tonnes for export. Tenders will be opened this month for those sales. Aid to the private storage of skimmed milk powder led to 52,000 tonnes being taken, and finally the Council decided on a temporary suspension of inward processing. Further proposals made by the Commission in July 1975 are still being discussed by the Council.

**Mr Frehsee.** — (D) In view of Mr Hillery's remarks about the lack of opportunities for disposing of the enormous milk-powder mountain and in view of the size of this mountain—it is now more than 1.1 million tonnes, which is more than twice the annual world demand—may I ask the Commission how old the oldest stocks actually are and for how long milk powder can in fact be stored?

**Mr Hillery.** — The oldest stocks date back to the beginning of 1974, and I am advised that skimmed milk powder can be stored for two years without a change in quality.

**Mr Broeks.** — (NL) Does Mr Hillery not in fact think that the Commission's original proposals on food aid are too low and that there is every occasion now to increase food aid to the Third World still further?

**Mr Hillery.** — We hope that more can be done in the coming year, but the figures I gave represent what could be achieved in 1975.

**Lord Walston.** — What is the cost per annum of storing a thousand tonnes of dried milk? At what stage does it become more economical for the Community to give away the dried milk powder in order to save storage charges?

**Mr Hillery.** — I know it costs more to give it away than to store it, but at the moment I do not have the figures asked for by the Member.

**Mr Martens.** — (NL) Can Mr Hillery give us an idea of the effect of the embargo on exports of cheese to the United States and the fall in production of casein, since it was possible to process a lot of skimmed milk in these two ways?

**Mr Hillery.** — 40,000 tonnes, which figure covers both the drop in casein production and exports.

**Mr Howell.** — What prospects would there be for disposing of this surplus if there were no restrictions as to which country we sold it to?

**Mr Hillery.** — There are no restrictions as regards countries in which there is a market for it.

**President.** — I call Question No 5 by Mr Terrenoire, which I had held back. It is worded as follows:

'Following the last meeting of the 'Group of Nine' at the level of the Directors-General of the EEC railways, what measures does the Commission intend to put forward to speed up work to provide Europe with a high-speed railway network?'

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) I have already stated on several occasions, both in this House and in committee, that there is only one instrument available to us—the association agreement ratified by the Council of Ministers in 1966. Although it is an interesting agreement, it has no positive or practical consequences. I might add that I brought the problem up again at the last meeting of the Council of Ministers. We are therefore studying how to improve the information procedures so that the problem of infrastructures really can become a topical Community matter. We are also studying various projects, among them the possibility of developing a high-speed railway network in the European Community.

**Mr Terrenoire.** — (F) I would like to know when this network could be set up. If it had already existed I would not have been late. Nor would I have had to come by air, only to be delayed by fog.

**Mr Scarascia Mugnozza.** — (I) For the reasons I have already given, I do not have the slightest idea, since the Commission has no means of intervening.

**Mr Osborn.** — Bearing in mind that the railways are so unprofitable these days and running at a loss and that there is a need to coordinate R & D in new fields, can the Commissioner indicate what steps are being taken to achieve

**Osborn**

such coordination and, in this connection, use the advanced passenger train produced in the Derby railway research centre as well as the high-speed train. What type of train does he visualize will be the vehicle for this highspeed network? Will it necessarily be steel wheel on steel rail or some other type?

**Mr Scarascia Mugnozza.** — (I) There is a lot of research going on in this sector, but since we have no idea what a European railway network may look like, I cannot say what kind of train will be used.

**Mr Normanton.** — Will the Commission take into account, in considering the development of the European network, the importance to Europe as a whole of establishing at the earliest possible date a Channel tunnel with a railway link built into it?

**Mr Scarascia Mugnozza.** — (I) I have already made clear to this House my views on the tunnel.

**President.** — I call Question No 12 by Mr Noè. It is worded as follows:

'How does the Commission expect the problem of nuclear fuel reprocessing to be solved in the 1980s, since it appears that existing capacity will be insufficient to meet the demand when the programmes for building new nuclear power stations are implemented?'

**Mr Spinelli, Member of the Commission.** — (I) Mr President, current estimates show that, by the start of the 1980s, we shall in fact be faced with a capacity shortfall for the reprocessing of irradiated nuclear fuel in the light-water power stations. To combat this situation in the short term, the authorities involved are planning to increase the capacity for fuel storage in swimming pools. The Commission is trying to help solve this problem with the means available to it under the Euratom Treaty.

Firstly, as regards research and development and the protection of the environment, there are already Community programmes for treating nuclear waste and recycling plutonium, both of which are by-products of the reprocessing operations.

As regards the funding of the investment which may be required, the Commission has submitted to the Council a proposal for Euratom loans in accordance with Article 172 of the Treaty. Finally, as in 1971, the Commission intends to organize a meeting of the national representatives before the end of the year to have a wide-ranging exchange of views on develop-

ments in the situation in the Community and in the world as a whole.

**Mr Noè.** — (I) As regards the meeting of national representatives to be held before the end of the year, does the Commissioner not think that one of the objectives must be to arrive—in all the Member States and within a reasonable period of time—at an approach which will make it possible to build these power stations.

I understand that, in the United States, which is further behind than we are in this field, years are being lost because of the lack of legislation on this subject.

May I therefore ask Mr Spinelli what the Community can do to ensure that this legislation is passed, without which these power stations cannot be built in time. I would point out that storing irradiated fuel in swimming pools is a waste of money. We must oppose this solution and, instead, press on with the construction of power stations such as those at Windscale and La Hague, in which these operations are possible.

**Mr Spinelli.** — (I) In reply to the first question, Mr Noè's suggestion will be put to this meeting. It is also planned to set up a working party on this subject as part of the Community programme on radioactive waste.

As far as storage in pools is concerned, the final answer must be to build large plants for reprocessing and treatment. You are aware that it would be in the Community's interest to have a few plants, but large ones. This however, is made difficult by the fact that, since the Community's sense of unity is not yet strong enough, public opinion in each country is against an influx of material to be reprocessed in that country, so that, even in the medium term, it is not easy to find a solution to this problem.

**Mr Hamilton.** — Is the Commission aware of the increasing public concern about the health hazards emanating from nuclear power production and the processing of the waste? Any proposals that I have heard of, as regards storage in tanks or deep oceans even, do not allay the anxieties of the public. Will the Commission use every endeavour to see to it that the public are informed about these dangers so that their fears might be allayed? Does the Commission not agree that there is conflicting scientific evidence as to the length of time during which nuclear waste remains radioactive? I urge the Commission to use all their endeavours to give the public throughout the Community and throughout the world maximum information,



**Hamilton**

because as long as countries like Japan see fit to try and get their waste reprocessed in the United Kingdom, there must be anxieties in the minds of the public that there is something fearful about these processes.

**Mr Spinelli.** — (I) The Commission is aware of these hazards and of the need for an overall solution for the Community. I hope that the same awareness will be shown by the Council, to whom we have submitted proposals, and by the governments of the Member States, so that we really can give our Community a more solid framework. Until this awareness is translated into a political resolve, we can do nothing but regret the present state of affairs, that is all.

**Mr Springorum.** — (D) What does the Commission think will be the price of regenerated fuel, and how does this price compare with the price of new fuel? Can the Commission state the ratio or even the actual costs for these two fuels?

**Mr Spinelli.** — (I) Neither the Commission nor any company is at present able to calculate these prices. There is a figure of 100 to 200 dollars per kilogram, but it is very approximate. We have to reprocess the irradiated fuel and re-use it because it is dangerous to leave it in that state, but little is yet known about the costs.

**Mr Dalyell.** — Perhaps Mr Spinelli is teasing the Parliament when he talks about, 'swimming pools'. I think there could be a different translation for the particular term that he used.

On a more serious note, would he not endorse the action of the British Government in reaching this agreement with Japan which, in contrast to what my friend Willy Hamilton says, is perhaps a very sensible agreement, because the truth is that the British have developed a process which is extremely impressive and frankly, it would be to our commercial advantage to do as much of the world's reprocessing as possible. All these newspaper headlines about the dumping of unwanted waste have very little basis in fact. Could the Commission just endorse the British process, which has had bad publicity but which in fact is technically highly advanced and environmentally as sound as one can be in these matters.

**Mr Spinelli.** — (I) Mr President, I appreciate that translating, in this case, the word 'piscine' as 'swimming pools' may well be 'teasing the Parliament', but these tanks are in fact usually called 'piscine' in Italy.

As regards the agreement between Japan and the United Kingdom, it must be stressed that

this is essentially a bilateral agreement between the two governments, and the Commission has no powers to prevent or allow it. It naturally has advantages and disadvantages, as is usual in this sector of industry, but all this is something for the two countries involved.

**Mr Osborn.** — Could Commissioner Spinelli perhaps consult with Commissioner Simonet, who in Strasbourg last month said there was no shortage or no fear of shortage of enriched fuel? Will he differentiate as between availability of fuel and reprocessing capacity in Europe, and can we have a reassessment as to what the position is, because there seems to be some difference of opinion within the Commission?

**Mr Spinelli.** — (I) The enriched fuel is what is put into the power reactor first of all; irradiated fuel is what comes out after use. The two are quite different. The lack of treatment capacity concerns the second type of fuel.

**Lord Bessborough.** — Following on the comments by Mr Dalyell, I would like to ask whether the Commissioner is aware that the managing director of British Nuclear Fuels Limited made a categorical statement in an article recently in the *Daily Express* to the effect that there was no danger whatever in the methods of storing waste at Windscale, whether Japanese waste or any other waste, and that we have in fact been storing such waste for many years, with no accidents and no danger to anyone's health.

**Mr Spinelli.** — (I) Mr President, in this case it is up to the competent British authorities to comment on the safety levels.

**Mr Giraud.** — (F) To what extent and at what stage are the fuel reprocessing costs taken into account in the cost price per nuclear kilowatt?

**Mr Spinelli.** — (I) As far as possible, these costs are included in the calculations, but their effect is relatively small, no more than 1.1%.

**Mr Evans.** — With regard to the very important point that has been raised by Mr Dalyell, does the Commissioner not agree that it is absolutely essential that the number of reprocessing plants around the world should be kept to an absolute minimum? Will the Commission not accept that we do not want reprocessing plants springing up in every country that has a nuclear power station, because of the obvious dangers of the manufacture of nuclear weapons that could

**Evans**

arise from that situation. Surely it is better that we keep to a minimum the number of reprocessing plants and that we keep them in the hands of those who have the most technology in this field.

**Mr Spinelli.** — (I) Yes, the number should be kept to a minimum, provided the various countries of the Community are able to reach agreement on this. For some countries, this will mean irradiated fuel coming in from other countries. Essentially I agree completely with you, Mr Evans.

**President.** — The time allocated for Question Time having run out, Questions Nos 13, 15, 16 and 17 will be answered in writing<sup>1</sup>. Question No 14 has been withdrawn.

Question Time is now closed. I should like to thank the representatives of the Council and the Commission for their answers.

I call Mr Spicer for a procedural motion.

**Mr Spicer.** — Mr President, there were only 18 questions on the agenda today, and I think I speak for all those people who put Questions 13, 15, 16 and 17 when I say that we would have expected to cover all these questions in the course of one and a half hours, I wonder if we could ask you, Mr President, to exercise your authority and limit the number of supplementary questions. I certainly take no pride in the fact that we can have as many as thirteen supplementary questions on each question on the agenda. Could we leave that in your hands, Mr President?

(Applause from certain quarters)

**President.** — Mr Spicer, thank you for your remarks, which will support me in doing what you have requested. However, I would point out that I did limit the number of supplementary questions today, but perhaps I shall have to be even stricter.

##### 5. Change in the agenda

**President.** — Ladies and gentlemen, in view of their subject, it would be logical to hold a joint debate on the next two items on the agenda, namely the reports by Mr Corterier (Doc. 351/75) and Mr Terrenoire (Doc. 337/75).

Are there any objections to this proposal?

That is agreed.

##### 6. Recommendations of the EEC-Greece Joint Parliamentary Committee adopted on 27 June 1975 - Additional protocol to the EEC-Greece Association Agreement

**President.** — The next item is the joint debate on the report drawn up by Mr Corterier on behalf of the Associations Committee on the recommendations of the EEC-Greece Joint Parliamentary Committee adopted in Athens on 27 June 1975 (Doc. 180/75) (Doc. 351/75) and the report drawn up by Mr Terrenoire on behalf of the same committee on 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) (Doc. 337/75).

I call Mr Corterier.

**Mr Corterier, rapporteur.** — (D) Mr President, since Ambassador Stathatos is present today I should like first of all to take the opportunity of thanking him and his government very warmly for the valuable assistance they kindly gave us in our task. They greatly facilitated the cooperation between our delegation and our Greek colleagues in the Joint Parliamentary Committee.

The ninth meeting of the Joint Parliamentary Committee, which took place in Athens between 25 and 27 June 1975 and which is the subject of my report, was by its very nature an event of exceptional importance for all those who took part; it was the first meeting of the Parliamentary body set up by the Association Treaty to take place after the long years of dictatorship during which relations between the EEC and Greece were 'frozen'.

The application for accession to the Community, officially submitted by the Greek government on 12 June 1975, contributed further to the interest and relevance of the Committee's discussions.

Great attention was therefore paid to the proceedings of the Committee, particularly in Greece, and this again demonstrated the interest which that country shows in the Community.

At the meeting, the principal topic was the association of Greece with the European Community; in addition, some international political questions of mutual interest were discussed and finally also the political and economic effects of Greece's application for accession to the Community.

I should now like to make a few comments on the most important issues which were raised during those discussions.

<sup>1</sup> See Annex.

**Cortier**

Firstly, I should like to point out that the 12-year transitional period laid down in the Association Treaty expired on 1 November 1974. During that period Greece abolished most of the customs duties previously levied on industrial goods imported into Greece from the EEC. Since industrial goods imported into the Community were already free of customs duty, it can be said that, as from that date, the customs union between the EEC and Greece took effect in so far as most of the trade in industrial goods was concerned.

Thus one of the principal aims of the Association Treaty was achieved. The chief purpose of the Treaty, as you know, is the harmonization of agricultural policy and the development of common policies in certain areas.

However, since April 1967 the application of the Association Agreement had been frozen because of the political regime that came to power as a result of a coup d'état.

During that time the operation of the Association Agreement was restricted to 'day-to-day management', that is to say, since 1967 the only area in which the Association Agreement was in effect applied was in the dismantling of customs barriers. Between 1967 and today this agreement has therefore been only partly operative and for many years this instrument, which should have made a key contribution to the economic development of Greece, could not achieve the results which both parties to the agreement had intended it should have when it was signed.

If, after the tragic years of the dictatorship, in which Greece was largely cut off from the international community and which left the Greek people with a bitter legacy, that country now turns to Europe, it is because it sees Europe as a partner with which it would be possible to establish close cooperation on the basis of common interests, and so strengthen its own democratic institutions, prevent any relapse into dictatorship and make more rapid social and economic progress.

In view of some misleading press reports on this subject which appeared a few weeks ago, I feel it is necessary to state here quite clearly that the great majority of the European Parliament welcomes Greece's approach to the European Community and also the Greek application for membership. There will of course have to be very detailed discussions about the terms of accession, the time-scale for its implementation and about the economic, social and financial problems which the Greek application for accession raises for both parties. In my view, the time has not yet come for such comprehensive

and detailed discussions, since one key document is still lacking: the report which the Commission is preparing on the problems associated with the Greek application for membership. I should like to ask the Commission when we can expect this report to be completed and also ask it to make the document available as soon as possible so that the European Parliament can consider the Greek application both in its competent Committees and in a plenary session.

In this connection, I should like to make one thing clear: no one should think that the accession of Greece to the Community would result in political and economic advantages for that country alone or that Greece in its application to the Community is cast in the rôle of petitioner. The colonels' regime was a severe setback for democracy in Europe. If the accession of Greece to the Community makes it possible to safeguard democracy in that country and to strengthen democracy in Europe generally, then we must all have a political interest in that accession.

From the economic point of view also, association and full Greek membership at a future date are by no means of advantage to one side only. Industry in the Nine will acquire new trade outlets which will not be limited to the Greek market alone.

By virtue of its age-old trade relations, its links with other peoples and its history, which is free of any colonial associations, Greece occupies a special place among the countries of the Eastern Mediterranean. It can therefore be an ideal intermediary for a Europe which wishes to expand and strengthen its economic and trade relations with the countries in that area. A 'geographical rapprochement' of the Community to those countries, as a result of the accession of Greece, could only improve the economic and political standing of the Community in the Eastern Mediterranean.

Allow me to comment briefly on some economic problems connected with the further development of this association. In the immediate future the second Financial Protocol must be implemented, the terms of which, according to the Commission of the European Communities, may be summarized as follows: a major part of the new European Investment Bank loans should be used for structural improvements to Greek agriculture, and Community aid should also help to make possible the harmonization of agricultural policy, which is one of the most important aims of association in this initial phase.

The purpose of these financial measures is to restructure Greek agriculture and to shape the pattern of production in such a way that Greek

**Cortier**

agriculture will be complementary to rather than competitive with that of the European Community.

I think we can all support these aims. I should like to ask the Commission, however, whether the programme to be implemented on the basis of the second Financial Protocol could be put into effect fairly quickly, in a relatively short period, and what economic, technical and social problems the implementation of this programme can be expected to raise.

Before I finish, Mr President, might I stress that the Greek export trade and the Greek economy have both made very gratifying progress in recent years. It is clear from the statistics appended to my report that there has been a considerable increase in Greek exports to the Community as a result of the reduction in tariffs provided for in the Association Agreement.

Moreover, the growth in gross national product, investment trends and the improvement in agriculture are evidence of the satisfactory upturn in the Greek economy as a whole. This has led to such a marked rise in the standard of living in Greece that the gap separating it from the Member States of the European Community no longer seems insuperable.

I should like to sum up by stating that Greece and the Community should be equally interested in safeguarding democracy in that country by strengthening its economic and social structure. As the association makes further progress and when Greece later becomes a full member, the Community will also have to make sacrifices. These sacrifices will have to be kept within limits which are tolerable to all the parties concerned. That is something which we shall then have to discuss in detail.

All in all, the association and the accession of a Greece restored to freedom and democracy will present new positive economic and political opportunities both for Greece and for the Community.

*(Applause)*

IN THE CHAIR: LORD BESSBOROUGH

*Vice-President*

**President.** — I call Mr Terrenoire.

**Mr Terrenoire, rapporteur.** — *(F)* Mr President, ladies and gentlemen, the accession of Denmark, the United Kingdom and Ireland to the EEC necessitated the preparation of an Additional Protocol to the Association Agreement with Greece, extending it to include the

new Member States of the European Community. In the light of the decisions taken by both parties on 5 May 1975, the Commission submitted to the Council as a first step a Recommendation for a Regulation on the conclusion of an Additional Protocol and a Recommendation for Decision on the initiation of negotiations for an interim agreement; this interim agreement, which entered into force on 1 July 1975, was necessary in order to allow the advance application of the provisions on trade between the three new Member States and Greece until such time as the Protocol is ratified by the parties concerned.

In view of the request by Greece for membership and of the prospects of closer relations between the Community and Greece, it is now critically important that the Commission's proposals to the Council be implemented. They will in effect open the way for the establishment of the commercial and economic contacts which are an essential element in the transition from association status to accession.

The Associations Committee, of which I have the honour to be the rapporteur, feels that it is absolutely necessary to make up as far as possible for the delay caused by the 'freezing' of the agreement. In fact, after the coup d'état of 21 April 1967, the Community decided to restrict the operation of the agreement to 'day-to-day management', that is to say, only those provisions were applied which were part of a precise automatic or semi-automatic time-table.

Consequently, while the harmonization of policies, the development of joint measures and the financing of the Greek economy were put in abeyance, work continued on the dismantling of tariffs. This work went very well in fact and considerable progress was made in that field.

Since 1 July 1968 Greek industrial products have been exempt from customs duties and from charges having an equivalent effect on importation into the Community as originally constituted. For its part, Greece, after successive reductions, abolished customs duties on industrial products and most agricultural products on 1 November 1974. These products account for approximately 70% of Greek imports from the Six.

Since 1 November 1974 Greece has been applying the full common customs tariff to products for which the tariff dismantling period was 12 years. In effect, the association has only been partly operative. However, that has not prevented the development of the Greek economy. Between 1963 and 1972, the overall gross national product, expressed in terms of constant

## Terrenoire

market prices, has increased on average at a rate of 8% per annum, which is a higher rate than in the six countries of the original Community, where it was 5%.

In 1962, agriculture and fisheries accounted for almost 30% of the gross national product in Greece, as against less than 10% in the Six. In 1972, the primary sector accounted for only 16%, but it should be noted that, despite the reduced rôle of agriculture in the Greek economy, agricultural production increased at a much faster rate than in the countries of the European Community. Industrial production showed an even more striking advance, increasing between 1963 and 1972 by a coefficient of 2.5 whereas in the Nine the coefficient was only 1.5.

With regard to trade, it should also be noted that annual imports into Greece from the Six have increased considerably, in absolute terms, even if as a percentage they have remained relatively stable at approximately 43%.

During the same period, imports from EFTA went down from 21% to 18%. On the other hand, as Mr Corterier has just pointed out, quite appositely, in his report, there was a sizable increase in exports from Greece to the Six, from 35 to 48%, as a consequence of the Six's progressive dismantling of tariffs on Greek products.

Association has thus encouraged trade between the Community and Greece, and the entry into force on 1 July 1975 of the interim agreement, under which the three new Member States of the EEC reduce their customs duties on Greek imports by 60%, will play a large part in reviving it.

There can be no doubt that Greece and Europe are joined by close bonds. Greece is turning to Europe to strengthen its industry and to find a market for its manufactured goods. It is also true that Greece could be—is already to some extent—an excellent springboard for Europe in its attempts to improve its trade with the countries of the southern Mediterranean, the Middle East and North Africa.

Moreover, specialized export to Europe is a possibility since the Greek market is too small to justify large competitive production units. Greece would therefore have to continue to export and at the same time provide for its own home consumption in order to avoid the dilemma of having an industrial apparatus too large for the home market but too small for the world market. To bridge the gap between that situation and one in which Greece could help to give a renewed impetus to a concept

dear to the Brussels Commission, i.e. the creation of one huge community embracing Europe and Africa, only one link is required—belief in an economically independent area.

The situation as I have just analyzed it shows a very considerable increase in Greek exports to the Community and a healthy Greek economy; the economic situation in Greece is now closer to that in our Community.

These facts should make both sides more willing to accept the full and rapid integration of Greece into the Community. The Additional Protocol and the interim agreement must therefore be seen as indispensable aids without which the association could not function adequately. They may also be considered as a stage on the way to accession, since association is not an end in itself. We must not indeed forget that Article 72 of the Athens Agreement lays down that:

'as soon as the operation of this Agreement has advanced far enough to justify envisaging full acceptance by Greece of the obligations arising out of the Treaty establishing the European Economic Community, the Contracting Parties shall examine the possibility of the Accession of Greece to the Community'.

It is in this spirit, Mr President, ladies and gentlemen, and in this hope that I present this report for your approval.

*(Applause)*

**President.** — I call Mr Scott-Hopkins, draftsman of the opinion of the Political Affairs Committee.

**Mr Scott-Hopkins.** — Mr President, the subject has been so well covered by both our rapporteurs, Mr Corterier and Mr Terrenoire, that there is little left for me to say. I should like to congratulate both our rapporteurs on the way they have presented their reports.

I think it is extremely clear that the committees which they represent and the committee that I represent, the Political Affairs Committee, welcome the application of Greece for full membership of the Community. This is, of course, merely a preamble to the main debate, which will be taking place when we have heard the Commission's views. That will be the time, when the Commission has presented its views, for us to have detailed discussions on detailed issues. What we are really doing now, and what Mr Corterier has done extremely well not only in his report but in his speech just now, is laying the groundwork, exposing the issues which we are going to debate and

**Scott-Hopkins**

indeed some of the issues which cause us a certain amount of anxiety. But, in principle, there is absolutely no difference of opinion, as far as I can make out, amongst any of the committees or in this House. We all welcome profoundly the application of Greece for full membership, following on the very special relationship that has been governed by the Association Agreement signed in 1961. We should always remember, of course, that there is another country, as has already been mentioned, Turkey, which has an equally close relationship, an equally separate relationship with this Community, and when one is talking about accession, the future accession of Greece to the Community, it must also be borne in mind that it is to be hoped Turkey will in due course, when it is ready, be able to apply for membership and will receive the same favourable treatment from this House and the other institutions of the Community as is quite rightly being given to Greece at this moment.

There are one or two small points I would like to raise, which have not been dealt with in quite such detail up to now. Obviously, there is a certain amount of difficulty at the moment in the Mediterranean area. Greece is itself involved in problems over Cyprus. It is involved in arguments with the other associate member Turkey, and I hope and your Political Affairs Committee hopes, Mr President, that with Greece a member of the EEC, the close relationship with the Community will help to ease the situation.

The House will remember that during the years of negotiation on the accession of my country and of Denmark and Ireland to the Community, a special relationship was set up so that there could be political consultations between the applicant countries and the Community of Six as it was then. I hope that the Commission and the Council will be able to find some means whereby Greece during her negotiating period before ratification—and indeed Turkey as well, should she wish to do so, and I am sure she will—can have a closer relationship in the field of political cooperation and foreign affairs. I envisage some form of *ad hoc*, loosely arranged machinery whereby both these countries can be much more closely associated in foreign affairs with the Community of Nine. This, I think, will also go some way to helping ease the tension. Anything that the Community, that we can do, Mr President, to help Greece or Turkey as far as the Cyprus situation is concerned, we must all of us surely look on as one of our main duties.

The other point I want to make, one brought out by Mr Corterier in his report, is that whilst

we welcome the application of Greece and hope that the negotiations with the Commission will take place at the earliest date, I hope also that we shall do what we can as a Community through the Association Agreement to help Greek agriculture improve and advance from its existing state. When two partners or two people are negotiating on closer relationships, there must be an advantage in it for both sides. One wants to see both the Community and Greece, the applicant, gain from the closer relationship which we hope will result from negotiations with the Commission. The figures Mr Corterier has given, figures we all know, leave us in no doubt as to the state of agriculture in Greece. As things stand at present, it would be a burden on the Greek agricultural economy and on Greece itself to become a full member of the Community. It is therefore to be hoped that in the interim period as much as possible is done to help advance Greece's agriculture, its infrastructure, the methods and so on, so that eventual full membership will be to the advantage of both Greece and the Communities.

In conclusion, Mr President, your Political Affairs Committee, as I have said, has welcomed the application of Greece to join the Community and the recommendations of the Joint Parliamentary Committee. We are grateful to Mr Corterier for his report, and we hope sincerely that the negotiations which the Commission will be undertaking in the near future will prove successful for both parties and be of mutual advantage to both, bearing in mind that one hopes the other country in a special position, Turkey, will not be forgotten and, should it apply for membership, will receive the same treatment.

(Applause)

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

**Mr Giraud.** — (F) Mr President, in view of the excellent reports we have just heard from Messrs. Corterier, Terrenoire and Scott-Hopkins, the Socialist Group would perhaps have been justified in allowing the present debate to pass without participating, but the important part which our Group played in this Parliament during the period of dictatorship prompts me to contribute to today's proceedings.

Firstly, I should like to remind members that the Socialist Group did not wait for the fall of the dictatorship before supporting the efforts of the Greek people to restore democracy. We find the collapse of the Greek dictatorship all the more gratifying in that it was followed by

**Giraud**

a return to a sound and responsible parliamentary system which adequately ensures the operation of stable democratic government while allowing for the opposition from political parties which is normal in democratic countries. This proves that the fall of a dictatorship need not be accompanied by disorder and disorganization, but that it can instead lead to the establishment of a democratic regime with solid parliamentary foundations.

I should also like to make the point that our Parliament and Community should make up for the deliberate 'freezing' during the dictatorship by speeding up procedures and practices which would facilitate as far as possible the raising of the standard of living in Greece to a level consonant with full membership of our Community. I should also like to express agreement with the view of the distinguished Greek Minister in charge of coordination that if we cannot agree on the question of tomato concentrate, we shall not be able to build Europe either. We must therefore help the Greeks to improve their economic situation. We must therefore help them to improve the 'real' situation of the entire population of the country for you know, Mr President, as I do, that the statistics for *per caput* income may, in the etymological sense of the word, 'enchant' us somewhat and that one large shipowner is by himself 'worth many children of Piraeus...'. If our aid is to have the effect of improving the Greek economy therefore, it must be designed to produce a real improvement in the standard of living of the population in that country. As Mr Corterier said just now, we must help Greece to develop its economy so that, rather than compete with the economy of the Community, it may become complementary to it.

However, we cannot limit our attention to the direct relationship between our Community and Greece. You are aware of the uncertainties which the Cyprus question raises for this sector of the Mediterranean.

We have not expressed any opinion on the constitution which that country devised for itself or on the relatively satisfactory manner in which it operated for some years but we cannot but note, alas, that the best possible constitution has ended in a tragic situation in Cyprus. I should like to be certain that the Council and the Commission will spare no effort in their attempts to help all the interested parties to restore peace while respecting the sovereignty, independence and territorial integrity of the island, to employ the usual formula. We believe that the good relations which we have with each of the parties concerned, i.e. Cyprus on the one hand, Turkey and Greece

on the other, should contribute to the gradual implementation of an agreement based firstly on humanitarian and then on political considerations and designed to establish a permanent solution.

As a last point, Mr President, I should like to say a few words about the accession of Greece. It is clear from what the rapporteurs have just said that almost all the Members of this Parliament consider that the present association is merely a prelude to full membership, as provided for in the texts. We should like the Commission to supply us as soon as possible with sound information on the relationship which at present exists between Greece and our Community and on any problems which may have to be solved in order to permit accession in the shortest possible time.

I should like to point out, as several Members have already done, that the Socialist Group does not see the accession of Greece as any kind of obstacle to possible Turkish membership once that country and the Community both judge that the conditions for membership have been satisfied. Clearly, we have to keep a balance between all the countries which wish to join our Community, and a priority allocated to any country is not evidence of any kind of preference or discrimination in relation to a third country.

Finally, Mr President, as a member of the EEC-Greece Joint Parliamentary Committee, which held a most satisfactory meeting in Athens at the end of last June, I should like once again to hail the rebirth of democracy in the country where it originated and to welcome today the results of the efforts which we made during the period of dictatorship to help the Greek people regain their freedom. We are certain that, loyal to its traditions and its history, the Greek people will now take its place in the European community of nations which hold freedom as their ideal and in that Europe of which Greece was the fountainhead.

(Applause)

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

**Mr Boano.** — (I) Mr President, I should like to add a few comments to the carefully considered and lucid remarks made by the three rapporteurs, Mr Corterier, Mr Terrenoire and Mr Scott-Hopkins.

When Mr Corterier's report was discussed by the Associations Committee I expressed my approval for two main reasons. The first was that it accurately reflects the extent and impor-

**Boano**

tance of the obligations already arising from the implementation of the Association Treaty, which has only just begun to take real effect.

We should not forget that Article 6 of the Athens Treaty provides for the establishment of a full customs union, which should have been established by 1973, and that Article 64 gives the same deadline for a goal which is normally restricted to Member States, i.e. the coordination of the parties' commercial policies in relation to third countries. Nor should we forget that Article 33 of the same Treaty provides for harmonization of the agricultural policies of the Community and Greece by a date which may now be regarded as within the medium term, i.e. 1983. This harmonization is not, moreover, to be restricted to rules and regulations, but must also involve structural aspects, as witness the reference in the Athens Treaty to the fundamental Article 39 of the Treaty of Rome, which forms the basis of the common agricultural policy.

Thus we are already faced with an undoubtedly vast and difficult task by virtue of the Association Treaty, in view of the poor state of Greek agriculture and the fact that its organizational structure is more fragmented than elsewhere in Western Europe and bears the marks of the historical and economic vicissitudes of thousands of years. Greek agriculture is in need of restructuring and diversification—restructuring for obvious reasons, and diversification both in the interests of the Community, as it would mean that the present position of competition with the products of those Mediterranean countries belonging to the Community would alter increasingly in the direction of complementarity, and in the interests of Greece itself, which, by reducing imports of agricultural products not available on the domestic market could improve its balance of payments situation. This is why there must be as little delay as possible in applying the second financial protocol which was rightly represented in the communication from the Commission to the Council of 23 July as relating essentially to agriculture, since it deals with both the use of loans from the European Investment Bank on preferential terms and the proposed establishment of a Greek agricultural fund.

My second reason for approving Mr Corterier's report is that it is succinct but convincing on the question of accession, which, as the ministerial meeting of the Association Council also agreed last July, will form the backcloth to all future implementation of the Association Treaty.

As Mr Scott-Hopkins has just stressed, we are all aware of the difficulties which the aim of

accession involves for both parties, and paragraph 5 of Mr Corterier's motion for a resolution is a model of clarity in this respect. But we should not for this reason lose faith or relax our determination to achieve this goal, for the sake not only of the economic future of Greece, but also of its future historical and democratic development (it is, as Mr Giraud has just reminded us, the part of the world where the European ideal first showed its true face) by consolidating the reborn Greek democracy within the framework of the genuinely democratic institutions of the Community, in the interests of world peace—Greece is on the point of becoming the cornerstone of a system of peace and security in the Balkans—and in the interests of Europe.

Unfortunate events of the recent past have reminded the people of Greece that Europe must not be a political entity complementary to another system, but must set about developing an identity and autonomy of its own. This is a challenge which could give the Community a new sense of purpose and one which it should therefore be glad to accept, particularly at this time when the EEC, which was originally characterized by sincere and unselfish ideas of unity, is in danger of deteriorating into a sterile machinery consisting merely of a vast collection of rules, or even of collapsing in the face of the persistent emphasis on preponderantly national interests. This is an obligation which Europe will have to accept if Greece is to join the Community, but one which will nevertheless help Europe to gain new life and a renewed historical and political *raison d'être*.

Finally, I should like to make some very brief remarks on Mr Terrenoire's report which reflects, with commendable commitment and clarity, the same political aims as Mr Corterier's report. Mr Terrenoire stresses the need to place Greece's indefatigable and tenacious campaign for integration into the Community in the widest possible institutional framework with the minimum of delay.

I should just like to make one further observation: although the process of association was 'frozen' following the introduction of dictatorship in Greece, this in no way interrupted the automatic process of tariff dismantling, gradually leading towards a customs union—i.e. that aspect of the Treaty which is mainly of benefit to the Community was practically unaffected. On the other hand, however, it brought to a standstill the implementation of other aspects of the Athens Treaty, such as the harmonization of agriculture or the economic and financial cooperation which would have been primarily advantageous to Greece. The rapid



**Boano**

adoption and implementation of the Additional Protocol and the Interim Agreement are thus fundamental to the re-establishment of normal relations between the two parties, and to an equitable sharing of the advantages and obligations. The two reports appear to be linked by a single guiding political principle, and for this reason the Christian-Democratic Group gives its wholehearted support to both.

(Applause)

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

**Mr de Clercq.** — (NL) Mr President, ladies and gentlemen, I should first of all like to congratulate Mr Corterier, Mr Terrenoire and Mr Scott-Hopkins on their extremely positive and substantial reports.

Our debate on these reports, particularly the one by Mr Corterier on the recommendations of the EEC-Greece Joint Parliamentary Committee, gives me a good opportunity of making a number of comments on the problems arising from the association of Greece with the EEC and its future accession.

When considering all the factors in favour of the accession of Greece, one must bear in mind, first and foremost, the recent political events in that country.

If we are to give credit where it is due, we must recognize how resolute the people of Greece have been in achieving the introduction of a democratic system in the short space of a year after the fall of a dictatorship which had inflicted deep and painful wounds. I feel sure, therefore, that you will all agree when I say that the people of Greece have demonstrated their allegiance to the democratic principle, that they are striving for a political system based on justice and freedom and that in this they deserve our admiration and support. We must therefore look upon the difficulties which this nation has had to face in such a thorny and critical period of its history in a suitably friendly and objective manner.

As regards internal politics, the most important steps on the road to democracy have already been taken. I might remind you that immediately after the collapse of the colonels' regime, a government of national unity was set up, and on 18 November 1974 parliamentary elections were declared, even before a referendum had been held in which the country voted in favour of a republic and received a new constitution. It is clear from all this that the people of Greece wish to see their country democratically governed. In the light of these

facts we should, in my view, feel great admiration for the spirit of the nation, which as its history shows, has been sorely tried.

In the field of foreign policy Greece shows a certain degree of European thinking based on a positive outlook. The historical roots of Greece's wish to accede to the EEC go deeper than the problems currently facing the country. The European-mindedness of this country dates back to ancient times, whereas the current conflicts and problems are more transitory in nature. The resoluteness and unanimity with which all shades of political opinion in the country have registered their approval of future accession to the European Communities is also particularly noteworthy.

As regards foreign policy, the Cyprus question could, in my view, be solved more easily if the EEC did all in its power to see that the resolutions of the General Assembly and the Security Council of the United Nations were applied, without acting as an intermediary, which in any case it has not been requested to do.

It should be possible by negotiation to find a satisfactory solution to the main problem dividing Greece and Turkey. A solution must be found for the 200 000 refugees on the island whereby they can be sure of the return of their property. This is a *sine qua non* for a lasting restoration of peace and justice in this conflict-ridden corner of the Mediterranean, where the violence must finally be replaced by a spirit of cooperation.

I have noticed that many people appear to be unclear regarding the 'dangers' which, it is claimed, would threaten the Community if it became involved in some of the conflicts between Greece and Turkey.

In my view, these fears are based on assumptions which have yet to prove well founded. Is the Community to neglect the pursuit of the aims laid down in the preambles to the Treaty because of certain suspicions? The future accession of Greece would not, moreover, have any unfavourable consequences for Turkey, which is, after all, also associated with the EEC. At the ninth meeting of the EEC-Greece Joint Parliamentary Committee, moreover, Greece itself made a number of statements confirming the fact that it has no objections to other countries, such as Turkey, also becoming members of the Community. Turkish leaders, in particular the Minister of Foreign Affairs, have also issued statements to the effect that Turkey has no objections whatsoever to Greece membership.

**De Clercq**

I should particularly like to make one more remark concerning the development of the Greek economy. The way in which the economy of Greece has revived since association began has already been so clearly brought out by Mr Corterier, Mr Terrenoire and Mr Scott-Hopkins in their reports that I am sure it is quite unnecessary to quote further figures to illustrate this fact.

We can, however, conclude from what has been said that the association of Greece with the EEC has had significant effects on the trade between the two partners, first and foremost a substantial increase in volume. One can also conclude that the steadily improving economic situation in Greece since the signing of the Association Agreement will gradually fall more and more into line with that of the Member States of the Community—which should make a fuller and more rapid integration of Greece into the Community easier for both parties. In addition, as the competent Government spokesmen in Greece have repeatedly explained, Greece is prepared when admitted to membership to accept all the obligations laid down in the Treaty, together with the regulations and conditions existing at the moment of accession.

In conclusion, there is no doubt in my mind that Greece with its 9 million inhabitants will be able to take its place in the Community to the advantage of both parties, thanks to its efficient and rapidly developing industrial and general infrastructure, its dynamic trade, its raw materials and energy sources—the extent of which is, at the moment, difficult to estimate—and thanks to its merchant fleet which occupies a very important position in the world.

*(Applause)*

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

**Mr Rivierez.** — *(F)* Mr President, I should first of all like to say how glad the Group of European Progressive Democrats is to be able, once again, to express its pleasure at the restoration of democracy in Greece and at the opportunities thus afforded to the Community and Greece for a common future.

As you know, the task to which the Associations Committee devoted most attention was the examination of the application for membership and, in our view, the political importance of this application is an essential feature of the Greek case and should be treated as such.

We repeat, emphatically, that everything must be done to ensure that in the near future Greece becomes the tenth State of the Community.

No one could deny that Greece is historically, politically and economically oriented towards Europe. Its potential, in terms of modern organizational processes and techniques, is considerable.

It is only in the framework of ever closer cooperation with Western Europe that its democracy can be safeguarded and, as we have already stressed, that is not the least important consideration.

However, I too wish to say, on behalf of my Group, that we should also like Turkey to be able to join us in the near future.

I should like to remind members that, according to the Greek declaration, 'Greek membership should in no way prejudice the subsequent accession of Turkey'. The Council of Ministers stated on 24 June that the Greek application for membership would not affect the development of relations between the EEC and Turkey. If I might put it in another way, our hope is that the future membership of Greece will affect the situation in that it will be looked on as an example and a first step on the road which Turkey too may take when the time comes.

To refer again to the question of association, we note that during the freeze in EEC-Greek relations, the day-to-day management of the agreement resulted in a considerable increase in bilateral trade and also in a better pattern of exports, more of which were sent to the Community.

It should not be forgotten that in spite of the freeze the progressive dismantling of tariffs has continued and the process will soon be completed. Finally, we note that the association has been reactivated and has undergone important developments: a first step forward was the freeing of a 55 million EIB loan assigned under the First Protocol; then came the entry into force of the interim agreement of 1 July 1975, which is intended to facilitate the advance application of the trade provisions of the Additional Protocol extending the association to the three new Member States of the Community.

It can therefore be concluded that progress is being made, and it is in that spirit that the difficulties arising from the transition from association towards accession must be resolved. The two main difficulties are the harmonization of agricultural policies, to which Mr Scott-Hopkins has drawn attention, and the negotiation of new financial protocols concerning

**Rivierez**

which the Commission has addressed a draft decision to the Council.

These two points arise in connection with the association, and work on them should not be delayed in any way by the 'accession' component. It is natural that resources provided out of Community aid should be used to help solve the problems inherent in the harmonization of agricultural policies. This is the aim of the Commission's proposal on financial assistance consisting of loans and grants, part of the loans being earmarked for infrastructure projects, especially in agriculture, and the grants being intended to reshape the pattern of Greek agriculture with, as has already been stressed, particular reference to research on improved dovetailing of Greek and Community production.

This is a good way to make progress towards accession, towards a solution which will satisfy both parties, and we can find reassurance in the remarks of the Greek delegation. With regard to the concern shown by Mr Vetrone about the common agricultural policy, the Greek delegation stated:

'The aims and objectives laid down in the Treaty must of course be maintained and respected; with regard to the common agricultural policy, it appears to us that Italy and the other Member States have had to make sacrifices. We shall do likewise. We wish to reorganize in a Community spirit; in 1964 the harmonization of Greek agriculture was already under discussion. We should now like to see it become a reality.'

We are not forgetful of the problems arising from the Cyprus situation, which are the subject of the second recommendation of the Parliamentary committee. We very much regret that they have not yet been settled in every respect and our Group will vote in favour of the amendment of the Liberal and Allies Group.

I shall conclude, Mr President, by saying, on behalf of my Group, that we unreservedly support the accession of Greece as part of the policy of an independent Europe. Contrary to the view which seems to be held in some quarters, Greece will not be the only party to benefit from its accession. It has already been established that, economically speaking, Europe also needs Greece. As Mr Terrenoire has rightly emphasized, it will become increasingly evident that, because of its situation in the Eastern Mediterranean, Greece is a springboard which will enable Europe to increase its trade with the countries of the Southern Mediterranean. In supporting the accession of Greece, we should not only fix our eyes on the situation as it is today, but we should also take into

consideration the future opportunities its accession would provide for Europe.

*(Applause)*

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

**Lord Bethell.** — Mr President, I would like to join in congratulating the three rapporteurs and say how particularly gratified I am to note the unanimity that has prevailed in this debate both among the rapporteurs and among the other speakers, in particular on the question of the principle of Greek accession to the EEC. Many of us have read misleading press reports in recent weeks, which have seemed to imply that there were serious difficulties in this respect, and these reports have been exaggerated in some newspapers in Athens. I trust that the same people who wrote misleading reports will pay attention to this debate and draw correct conclusions from it so that the people of Greece may be better informed about what is the real feeling in this Assembly.

While admitting that there are no serious disagreements among us, as far as I am aware, about the principle of Greek entry, there may of course be complicated discussions and even perhaps some shades of opinion about the speed at which Greece can proceed towards full membership. The motion for a resolution in Mr Corterier's report refers to the procedure being speeded up. This, I think, is appropriate particularly since the Association Agreement was frozen for seven years because of the dictatorship of the colonels. It is clearly appropriate that we should do our best to make up for this lost time. But this is a difficult period for the Community, consolidating three members who recently joined, and I hope that our Greek friends will bear with us if the whole thing is gone into with very great care and will not interpret our caution and the care with which we study their application as unfriendliness or lack of enthusiasm. Britain itself knows only too well what it is like to woo the European Community and to be rejected in a mood perhaps as difficult psychologically as that which Greece faces now. At the time of Britain's imperial decline we had the unfortunate experience of being—temporarily at least—rejected. We therefore know how it feels if the Greek application does not go forward quite as fast as we would have wished. I can only say to our Greek friends that if they keep their cool and proceed slowly, they will get there in the end. It may be that some of them wish to expedite the matter very quickly indeed. We understand the way many of them feel after those seven very difficult years, and par-

**Lord Bethell**

ticularly after what they suffered in 1974 over the Cyprus tragedy. And, of course, from their position in the Eastern Mediterranean, with three neighbours who are non-democratic and a fourth with whom they are in conflict, and also not being on very good terms with either of the super powers, they clearly feel the need to develop this link with the EEC. I would simply urge them to make haste slowly in this matter and all, I think, will work out in the end.

Several speakers have mentioned Turkey, which also has an Association Agreement with the Community and which is also proceeding towards full membership. I would like to ask Commissioner Gundelach whether he feels able to say anything which will reassure Turkey in this context. It may be a little illogical, but I think understandable, for Turkey to feel concerned about the speeding up of the Greek application, but I do hope that the Commission will make it clear that trying to speed up this application and consider it with care is in no way to be construed as hostility towards Turkey, a country with which we also have good relations and links which I hope will be made even stronger. I also hope that, in particular, the Commission will ask the Council whether closer links might be developed within the political coordination machinery for discussing political matters between Turkey and the Foreign Ministers of the Nine. I know that this machinery already exists and that discussions do take place from time to time, but as Greece presumably will come closer and closer to the Nine, I would like to think, and perhaps the Commissioner can tell us, that Turkey will also make some progress in this field. This, I feel, would be appropriate and in the interest of both the Community and Turkey, and of Greece.

I am very glad that Mr Corterier said that it is not simply in Greece's interest that this application should go forward. It is in the Community's interest as well. All of us are aware of the progress that has been made in Greek industry in recent years and of the power of Greek business. Some of us will have noted with particular interest how large numbers of important international firms have been transferring their offices to Athens in recent weeks because of the troubles in Beirut, and I am informed, Mr President, that a number of these extremely powerful industrial concerns find their new home in Athens extremely convenient, extremely suitable, particularly in view of the good communications which Greece possesses and the very useful geographical position of Greece in the Eastern Mediterranean and particularly because of Greece's good relations—very good relations—with the Arab world. I

would suggest that the Community might be able to profit very considerably from Greece's special relationships with Arab countries.

In the next few weeks, the Commission will be producing its first opinion, one which we all look forward to reading and await with great impatience. I foresee that it will emphasize the discussions that will have to take place over a period of several years no doubt and the problems that will have to be overcome. But I hope that people will appreciate that these problems are not insurmountable and that no one will lose heart from the vast number of difficult questions that clearly will have to be discussed. Greece has the advantage of being a small country, with a little more than 9 million people, with a democratic tradition and sound institutions which were not destroyed during the 7 years of dictatorship. It will be easier to absorb than several of the other countries which may perhaps join the EEC. There are problems, but they are not insurmountable, and I can say with confidence that they will be surmounted. There is, I believe, unanimous support among the main political parties in the Community for Greece's application. Certainly in Britain the two major parties have made it clear that they support it, and the new British Conservative spokesman on foreign affairs, Mr Reginald Maudling, said in his speech at Blackpool on 9 October that a Europe without Greece was unthinkable. I hope that this Assembly will send this message loud and clear to our friends in Athens.

*(Applause)*

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

**Mr D'Angelosante.** — *(I)* Mr President, ladies and gentlemen, just a few brief remarks to repeat the general agreement with the three documents before us which we originally expressed in Athens when they were submitted for approval by the Associations Committee.

We expressed ourselves in favour of Greece's application for membership at that meeting and do so again now. This application was supported by all the Greek parties represented at the Athens meeting and was closely linked, as Mr Corterier has rightly reminded us, with the strongly felt need to consolidate the newly regained democracy, and with their fears of a return to dictatorship.

The experience of Athens was one which we will not forget, since just as all the Greek representatives firmly supported Greece's accession to the Community, all of them, regardless of their place in the Greek political spec-

**D'Angelosante**

trum, spoke out strongly and movingly against the experience which they had just been through, by which I mean a new Greek fascism, the tragic nature of which we have perhaps not always fully realized.

Moreover, Greece's application for membership rests on a sound legal basis, i.e. the Association Agreement itself, and the objections which have been raised in various quarters run the risk of appearing transparent or, in some cases, even hypocritical.

However, I will return to this matter in few minutes, when I speak about the economic problems involved in Greek entry to the Community. For the time being, Mr President, I should just like to express, as I did on the occasion I have just mentioned, a certain bitterness and profound dissatisfaction with the way in which what Mr Corterier calls in his report the 'common political problems' have been dealt with in recent months—and I am referring in particular to the relations between Greece and Turkey on the Cyprus question.

In my view, the Community, and to a certain degree this Parliament too, are guilty of profound hypocrisy in the way they have approached and are approaching this problem. We have concluded Association Agreements with two of the three countries concerned, i.e. Greece and Turkey, and a specific trade agreement with the sovereign state of Cyprus. Now, Mr President, none of us can expect the European Community to organize a crusade, to summon the Templars and Teutonic Knights from their tombs and command them to liberate territories which have suffered from military invasions in violation of the United Nations Charter and the most basic principles of the comity of nations. But, Mr President, the fact that we are incapable of making a clear statement, the fact that we do not have the courage to say who is the aggressor and which party should withdraw its troops from the island, the fact that we do not have the nerve to do more than mutter vaguely and timidly about the refugees—these, if I may say so, are extremely grave matters. Our fear of offending the sensibilities of one of the countries involved is, to a certain extent, justified and has been evident in all of the speeches here today, particularly the last one by the representative of the Conservative Group. But it is obvious, Mr President, that what we are really trying to do, or rather what many of us are trying to do, in the face of an unjust partition of Cyprus in complete violation of all the principles of international law, is not to restore justice and the rule of law, but rather to avoid losing the friendship of the aggressor, who is strong in this part of the world and may be of assistance—

certain people like to believe—in other operations involving third parties.

One of the fundamental strengths of this Community is its moral strength, which we have not exercised up to now, nor do we yet have a military policy, and therefore we cannot afford to acquire a reputation as the selfish defender of interests which do not always merit respect or defence.

Finally, Mr President, what can be said about the grave economic problems and, to put it plainly, the harm which it is feared the accession of Greece might cause to Mediterranean agriculture in the southern countries of the Community, one of which is my own? I happen to live in the south of Italy, i.e. the region which would be most severely threatened by Greek membership, just as it might suffer as a result of the agreement with the Maghreb countries, and indeed has perhaps already suffered from the agreement with Israel. This region has, nevertheless, come through all these perils unscathed while at the same time it has been and still is put at a serious disadvantage by the fact that, in importing countries of the Community, including some of those which joined most recently, certain Mediterranean products are subject to unacceptable customs duties which impede their free circulation. I do not think that the south of Italy and the south of France should worry so much about the limitations resulting from competition with similar products. What these areas should worry about is the fact that in other countries, such as the United Kingdom and Germany, imports of their wines are subject to unacceptable customs duties. This is the real danger facing the struggling agriculture of the south of Italy or other Mediterranean areas of the Community, not possible competition from Greek agriculture. The real danger is the injustice, the unfairness which has existed right from the outset and is continuing to become more firmly entrenched to the detriment of the poorer regions of the Community, and it is sheer hypocrisy to say that the danger lies in Morocco or Greece. The danger lies elsewhere and we must recognize it, combat it and eliminate it.

Moreover, Mr President, the accession of Greece would not be the first accession to the Community. We have witnessed several others and no one here today has forgotten the amount of controversy they caused. We should not, therefore, worry about these minor difficulties when we have already overcome, or hope that we have overcome, other more serious ones.

**President.** — I call Mr Premoli.

**Mr Premoli.** — (I) Mr President, ladies and gentlemen, in view of the thoroughness of Mr

**Premoli**

Cortier's report, I could perhaps have refrained from speaking in this debate. I felt, however, that I should add a few remarks to stress the political significance of our deliberations here today.

This is the first time the European Parliament has discussed the problem of the association, and of the future accession of Greece since the restoration of parliamentary democracy in that country, which is linked to the European Community by so many bonds and common interests. I feel I should stress that the new-found democracy in Greece is an irreversible political fact of which we should be glad, particularly at this time when serious and complex problems are developing in the Mediterranean area.

The rapporteur and Parliament's Associations Committee were right to regard the affirmation of parliamentary democracy in Greece as a central issue in the relations between that country and the Community.

It is of vital interest to the Community, and, more generally, to the Western worlds as a whole, that Europe's eastern flank is governed by profoundly democratic forces. We need to be able to rely on Greece and its contribution to Community and Western policies and the policies of the world. This is the context in which we must consider the problem of Greece's application for membership of the Community. It would, however, be absurd to pretend that this application for accession does not pose serious problems for the Community, and I am not talking about conditions or political problems, since no one will deny that Greece has a full right to join the economic and political Community which we are endeavouring to build. The difficulties, as I see them, are of two kinds: on the one hand, there is the enormous effort which Greece will have to make in order to cope with the highly competitive Community market, i.e. not only will it have to reform its production and marketing structures, but there will also need to be substantial changes in everyday life which will have to adapt to European standards. On the other hand, the Community must not lose cohesion as a result of the accession of another state.

The accession of Greece to the Community therefore represents a challenge for both parties. It is a challenge to the ability of the Community to work its way out of its present state of stagnation and—let us be frank—political shortsightedness. It goes without saying that I am in favour of the accession of Greece, but I must stress that this feeling and conviction of mine should not be considered in isolation from the various problems which we will have to tackle and solve.

The European Community cannot allow its activities and capacity for integration to become

further fragmented. This would be harmful for the Community itself and would ultimately lead to the disillusionment of the peoples of the Community and of Greece. Might I therefore be allowed to make a few remarks concerning the amendment which Mr Durieux and I have submitted to Parliament. This is an amendment to paragraph 7 of the motion for a resolution, stressing Parliament's concern with a peaceful and negotiated solution to the Cyprus problem.

We cannot in my view merely take note of this problem, express our concern and hope for a solution. Cyprus is part of Europe and its problems are Europe's problems, and, therefore, problems for the European Community. The Community should therefore take decisive action so that these problems will be solved in accordance with the interests and aspirations of the people of Europe.

Unfortunately, when the problems of Cyprus, Greece and Turkey are considered, solutions are always sought outside Europe in an agreement between the superpowers, i.e. in a non-European framework. How, then, can we ask the people we are called upon to represent, particularly the young, to believe in this Europe which is incapable of solving even those problems which affect it directly, and is ridiculously passive in the face of internal dangers? This is the point of our amendment.

I should like very briefly to say that the Cyprus question should not be regarded as a criterion in the relations between the Community and Greece or Turkey. It would be very wrong to exaggerate the Cyprus problem to the extent of making it the crucial factor in the development of our relations with Greece and Turkey, but it would be equally ridiculous for the Community, which is associated with Cyprus, as well as with Greece and Turkey—as we have been reminded this morning—to continue to demonstrate, as it has up to now, its inability to act independently and effectively. I might be permitted to point out to the President of the Council that brief meetings with the representatives of the nine Member States are not enough to establish faith in the efficacy of Community action.

We hope that our amendment will receive the support of the vast majority of those present because it is intended, among other things, as a stimulus in the meetings of the Council and the Member States of our Community. In this way, we will be able to offer our Greek friends, and at the same time our Turkish and Cypriot friends, proof of our wish to work towards a solution to an essentially European problem. The negotiations on the accession of Greece will begin in the near future if, as we may justifiably

**Premoli**

hope, the Commission fulfils its undertaking, of which we have been reminded this morning, to submit its official report, in accordance with the procedure provided for in Article 235 of the EEC Treaty, by the end of this year. This Parliament will then have to resume the debate on Greece's application for membership in greater depth with a view both to enlarging the Community, and above all—and this is important—strengthening the Community not only in the material and economic sense, but also morally and ideologically.

*(Applause)*

**President.** — I call Mr Dykes.

**Mr Dykes.** — I would like to add my voice to those who have expressed an earnest desire to see Greece join the European Economic Community, and I would have thought that for those Greeks who may have had some doubts about the attitude of the European Parliament before, this has been a very welcome reiteration of the general enthusiasm of this Assembly for the idea of Greek membership. But, of course, that is merely a statement, and one then has to consider all the parameters of this problem. We must not try to wish away any of the problems of Greek membership, partly because it is a directive to Greece as well as to everybody in the Community.

I would like to congratulate Mr Corterier on the beautifully written report which he presented, containing, I think, a very balanced case for Greek membership; also Mr Terrenoire for what he said in the wider aspect of the three new Member States, and my own colleague, Mr Scott-Hopkins, for having put a balanced picture on behalf of the Political Affairs Committee.

Of the four 'suitable' possible future candidates for membership of which we think most frequently, namely Spain, Portugal, Greece and Turkey, Spain is the most suitable in economic terms, but perhaps the least suitable in political terms. We will have to see what happens in that country in due course. Greece is undoubtedly the most acceptable politically, but it is really very fallacious indeed for anybody to wish away the very considerable economic problems which will arise with Greek membership. I was in Athens recently, and when one puts this view, which I think is a reasonable one, to Greek industrialists, businessmen and indeed politicians, then they are prepared to accept it. Undoubtedly it is still true that if Greece were to become an industrial member of the Community overnight, then Greek industry as it now exists would be annihilated. It is simply not strong enough to withstand the chill winds of Com-

munity competition and trade without any of the protective devices built into either an Associations Agreement, as now, or into a suitable, long transitional period.

A myth has developed that the European Conservative Group, and indeed other Conservatives, are against Greek membership. This is total mythology, it is simply not true, and it needs to be denied by us repeatedly in order to counteract the gross distortions that appeared in the press, both in Europe and in Athens, because it was a good story. It was claimed that the Conservatives said Greece should never be admitted. This is an outrageous distortion of the view of this group. I am not speaking on behalf of the group now, Mr President, but nonetheless it needs to be clearly stated that we believed, and we still believe, that by enunciating the problems that will face Greece on her accession to the Community, we are doing Greece a service, and a positive one at that. I was very glad and grateful that Lord Bethell made that point, too. An argument was put forward by Mr D'Angelosante and others, and indeed the members of the French majority party, when they were grumbling several weeks ago about the apparent Conservative attitude towards Greek membership. They said that in the years before the United Kingdom joined the Community at long last in 1973, we grumbled because we were not allowed in, as though conditions were being laid down. But those conditions were being established by the French Government, who said the United Kingdom needed to change geopolitically and internationally before it became suitable for membership of the European Community. So it is necessary Mr President, in my submission to stand that central argument on its head, it needs to be seen the other way round. The United Kingdom did change; it ceased to be a special ally and friend of the United States; it became a European power; it shed its other interests and then, to my mind, it became suitable for membership.

There will be a long road of negotiations. There will be a long transitional period facing Greece. The whole question of European Union means that the Community must do justice to itself as regard future structures and its future arrangements. None of these arguments are fundamentally directed against Greece. I believe this Parliament will say with one voice that we want Greece in, we welcome Greece, but do not forget that there are real and seemingly intractable industrial and agricultural problems before it becomes a full member.

*(Applause)*

**President.** — I call Mr Corrie.



**Mr Corrie.** — Mr President, might I say a very few personal words on these excellent reports by Mr Corterier and Mr Terrenoire and the opinion expressed by Mr Scott-Hopkins.

It has been suggested at various times, because of my cool approach to this matter, that in some way I am opposed to the entry of Greece into the Community. This is totally wrong and I utterly refute it, and, I along with everyone else, will warmly welcome our Greek friends into the Community when that time comes. Only good can come from such a move. Greece is part of Europe. But I openly admit that I have tried to cool down some of the exuberance shown by some of my European colleagues, because I feel it wrong to build up the hopes of our Greek friends for a quick entry into the Community when there are so many problems to overcome. I do not necessarily mean problems between Greece and the Community: I mean problems within the Community.

The Community has grown rapidly since its birth and the growing pains have been severe. The entry of my own country was a traumatic experience for the Community, as well as for the people of my country, and it is still showing the signs of strain. I simply feel personally that the whole Community needs time to settle down, time for the present Member States to stabilize and sort out some of the mammoth problems that face us in the field of energy and agriculture, social services, the Regional Fund, etc. We welcome the chance that Greece is now taking to come into the Community, but we say that possibly this process of entry must be a little slower than many people hope. We have barely scraped the surface of harmonization within our own Member States, and I feel that if we try to grow too quickly before stabilizing our present position, we will grow out of our skin like an over-ripe fruit and destroy the very thing we are trying to set out to produce—a united enlarged Community. It is only for this reason that I have played it cool.

In the near future the Commission will be producing its report. They are the experts who are ruled by cold economic facts and statistics and not by exuberance of the heart. We as parliamentarians should wait for that report before promising our Greek friends a speedy entry into the Community. Immense damage will have been done by those promising early entry, if the Commission find that their time-scale is longer than some of our friends would hope for. Any difference of opinion I have is only on the time-scale and not on the principle. I would say this for any country that was applying for entry at this moment.

I warmly welcome these reports and when the time comes will warmly welcome our Greek

friends into the Community. But should we not try to improve what we have rather than enlarge too quickly and bring Greece into an unstable Community?

*(Applause from the right)*

**President.** — I call Mr Gundelach.

**Mr Gundelach, member of the Commission.** — Mr President, I first want to congratulate the rapporteurs on their excellent reports, which will naturally contribute material for the work now to be undertaken by the Commission, as will indeed the debate which has taken place here today, of which I have taken full note.

Mr President, it is a matter of gratification that political developments have been such that this Parliament can now discuss constructive, positive, further development in the relationship between the Community and Greece, taking into account naturally the interests of other countries with whom we are closely related in that area. Most of the debate has in fact concentrated on the question of the request by Greece for accession to the Communities. And I think it is with justice that a number of speakers have underlined that this has in a way been a preliminary debate, a warming-up to the debates in the Community institutions, which will take place when the Commission has fulfilled its obligation under the Treaty and has submitted to the Council the opinion which has been requested by the Council. On this problem of the opinion, to which reference has been made by a number of speakers in the course of this morning, the House will undoubtedly understand that while we are still working on this opinion, it would be wrong for me to comment in any detail on the substance of it. That also means that I will refrain from commenting upon a number of points of substance or political significance which have been raised this morning, be it difficulties in the field of agriculture, be it the question of political cooperation, which indeed is a major issue, but not one which can be dealt with, as has been suggested in some reports, in accordance with models used in regard to other acceding countries, but only on its merits. I will not at this stage go further into these questions; they are for a later debate. It would be wrong, on the other hand, to pass over in silence a matter which is of the greatest importance and one of the most important challenges facing the Community in the coming months, namely, finding a fitting response to the courageous initiative which has been taken by the Greek Government.

A word about the timing of our opinion, about which I have been asked. We are currently working hard on the complex task, and I see



no reason why we should not be able to meet the deadline we have set for ourselves for completing and putting forward this opinion, namely around the turn of the year. As I said I am naturally at this stage not in a position to go into the substance, but I would like to make it clear that, in addition to consideration of the inevitable technical and economic problems, including analysis of a number of the questions that have been raised this morning, we will also have to address ourselves to certain issues of major political significance to which reference has also been made this morning, both with respect to the future internal development of the Community and to its external relations, including the problem of relaxing the political tension in that area and taking into account our future attitude to other potential candidates. To give a concrete answer to a concrete question, naturally in this development nothing must be construed or seen as an adverse move towards such other countries including Turkey or Cyprus.

(Applause)

**President.** — I call Mr Corterier.

**Mr Corterier, rapporteur.** — (D) I should just like to say how very satisfied I am that we have such broad agreement in principle. Of course there are also problems which we shall have to discuss. I am pleased that the Commission will clearly be able to deal with the report within the time-limit. This will be very important for our further work on this question.

**President.** — As no one else wishes to speak, the general debate is closed.

We shall consider first the motion for a resolution included in the report by Mr Corterier.

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

The preamble and paragraphs 1 to 6 are adopted.

On paragraph 7 I have Amendment No 2 tabled by Lord Bethell and Mr Corrie on behalf of the European Conservative Group aimed at adding the following to the end of this paragraph:

'and reiterates its support for the statement by the Conference of Foreign Ministers of the Member States of the Community adopted at its meeting on 13 February 1975'.

I call Lord Bethell.

**Lord Bethell.** — Mr President, last February in Dublin the Council adopted a resolution that the two communities should consult together in an effort to solve the Cyprus problem. I think it goes without saying that it must be the

two communities in Cyprus that eventually decide this problem. It has probably been the main difficulty in Cyprus that there has been too much interference from outside and the Greek Cypriots and the Turkish Cypriots have not been able to run their own affairs and that interference from Greece and from Turkey and from other countries has very often precluded their coming together.

The nine Foreign Ministers have stated that they would like to do their best to help in this matter. I hope that this will continue and I know that the Greek Cypriot side would welcome the help of the Nine. Turkey, too, I believe, would like our assistance provided that we come as an intermediary between two friends that have quarrelled and not as the supporter of one side or the other. It would be inappropriate, I would suggest, for the Nine to intervene as the clear supporter of one side or the other. Nevertheless, there is a role, I believe, which the Nine can play, which the Council can play in speaking to the Greek side and the Turkish side in this dispute.

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

**Mr Corterier.** — (D) I agree.

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

The amendment is adopted.

I put paragraph 7 so amended to the vote.

Paragraph 7 is adopted.

I now have Amendment No 1 tabled by Mr Durieux and Mr Premoli, which has already been moved, at the insertion of a new paragraph as follows:

'7a. Asks the Council and Commission of the Communities to intensify their efforts to find a negotiated solution to these problems on the basis of the United Nations resolution and respecting the sovereignty, independence and territorial integrity of Cyprus, an associated state of the Community in the same way as Greece and Turkey;'

What is the rapporteur's position?

**Mr Corterier.** — (D) I can also accept this amendment.

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

The amendment is adopted.

I put paragraphs 8 to 17 to the vote.

Paragraphs 8 to 17 are adopted.

**President**

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

The motion for a resolution so amended is adopted.<sup>1</sup>

We shall now consider the motion for a resolution contained in the report by Mr Terrenoire.

I put the motion for a resolution to the vote.

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

### 7. Change in the agenda

**President.** — I have been requested by the Council of Ministers to suggest to Parliament the inversion of two items on this afternoon's agenda, taking the oral question to the Council on multinational undertakings before the oral question to the Commission on protectionist measures. The Council makes this request very reluctantly, but there is only one flight, which the Minister must take. The Group of European Progressive Democrats and the Commission have agreed to this.

Are there any objections?

That is agreed.

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

*(The sitting was suspended at 1.30 p.m. and resumed at 3 p.m.)*

### IN THE CHAIR: MR MARTENS

#### *Vice-President*

#### 8. Oral questions with debate: Joint action in the field of air traffic safety

**President.** — The next item is the joint debate on the following two oral questions:

Oral question to the Council with debate, pursuant to Rule 47 of the Rules of Procedure, on behalf of the Committee on Regional Policy and Transport

Subject: Joint action in the field of air traffic safety

1. How does the Council intend to follow up the proposal made by the Commission in its communication of October 1973 on the further development of the common transport policy

to include air transport within that policy's terms of reference?

2. Does the Council feel that air traffic safety is an important aspect of a common air transport policy and that the growing density and speed of air traffic give rise to greater hazards for passengers, crews and residential areas flown over?
3. Does the Council share the view that the division, for reasons of air traffic safety, into upper, lower, civil and military airspace is inappropriate, costly and dangerous, does not meet the requirements of modern air transport and prevents full use being made of latest techniques?
4. Does the Council think that cooperation between the Member States of the Community in the field of air safety could have a positive effect on the development of the European aeronautical and electronics industries?
5. Is the Council aware that difficulties have arisen within the Eurocontrol organization which may result in the adoption of decisions at the next meeting of the organization's Permanent Commission at the end of November 1975 which could well involve considerable delays in the implementation of the proposals contained in the Convention of 13 December 1960?
6. Does the Council consider that a Community initiative could help to resolve, or at least minimize, the difficulties which Eurocontrol is at present experiencing?  
(Doc. 347/75)

Oral Question to the Commission with debate, pursuant to Rule 47 of the Rules of Procedure, on behalf of the Committee on Regional Policy and Transport

Subject: Joint action in the field of air traffic safety

1. How does the Commission intend to follow up its proposal to include air transport within the terms of reference of the common transport policy, a proposal it repeated in its communication of October 1973 to the Council on the further development of the common transport policy?
2. Does the Commission feel that air traffic safety is an important aspect of a common air transport policy and that the growing density and speed of air traffic give rise to greater hazards for passengers, crews and residential areas flown over?
3. Does the Commission share the view that the division, for reasons of air traffic safety, into upper, lower, civil and military airspace is inappropriate, costly and dangerous, does not meet the requirements of modern air transport and prevents full use being made of latest techniques?
4. Does the Commission think that cooperation between the Member States of the Community in the field of air safety could have a positive effect on the development of the European aeronautical and electronics industries?

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**President**

5. Is the Commission aware that difficulties have arisen within the Eurocontrol organization which may result in the adoption of decisions at the next meeting of the organization's Permanent Commission at the end of November 1975 which could well involve considerable delays in the implementation of the proposals contained in the Convention of 13 December 1960?
6. Does the Commission consider that a Community initiative could help to resolve, or at least minimize, the difficulties which Eurocontrol is at present experiencing?  
(Doc. 346/75)

I call Mr Noè.

**Mr Noè.** — (I) Mr President, ladies and gentlemen, Parliament's Committee on Regional Policy and Transport will next week begin to discuss a document which it received a few days ago relating to an action programme on aeronautics in Europe. As the aeronautical problems examined in this document include those pertaining to traffic as well as those affecting the industry, it would perhaps have been logical to discuss the questions on today's agenda within that same context.

Be that as it may, the Council of Ministers will discuss air traffic problems in its session of 20 November, which means that we must give our opinion today, after first, of course, hearing the Council and the Commission's answers to the question put by the Committee on Regional Policy and Transport. Therefore, Mr President, I shall attempt to outline the problem briefly, beginning with the aim which we intend to pursue in order to clarify a subject which although not in itself complex, can appear so at first sight owing to the fact that we are now at an intermediate stage. Our starting point was clear enough, but we are still far from our goal, which I shall now describe briefly.

Our goal is to organize air control within the Community, broadly speaking, as follows: air control towers will ensure safety during the departure and arrival phases for a radius of a few dozen kilometres, while all the remaining air space, irrespective of state boundaries, will be in the hands of a single body which will define the procedures for crossing it.

In reaching this goal—which is still very distant, Mr President—we would be on a par with the USA where the pilot of a plane making a coast-to-coast flight, e.g. from New York to Los Angeles, remains in contact with the control tower of the airport of departure for a few minutes only, i.e. until he leaves that airport's radius of action; thereafter, all the intermediate space between the two coasts being under the control of a single body—as could be done in

Europe in the not too distant future—a secondary radar on board the aircraft progressively transmits all information relating to the precise position of the aircraft in flight (longitude, latitude and altitude) so that unless something out of the ordinary happens the pilot proceeds without receiving any further communications. Only if the data transmitted by the aircraft, when compared by the computing centre with incoming meteorological data and data transmitted by other aircraft on a similar route—point to a possible emergency situation, e.g. collision, will the control centre contact the pilot and instruct him to change his flight path.

For the future an even more sophisticated technique is envisaged, in which a small teleprinter will be placed on board enabling the pilot to read messages transmitted from the control centre. Once the crossing of the American continent is completed—to return to our initial example—and the aircraft has entered the arrival airport's control sector, the pilot contacts the control tower to begin landing procedure.

This is the goal which we should, in my opinion, set ourselves in order to achieve the greater safety which, as we stated in our question, is desirable in view of the growing density and speed of air traffic.

What measures have been adopted to tackle the problem which I have tried to outline briefly? The usefulness of setting up a body able to cope with this situation began to be discussed in 1956 on the initiative of several airlines, and finally in 1960 the Eurocontrol Convention was drawn up, although it was not ratified until 1963. It is a 20-year convention, due to expire in 1983.

I say all this, Mr President, in order to make it clear that, as things stand, it will be difficult to change the situation before 1983. The political good will of all the Member States is needed; this is the only way to speed things up, and I hope it can be done. However, preparation is necessary because there is no doubt that we shall have to create a new situation in 1983.

What are the activities of Eurocontrol? They can be divided into two groups. The first is training. In Luxembourg there is a school for training air traffic controllers, and in Brétigny in France there is a centre at which studies on this subject are carried out, to investigate in particular what will happen when the number of aircraft increases further and to establish whether by duly reinforcing the systems currently used it will be possible to cope with the increased traffic flow. Specific problems are also studied in Brétigny, such as the various frequencies for contact between ground control and

Noè

aircraft, and so on. These are the two focuses of the training activities. In addition, a few operational centres exist—and the number is destined to increase—the most important being in Maastricht. But before I describe its tasks, Mr President, allow me to stress that only seven of the nine countries represented here have signed the Convention. Two—Italy and Denmark—have not. Nevertheless, from an operational point of view only the Netherlands, Belgium, Luxembourg and the northern part of Germany have—though with some restrictions—handed over the responsibility for their air traffic control to Eurocontrol.

For instance, there are two restrictions which, in my humble opinion, ought to be eliminated before 1983, for they are incongruous, viz. those specified in Articles 1 and 2 of the Convention, which state that it is not compulsory for a Member State to hand over control of the lower airspace (i.e. below an altitude of 6 000m) to Eurocontrol, so that a Member country is perfectly entitled to assume responsibility for this part of its own airspace. This is the first restriction. The second is stipulated in Article 3, according to which only that part of military traffic flying according to ICAO (International Civil Aviation Organization) regulations is subject to this control. This means that a military aircraft carrying a VIP, and the pilot of which notifies that he will adhere to the ICAO flight regulations, is taken under control, whereas on all other occasions—manœuvres, training flights—it eludes such control.

So there are these two gaps, one dependent on an altitude below 6 000m and the other on a given category of aircraft, i.e. military aircraft which are particularly numerous in certain zones. In addition, two of the bigger Member States, France and the United Kingdom, and now Ireland as well, although they signed the Eurocontrol Convention, use their own controllers to operate at national level, even though the benefits of the studies carried out in Brétigny are at their disposal. We can therefore say that the situation is still very unsatisfactory.

We are somewhat bewildered, Mr President, if not positively embittered, by this state of affairs. Last summer I read a report kindly provided by the Secretariat describing all the steps necessary to achieve the complete automation which I referred to earlier and I realized that enormous efforts were needed to reach the goal which I have outlined. All the data arriving at the centre—on meteorology, on the position and the speed of the aircraft—require extremely complicated processing, which, in our opinion, can only be justified if it leads to complete European control.

That is why we deeply regret this trend towards isolationism. It is especially the vertical divisions, i.e. those separating one state from another, which make us somewhat sceptical about the chances of achieving the desired result. We are convinced that automatic data-processing is necessary, first of all in order to improve the capacity and the efficiency of control in comparison with the manual method used in the early years. The difference in efficiency, in terms of safety and of speed, is so great that the growth in traffic density, in our opinion, makes this automation indispensable. Moreover, data-processing can improve coordination between the various persons stationed at the same centre, e.g. civilian and military personnel. The two can coexist at the same centre more easily if the data which it furnishes are afterwards processed by a single computer. Finally, the application of such a technology would release the controllers from routine duties such as collating data, a task which, at the beginning, consisted of the direct visual reading and comparison of incoming data; this undoubtedly required considerable effort and a degree of concentration which the controllers can more usefully devote to the general tasks involved in controlling flights in the airspace for which they are responsible.

Naturally, all these plans must be sufficiently flexible, since, as everyone knows, the density of air traffic increased beyond all expectations until three years ago. Since then, there has been a period of stagnation. This clearly shows that all these programmes should be rather flexible in order to cater for these variations, which are not always easy to forecast.

I shall end here, Mr President, but I reserve the right to say a few more words after hearing the replies to the Commission's questions. But in order to avoid misunderstandings, I would like to make it quite clear that while the Committee on Regional Policy and Transport is in favour of integrating all the work of air traffic control and appreciates Eurocontrol's achievements to date, it is nevertheless convinced that the Convention needs to be modified in order to give Eurocontrol all the means it requires if, as is likely, it is asked to continue its work, because otherwise we shall be forced to take a retrograde step, which would be deplorable.

**President.** — I call Mr Battaglia.

**Mr Battaglia, President in Office of the Council.** — (1) Mr President, after noting the opinions of the European Parliament and of the Economic and Social Committee, as well as the Commission's report and communication, the Council

**Battaglia**

discussed the problem of integrating air transport into the common policy on 15 October last. I must be quite frank and tell Parliament that the Council felt that great caution should be exercised in any action taken by the Community in the field of both air and sea transport. Nevertheless, the Council expressed the hope that to begin with, some common policies can be worked out in this delicate sector. The Commission, for its part, has stated that it will submit concrete proposals with regard to air transport.

As for the other part of the question, i.e. air traffic safety, I must say that the Council cannot state an opinion because these problems are dealt with at present not by the Community, but—as Mr Noè has already stressed—by other international organizations, such as ICAO, Eurocontrol and so on. Lastly, I would like to point out that Eurocontrol is not a Community organization and so the Council—unfortunately—has no right to interfere in its activities.

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

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (1) Mr President, ladies and gentlemen, as long ago as October 1973, when it presented its communication on transport policy, the Commission emphasized that it was unthinkable to neglect the need to implement a transport policy. On that occasion, it stated that it would ask the Council to examine the possibility of applying Article 84 (2) of the EEC Treaty relating to the air and sea transport policy. I personally have taken it upon myself, on more than one occasion, to draw the European Parliament's attention to the fact that, given the complexity of the problems and the difficulty of reaching a unanimous decision in the Council, we would from time to time ask the Council to approve concrete proposals in accordance with Article 84.

The Commission has repeated its intention several times and I must add that over the past few years I have personally discussed various problems with the chairmen of the national airlines while my assistants have had talks with airline and government experts on the issues for which the Community is responsible following last year's decision by the European Court of Justice on the liberalization of air transport.

It is against this background that our work began, the communication of 1 October 1975 which Mr Noè also referred to—and I would like to thank him and his colleagues personally and on behalf of the Commission for raising this matter—is proof that this resolve is un-

changed. This proposal, which generally relates to aeronautical problems, and consequently to research in this sector, also highlights air traffic problems, with particular reference to concrete proposals made on the basis of Article 84 (2) of the EEC Treaty. Thus against this background of goodwill and proposals, and within the context of the general aims which I have outlined, due consideration must be given to the safety aspect, which is an element of capital importance, especially as regards the adoption of Community initiatives likely to improve the efficiency of the air control system.

The Commission is convinced of the value of continuing to promote coordination of air traffic control at European level, but for the time being finds it difficult, in view of the technical and practical problems involved, to give an opinion on the merits and shortcomings of the present organization of airspace control in which, as Mr Noè is well aware and as I think he himself confirmed, the Community has no say.

The European electronic and computer industries would benefit greatly from cooperation between the Member States aimed at joint development of automated air traffic control systems, as these require mastery of new technologies and some of the most advanced real-time processing and telecommunications techniques. Moreover, as the development of such systems calls for substantial investments which few countries in the world can independently afford, cooperation at European level would mean considerable savings and, of course, benefits from advanced technologies which have already been successfully developed.

For these reasons the Commission, in close collaboration with the national administrations and Eurocontrol, has submitted a priority proposal to the Council for a study project aimed at defining the requirements of the next generation of automated control systems which the Community will need in the coming decade.

The Commission is also aware of the difficulties which have arisen with respect to the organization of Eurocontrol. However, as I have already said, the membership of this body means that the Community has no control over it. The Commission feels that the setting up of Eurocontrol was a considerable step towards European integration of air traffic control systems as a means of overcoming national boundaries, and therefore hopes that the present difficulties may be resolved and that the will to continue along the road to integration and well-organized and reliable control systems better geared to the need of modern air traffic may be reaffirmed.

**Scarascia Mugnozza**

Bearing in mind the lack of necessary specific powers, the extremely technical nature of the subject combined with the military considerations involved in airspace control, and the complexity of the political problems, the Commission considers it premature at present to commit itself to specific actions in this field. At the same time, however, the Commission hopes that the Eurocontrol authorities will take full account of any European interests which might be jeopardized by their decisions.

In short, Mr President, the Commission has committed itself to presenting proposals concerning air traffic in the near future. On the other hand the situation as regards Eurocontrol is much more delicate, in that, while we hope that Eurocontrol may overcome its difficulties and are ready to do all we can to help, the very nature of Eurocontrol means that we cannot undertake to present specific proposals in the short term.

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

**Mr Seefeld.** — (D) Mr President, ladies and gentlemen, the questions put by the Committee on Regional Policy and Transport were divided into two parts.

The first part concerned air transport policy in general and whether it should be included within the terms of reference of the common transport policy. The answer which the Council has provided was lame and disappointing. I find it difficult to accept the fact that after the announcement as long ago as October 1973 of the need to incorporate this policy in the European transport policy, it is now being said that this step should be approached with the utmost caution. I must register my disappointment at this statement.

The second part, i.e. questions 2 to 6, concerned air traffic safety. Now in this area, ladies and gentlemen, questions have been asked which the Council has not answered. Noone asked whether the Council is competent in this area. The President-in-Office of the Council is competent in this area. The President-in-Office of the Council said that he could not give an opinion since it was not a policy which fell within the purview of the European Community, but within that of another organization; but what we asked was whether the division into upper, lower, civil and military airspace was not dangerous for the European Community. No answer! The only reply we get is, we are not competent, it is the business of another organization. Mr President, ladies and gentlemen, such an answer is not just unsatisfactory,

it is downright outrageous. Here we have a problem in which safety is at stake and the Council says it is not competent to deal with it. One question was whether the Member States could entertain the idea of action being taken in this area. No reply to this either! The Council was asked whether it is aware of the difficulties within Eurocontrol. No answer! Another organization! We are not competent.

Mr President, we simply cannot get away with saying: we agree that these problems affect our countries, but we are not competent to deal with them, they are the business of another organization or another institution. If only the President-in-Office had gone on to say that the nine countries of our Community *are* concerned about these problems and would cooperate to devise solutions, this would at least have been evidence of goodwill.

The last debate in this House on Eurocontrol and air safety took place in May and a great deal of things were said then which it is not worth repeating today. It is, however, undeniable that the large number of airmisses which have occurred in the meantime, involving, in particular unknown (because uncontrolled) military aeroplanes, could drop if the traffic were properly organized. In my country, the Federal Republic of Germany, the figure for airmisses is greater than it has ever been, and in the first nine months of this year alone over 300 airmisses were reported.

This is not surprising since in Germany alone there are seven different airforces which have to come to terms with one another. In addition to these, there are, if we consider the Frankfurt area alone, a very large number of civil aircraft taking off and landing there. Military aircraft are particularly dangerous since no advance warning is given of their arrival. They do not appear in the radar system until very late and I have been told by experts, by pilots, that the most dangerous situation in Europe is to be found in German airspace.

Now, on 20 November seven of the nine countries which make up our Community, the seven which belong to Eurocontrol, will be meeting again in their Council of Ministers to resume their discussions on what is to be done. I would appeal to these countries not to dissolve Eurocontrol or to allow any retrograde step, and to seek to achieve a national solution and cooperation, of benefit to us; it must be remembered that many of the requirements imposed by the national air safety authorities are uneconomic for the airlines. These involve the crews in time and energy consuming manoeuvres. The avoidance of bad weather areas and turbulences is rendered more difficult or even impossible by

**Seefeld**

complicated coordination procedures, and the pilot cannot always act in good time to prevent harm to passengers and aircraft. Complex control methods represent an easily avoidable hazard.

Channelling has made the feeding of aircraft from the lower airspace extremely difficult. An aeroplane must often fly hundreds of kilometres at low altitude in adverse weather conditions and with higher fuel consumption, before it is possible to send it up into other flight-level bands, as they are called. Similarly, aircraft are compelled to remain at a particular altitude until just before the civil airport, where they are fed down at a higher rate of descent. For aircraft of the size of the Boeing 747 or the DC 10, for example, this is not an un hazardous manoeuvre and even for other types of aircraft it constitutes a danger rather than a contribution to greater safety.

Allow me, Mr President, to draw your attention to the following.

In the German Bundestag and in other parliaments too discussions are taking place about better cooperation, better coordination. Some changes must be made to the present system and we in the Committee on Transport believe that we should not tinker with a good organization like Eurocontrol. Two different solutions have been submitted to the Council of Ministers of Eurocontrol, solution C and solution D. Time does not allow me to go into details, but it is my belief that solution C is the better one as it would ensure that we would have greater safety in Europe, that Eurocontrol would not be dismantled, that no national solutions will be accepted and that this long-established organization will remain in existence.

A motion for a resolution has been tabled by certain Members on this. I am one of the signatories of this motion and I would be glad, Mr President, if you would grant me another minute to make one or two further points.

My Group was not able to adopt an opinion on this motion for a resolution because it was tabled only a short time ago. I tabled it with other members of the Committee on Transport. Its general tenor, however, has been welcomed by the Socialist Group. I am therefore tempted to assume that my fellow Socialists agree with me on this.

In conclusion I would say this: firstly, the air transport policy must be included within the terms of reference of the European transport policy. I cannot believe that the Council will be able to avoid facing up to this much longer; the Commission and Parliament are of the same opinion in this matter. Since we are only at the

beginnings of a European transport policy, it is not yet too late to take a decision to this effect.

Secondly, the question of air traffic safety must not be left to chance. It is vital to ensure the greatest possible degree of cooperation, and to develop and consolidate existing achievements, and we believe that Eurocontrol is a particularly suitable organization for this purpose. I urge you, ladies and gentlemen, to appeal to our governments not to break up this organization but to provide for its expansion and thus contribute to greater air traffic safety.

*(Applause)*

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

**Mr Scholten.** — *(NL)* Mr President, for various reasons my Group is worried about developments in air traffic safety. We are worried about the facts of the situation, on which Mr Seefeld has just commented, but we are even more worried about the position of Eurocontrol, both because of the attitude of certain governments and in view of what we have been told by the Council this morning.

I fully share Mr Seefeld's criticism of the answer supplied by the Council. The Vice-President of the Commission, Mr Scarascia Mugnozza, hit the nail right on the head. The safety of human beings is at stake and any amateurism in this area is reprehensible, any predominance of national sentiments is reprehensible and finally any indifference is reprehensible too. But I am afraid that the answer which we have had from the Council this morning testifies, in my view, to a certain amount of indifference towards this problem, and I strongly protest against it. It is of the utmost importance that the Council, of all institutions, should pay great attention to this matter. I am compelled to observe that the development of Eurocontrol is coming up against more and more problems, and that is not something I take pleasure in saying.

The large countries are not the only ones to blame for these difficulties. True, the Netherlands Minister of Transport, Water Control and Construction announced to the Netherlands Parliament in a letter of 26 May of this year that three Member States have voiced the opinion that the idea of a general obligation to transfer the actual exercise of traffic control to a large central organization had been overtaken by events. But the attitude of my country to Eurocontrol also gives me cause for anxiety because it has emerged from recent correspondence and discussions in my national Parliament that there, too, increasingly greater emphasis is

**Scholten**

being laid on organizational and financial problems. Of course, I am not saying that such problems do not exist. I realize that in view of technical developments and developments in air transport certain of the assumptions which in 1960 and 1963 led to the decision to set up Eurocontrol perhaps no longer apply.

However, I am unfortunately compelled to observe that the political determination to achieve unity on this matter has slowly faded and instead national feelings have gained the upper hand. I wish to state my Group's opinion on this trend quite clearly in this debate. The millions that have been invested in past years in building up this organization cannot be written off just like that. I would therefore very much appreciate it if the Commission, and the Council too, would state unequivocally today that they still fully subscribe to the fundamental, original objectives for which Eurocontrol was set up. I should like to ask the Commission whether it agrees with the Netherlands Minister of Transport, Water Control and Construction that current technical problems can be overcome with a little goodwill. I would also ask the Council and the Commission whether they are willing here and now to do everything in their power to support efforts directed at achieving uniform control in the interests of air traffic safety over Europe, taking into account the requirements of expediency and sound financial policy.

Mr President, human beings are at stake in this issue. And since the safety of human beings is at stake my Group believes that it is of the utmost importance that any uncertainty as to political standpoints should be dispelled.

*(Applause)*

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

**Mr Krall.** — *(D)* Yes, Mr President, ladies and gentlemen, as far as the first part of the question on the common air transport policy is concerned, I fully support the criticism voiced by the previous speakers, Mr Seefeld and Mr Scholten. I too fail to understand how the Council can dodge this vital issue.

I should like to concentrate on the second part of the question, however, and say on behalf of my Group, the Liberal Group, that we support the demand of the Committee on Regional Policy and Transport for common action in the field of safety in military and civil aviation. The causes of collisions involving military and civil aircraft in Japan, France and the USA, which have so far resulted in 244 deaths, lie basically in the absence of coordination between civil and military air traffic control.

Now, Mr Scarascia Mugnozza, the reason is not that coordination is not yet technologically possible. Civil aviation is properly organized and its technology is reliable; aircraft are guided from continent to continent in controlled airspace, usually without any particular difficulty. I repeat quite categorically that the problem here is insufficient coordination between civil and military aviation. Mr Seefeld has just told us that in the first ten months of this year alone there were over 300 near misses.

On 31 October only the swift reaction of a Lufthansa pilot prevented the collision of two aircraft over Frankfurt. Several passengers were injured by the emergency manoeuvre.

This disturbing incident has, for example, led the Liberal Group in the German Bundestag to request a hearing on air traffic safety in the Federal Republic of Germany before the Transport and Defence Committee of the German Bundestag in order to obtain a true picture of the current situation in Federal airspace and to draw the necessary conclusions.

Ladies and gentlemen, the European Parliament cannot remain silent on this extremely serious issue either. We must not wait until further air disasters occur. When human life is at stake, the introduction of radical measures cannot be abandoned because of the necessary increase in manpower or equipment and the associated cost.

As the previous speakers have already pointed out, a way out of this vicious circle was found in the shape of the arrangement agreed on in 1960 by seven European countries. I refer to the creation of a uniform air traffic control authority responsible for both civil and military aviation at European, not national, level, namely Eurocontrol. But with the withdrawal of France and the United Kingdom from this common air traffic control authority the 1960 Eurocontrol agreement has become practically inoperative. We thus have an unsolved problem on our hands.

However, ladies and gentlemen, I should like to state quite clearly at this point that the coordination of civil and military air traffic control is possible on both a multilateral and a national basis. Everyone must realize this. It is all perfectly feasible. The only thing required now is a sense of political purpose. First and foremost this involves—we must be frank about this—overcoming the reluctance of the military authorities—for example NATO—to permit the pilots of their aircraft to be subjected to continuous civil control. This issue simply has to be raised if we are to be realistic about things.

Now, the Community's Transport Ministers, and in particular the Permanent Commission, which was in fact appointed by the Council of Ministers



**Krall**

of Eurocontrol, will shortly have the opportunity of discussing this problem. As Liberals we demand that due account be taken of the requirements of the present situation. On behalf of my Group I hope that these discussions will cover not only already controlled airspace but areas beyond it too. In this connection I would add a comment based on painful personal experience. In the uncontrolled airspace above our Community there are private pilots, flying for business or pleasure, military helicopters and, most important of all, low-flying NATO jets whizzing around without any proper control over them. I hope this situation will not persist, and on behalf of my Group I hope that the Committee on Regional Policy and Transport will not drop the matter of air traffic control and, more particularly, the problems to which it gives rise, but will continue to issue warnings to the Council and the Commission, and I urge the House to support this committee in order that a mutually satisfactory solution can be found for this difficult problem.

*(Applause)*

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

**Mr Nyborg.** — *(DK)* Mr President, I should just like to say a few words on behalf of the Group of European Progressive Democrats. May I first of all deplore the fact that we are allowed only five minutes to speak on such an important subject as this. It is not enough for us to discuss it in sufficient detail, but we appear to have no choice.

I should like to start by thanking Mr Noè for his, as usual, knowledgeable and excellent presentation of the subject. I should also like to say that I agree with what has been said by Mr Seefeld, Mr Scholten and Mr Krall. I cannot claim that I am disappointed at the Council's answer—rather I am disappointed at the lack of an answer from the Council, since I do not think we have been given any reply at all. On the other hand, I must express my satisfaction that the Commission has adopted such a positive attitude to this question.

Although the subject of the debate is expressed in general terms—joint action on air traffic safety—there is no doubt that it concerns chiefly the problems of Eurocontrol. In past years, Eurocontrol has achieved results in and coordinated air traffic safety in the European airspace. The organization has also operated an experimental centre in France and a training centre in Luxembourg. There is now a danger that all these activities, which have been carried out by cooperation at European level, may have to be

stopped because of an increasing desire on the part of certain Member States to undertake their own air traffic control on a national basis. The arguments for having a body such as Eurocontrol are just as valid now as they were when the organization was set up in 1963. Wide-ranging cooperation across national frontiers is essential if we are to have the greatest possible protection against collisions. Human lives are at stake. European airspace is among the busiest in the world, and to ensure maximum safety we must co-operate as much as possible. The best way of achieving this is to hand over air traffic control to an international organization such as Eurocontrol. Apart from having developed new procedures and system for the improvement and automation of air traffic control, Eurocontrol has by its very existence led to considerable investment in air traffic facilities. If there were to be no cooperation in this sector, the individual countries would have to spend considerable sums on setting up equivalent installations. It is more than likely that the smaller countries would not do this because of the costs involved. In the case of the larger countries, which would have the necessary funds available, there would probably be overlapping installations and money would be wasted. Co-operation in this sector must be regarded as valuable not only because the price to be paid is small compared to the high standard of air traffic safety it ensures but also because it saves many lives.

On behalf of the Group of European Progressive Democrats and as a cosignatory of this motion for a resolution which, among other things, draws attention to the need to include the organizations involved in this sector in the establishment of safety requirements, I recommend that this motion for a resolution be adopted.

*(Applause)*

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

**Mr Osborn.** — Mr President, I find that this is a very complex subject and becomes more complicated the more I look into it, but the hard fact is that aeroplanes are flying faster than they used to, and we are concerned with air traffic safety. Perhaps we should direct our minds to this, and I congratulate Mr Noè on introducing the subject.

Going back into history, there was a 1944 Chicago convention giving rise to ICAO, and in 1960 there was the creation of Eurocontrol, the articles of which I have here, and they are fascinating: an excellent concept. I do find, however, that the Council and the Commis-

**Osborn**

sioner have shown a detached independence which perhaps is not justified, because in the near future we shall be discussing Document 319/75, where on page 5 there is mention of 'rationalization of the route structures' and 'optimizing international routes and services'. If that does not include the control of aircraft, I do not know what does. Then in 1973 there was reference to the study of air transport relating to the improvement of services, concertation of traffic policy, etc.

So I do not believe the Council of Ministers or the Commission are right in showing such disinterest.

I agree, of course, that Eurocontrol is independent and has its own ministers, and that that presents problems for us. I also accept that the airlines hold the view that Eurocontrol is costly and has not achieved its objective, and we should all consider how that objective can be achieved within Eurocontrol or something else. Perhaps we should accept that as a line.

The failure of Eurocontrol is twofold. It is nonsense to have national control of the lower airspace and international control of the upper airspace, and it is nonsense to have military and civil air routes as per Article 3, which confines Eurocontrol to civil aviation in separate hands. In Britain, France and other countries it is in the same hands. But, of course, the problem is in Europe: not all European countries have a common defence policy and are members of NATO. They do not necessarily belong to Western European Union, and therefore until we have a European Union that includes some coordination, military operations will be independent of civil. This is something civil airlines have to live with, and we as politicians would be wrong in asking them not to live within this reality. Therefore, the national air lines and IATA are not too happy with Eurocontrol. They have to pay for it, and Eurocontrol seems to be running itself rather independently.

Mr Noè spoke about the United States of America. I have seen how the Federal Aviation Agency works, I have been in traffic control centres there, I have seen the equipment, I have flown across Europe and America as acting second pilot—I am not a navigator or a pilot, I can assure the honourable Members here, but I have been interested in the procedures in both countries—and I am aware of what the equipment can and cannot do. There is a need for common standards and uniformity, and in Europe, where we have different languages, there is a need to overcome the language problem. IATA have had representatives here and

have put their case to me, because airlines express their views through IATA.

I would suggest, Mr President, that this issue should be looked at not only by the Committee on Regional Policy and Transport but by the Committee on Energy, Research and Technology, as it is a highly complex technological subject. It could well be that the honourable Members interested in this should come together in an *ad hoc* group to see the Commission, the Council, IATA, the Airline Pilots' Federation, Eurocontrol and the national airlines to achieve a better understanding of the political, economic and administrative problems, particularly those facing airlines and air pilots. On the other hand, EEC ministers and the ministers of all European governments have an important role to play, and I very much hope that we shall have a sensible report that politicians of Europe, both within the Community and outside, can look at.

I was very impressed two years ago when the Western European Union had a conference at which aircraft manufacturers, airlines, civil aviation authorities and airport authorities came together. Perhaps, Mr President, this is where this body could take the initiative so that this complex problem could be looked at by all who have an interest in this problem.

The problem is one of communication and understanding, and to me the essential question is what has to be done to improve and accelerate the flow of air traffic throughout Europe with the maximum of safety and efficiency. It affects this Assembly, the governments of all those represented here and everyone throughout Europe and therefore the members of the Council of Europe as well. In the first instance it behoves us in this Assembly to influence the ministers of our governments to take more positive action. I commend the resolution that Mr Noè has put out and feel that the airlines, who have to pay for this, should have a say in what is achieved. But the electronics and other computer industries also have an important role to play, and above all the Council of Ministers of the Community must be a good deal more positive than it has been so far. I admit that this is a difficult subject, but if we are going to talk about transport policy and policy for the aircraft industry, it is a subject that affects all of us in this Assembly. I very much hope that honourable Members will support this resolution and that Ministers will act.

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

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Mr President, having listened with great interest to what the various speakers

**Scarascia Mugnozza**

have said, I would like to stress two further points. Parliament will receive the Commission's proposals on air traffic problems in the coming months, but for the time being we are not in a position to submit useful proposals on problems concerning safety. As I have already stated, we are prepared to back any action in support of Eurocontrol, but, unfortunately, we cannot intervene directly in this organization. I have had occasion to say this before and to take the matter up with the IATA, and I believe that it was following my meeting with the IATA that Mr Noè was able to obtain data which may be useful for a more thorough study of the problem of Eurocontrol. Unfortunately, no decision we may take can be absolutely watertight, given our position vis-à-vis Eurocontrol. Nevertheless, we think it useful for the Transport Committee to be able to carry out the study mentioned earlier on the situation of Eurocontrol and we shall make every effort to ensure that at least the achievements to date in the field of air traffic safety are further consolidated in the future. In this connection, the Commission undertakes to submit concrete proposals to the Council as soon as conditions prove more propitious to Community action.

**President.** — I call Mr Battaglia.

**Mr Battaglia, President-in-Office of the Council.** — (I) Mr President, I have very little to add to what I said in my first speech, since the Commission representative has just expressed admirably what I should have wished to stress: so I shall avoid repeating what he said.

There is just one personal point which I would like to raise, Mr President. I have not taken part in many parliamentary debates during the past six months, but on each occasion—and today is no exception—I have been surprised at the number of high-flown adjectives used in this Parliament and which are almost invariably directed at the Council benches. There has been a stream, indeed a torrent of adjectives describing replies as lame, disgraceful, outrageous and disappointing. Today, for example, it seems almost as if the Council were opposed to air traffic safety and were perversely bent on making aircraft collide in mid-air over Europe.

This is of course not the case, and I would like to suggest that greater moderation in making judgements is in the interests of reciprocal comprehension between Council and Parliament. For example, we obviously share Mr Scholten's opinion that all forms of nationalism and national dissension must be banned. We agree completely on these problems which are so important to Europe as a whole, but I imagine that Mr Scholten will have heard of the Coun-

cil's voting rules and will have realized that the outcome of Council votes depends on legislative provisions, on the positions and on the consistency of the reasons upheld in each Member State: all these factors are reflected in the stands taken by the Council.

Mr Seefeld complains that the Council refuses to adopt a position on problems concerning safety, but my reply to this is the same as the Commission's: this matter lies outside the Council's competence. Unfortunately, there are many very important problems in life which lie outside the Council's competence. Take, for example, the health of the members of the Commission, of the Council and of this Parliament: this is certainly a problem of great importance and it would be desirable for the Council to be able to take positive action on this matter. Unfortunately, it does not lie within the Council's competence, so a polemic on the subject with bombastic and insulting adjectives is pointless when it is clear that there is no basis for discussion where the necessary competence is lacking.

However, if I have understood correctly, Parliament will adopt a motion inviting the Commission to submit concrete proposals to the Council. Thus the Commission will submit concrete proposals to the Council and the Council will then examine them.

**President.** — I call Mr Noè.

**Mr Noè.** — (I) Mr President, before illustrating very briefly the motion for a resolution on which we have to vote, I would like to make an observation, perhaps avoiding the use of adjectives as far as possible. I, too, was disappointed by the replies which we have heard, especially the Council's. When Mr Battaglia, the President-in-Office of the Council, stated that Eurocontrol was not a Community organization, he could not fail to disappoint me. His reply pinpointed the only major problem to be tackled—all the others can be cleared up—and no progress is possible if it is left unsolved.

Eurocontrol can work only if the Member States, following suitable action by the Council, can create the situation referred to in paragraph 1 of our motion for a resolution, in which all the airspace is placed in the hands of a single body irrespective of any vertical or horizontal division of it.

Eurocontrol cannot work efficiently before this is done in view of its extremely limited possibilities, of which we are all aware.

In addition, I would like to draw attention to an important consideration which frequently crops up during the various arguments on the

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subject: at present, Eurocontrol is somewhat expensive inasmuch as it involves duplication of effort in some sectors. Nevertheless, this drawback will be eliminated when its field of application is extended, in other words, when the general running costs are borne by the whole of Europe: this is the tricky problem which we have to solve.

The essential point of the motion under consideration is paragraph 1, which I mentioned a few moments ago and in which we ask the Commission to submit to the Council a proposal for bringing the entire airspace under the control of a single body. The resolution also refers back to the text approved by Parliament on 13 May 1975 during a debate on the rôle of Eurocontrol.

Lastly, Mr President, paragraph 3 of this motion for a resolution contains an element not included in previous texts on this subject: in it we express the hope that the IATA and the IFALPA will be consulted whenever an important decision is to be taken. It has never ceased to amaze me that the IFALPA, i.e. the association grouping the persons most qualified to judge the effectiveness of measures taken in this field, is not consulted officially.

The motion under consideration is very short, because, as I said at the beginning, Parliament will again deal with this subject when it comes to discuss the action programme in the field of aeronautics in Europe.

**President.** — I call Mr Seefeld.

**Mr Seefeld.** — (D) Mr President, I shall be very brief. I am merely prompted to comment on the answer which the President-in-Office has just given.

He complained that critical adjectives were used to describe the Council's attitude and had rained down on him like a torrent. But he cannot blame us for that, Mr President, he has only himself to blame.

We asked specific questions and these specific questions have not been answered. Mr President, when Mr Battaglia says we appear to believe that the Council is not in favour of safety I must point out that a question was asked on this matter. We wanted to know whether the Council considered it necessary to divide up airspace and whether it considered it necessary to improve cooperation between the Member States, whether it regarded Eurocontrol as a suitable organization and whether it considered that appropriate steps needed to be taken. The Council's representative could have said yes on all counts. Instead of that, he said that the Council could

not give an opinion, that it was not the business of the European Community but of another organization.

Mr President, as long as this House allows itself to be treated by the Council in the way in which it has just been treated by Mr Battaglia, I, and no doubt other Members too, shall not hesitate to make critical statements, such as 'the Council has disappointed us today', to describe the answer given by the Council's representative.  
(Applause)

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

I have received from Mr Noè, Mr Nyborg, Mr Osborn, Mr Schwabe and Mr Seefeld a motion for a resolution following this debate.

This motion for a resolution has been printed and distributed as Doc. 374/75.

Pursuant to Rule 47(4) of the Rules of Procedure, the authors of this motion for a resolution have requested an immediate vote without reference to committee.

Are there any objections?

That is agreed.

I would remind the House that only explanations of vote are permitted.

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

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

#### 9. Oral question with debate: Consumer protection

**President.** — The next item is the oral question with debate put by Mrs Boothroyd, Mrs Orth and Mr Fellermaier on behalf of the Socialist Group to the Council of the European Communities (Doc. 344/75):

Subject: Policy in the field of consumer protection

On the basis of several provisions of the Treaty establishing the European Economic Community the Community's highest authorities have on various occasions pointed out the need for the Community institutions to strengthen and co-ordinate measures to protect and inform consumers. The European Parliament, the Commission and the Economic and Social Committee have often drawn attention to this necessity. In 1972 the Heads of State and Government made a statement to the same effect and called for an action programme which was adopted by the Council on 14 April 1975.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**President**

The Council is therefore asked the following questions which concern important problems of consumer protection.

1. The Council has before it a number of Commission proposals—some of which date back to 1968/69—which include consumer protection measures. These proposals chiefly concern the following sectors:

- pesticides
- wines
- fruit juices
- fertilizers
- cosmetics

Could the Council explain why it has not yet taken action on these proposals and state the prospects of legislation being adopted in these fields?

2. Why has the Council not acted on the proposal submitted by the Commission in 1972 concerning motor vehicle safety glass? Does the Council not agree that adoption of this regulation would make an effective contribution towards improving road safety?
3. As regards food products of agricultural origin, could the Council state what proportion of consumer prices is attributable to processing, packing and distributing food products, i.e. the margin between producer and consumer prices?

I call Mrs Boothroyd.

**Miss Boothroyd.** — I joined this Parliament five months ago, and since then I have spent a great deal of my energy in fighting various departments of it to try and retain my single status. It may be very flattering to be called 'Mrs' but I would prefer, if I have to have a style and title, it to be just 'Miss', which is what it is, as a matter of fact.

We have had a lot of debates here and in our own Parliament about agriculture. Yesterday we had a debate on this subject and again this morning it was touched upon in some detail. I have no pretensions of being an agricultural expert or, indeed, of knowing very much about the technicalities of the common agricultural policy. I approach this problem as a consumer, a very small part of an enormous force, the consumer of the European Community. As a consumer, obviously I want enough food to eat, and I want to be assured of its supply, and naturally, as a woman, I want it as cheap as possible. But I do not want it produced so cheaply that those who earn their living on the land do not get a fair return for the work they do.

I accept, too, that modern agriculture is highly capital-intensive and that it is only by using modern methods that consumer prices can be kept down. If farmers are going to invest the capital that is necessary for efficiency, and if the makers of machinery and fertilizers and all

the other things that modern farming demands today are going to invest the money in research, then there must be long-term planning for the industry. And consumers will benefit from this just as farmers will. But what, as a consumer, I do not want is that farmers should feel that they have the right to go on producing in exactly the same patterns as they did ten, twenty, thirty years ago, regardless of whether consumers want the resulting products or not. There must be planning and forecasting based on consumer needs rather than on producer desires. Of course there must be a balance between the two, but first of all I want to look at consumer needs.

As I see it, the major task must be to work out how much food is required within our Community. In other words, to work out, perhaps over a period of years—we cannot do this year by year, it has got to be done over a long period of time—what the requirements of the Community consumer might be and how much of this can be reasonably produced within our own society. The consumer wants secure supplies and it would only be prudent to allow for margins over what we are actually likely to be able to consume. I know this is difficult. I am sure I will be told how this problem has been considered many times and how difficult it is and that we have to proceed with caution in all these things. But without this long-term planning, the consumer will experience periods of shortage and periods of surplus and glut. The consumer will have a right to be critical of the price support policy because, after all, it is every consumer in the Community that has to foot the bill in the long run. Even with this greater degree of planning which I am talking about, there will inevitably be surpluses, but I believe that those surpluses will take the form of manageable molehills rather than immovable mountains, and consumers cannot complain about them so long as they are kept within bounds. Indeed, we should look on planned surpluses as a type of insurance policy against shortages. You know, Mr President, few householders complain when, having paid their insurance premium, their home is not destroyed by fire. So consumers cannot complain of a system which insures them against shortages in hard times.

But I believe that consumers are justified in their criticism of unwanted surpluses, and their criticism is certainly justified in regard to the way in which these surpluses are disposed of, namely at well below the economic price to wealthy industrialized nations. Priority in the absorption of these surpluses should go to all of us in the Community, and for any economists or officials to argue that such methods of

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disposal would upset the balance of market forces in the Community is to underestimate the housewife, it is to misunderstand her totally. That argument has about as much of a chance of success with the housewife as a snowball in hell! I do not look favourably on the system which gets rid of these embarrassing gluts on a means test basis, but until fundamental changes can be made, the consumer has an absolute right to demand that unwanted produce go through welfare agencies to those most in need within our own Community.

Mr President, may I be allowed to digress here to say that I do not believe that the Community consumer is concerned solely with providing enough food for his or her own table. I have never believed that we should merely supply the Third World with what is left over from our table in good years. I believe we should take a lead in developing a world food plan, not simply giving away what we cannot use ourselves at certain times, but finding out in advance the needs of those worse off. Let us plan for the needs of those people who are worse off so that by so arranging our society, we can endeavour to provide them on a regular basis with their basic food needs.

Meeting the needs of the consumer at home in the Member States and meeting the needs of others overseas may mean the restructuring of agriculture and perhaps some hardship to farmers and to farmworkers. In any restructuring, the consumer is again involved as a taxpayer. Agricultural policy must go hand-in-hand with regional policy and with social policy, too, so that these two types of policy can be fully implemented to cushion farmers and farmworkers against any hardships they encounter at times of change.

But never let us forget that the cost of food to the consumer is not simply the price that is paid to the producer. For every 100 francs that I spend as a consumer in a shop, the producer gets something like 30 or 40 francs. The remainder goes to wholesalers, retailers and on storage. If the consumer is to be properly protected, this chain must also be carefully watched. We would be foolish indeed to devote our resources and our energies to seeing that the producer gets what he deserves, but no more than he deserves, for a good day's work, only to find that inordinate profits were made by these middlemen who provide the service from the farmgate to the table. And to my mind the stocktaking document is rather disappointing in that it pays insufficient attention to this aspect. This morning we talked about the storage of skimmed milk, and whether it costs more to store or more to dispose of, and it was not a very precise argument. But precise information about such

matters must be made available to this Parliament and to consumers.

Finally, Mr President, let me say that consumer involvement is, I know, relatively new, and I am sad to say I think it is inadequate within our Community. The Consumer Consultative Committee was established a little more than 12 months ago. Its task is to provide the Commission with information either on its own initiative or at the request of the Commission, but it has no influence on decision-making. It cannot mount a pressure group; it cannot run a publicity campaign against Community decisions. This has to be done by associations within the Member States. The Economic and Social Committee is the instrument by which consumers can vent their concern about Community decisions, but they can only do so after the decisions have been made. And this committee has only six consumer representatives on it, out of a total membership of something like 150.

No longer is consumer involvement limited to questions of food quality and of hygiene. A couple of weeks ago the Secretary of State for consumer affairs from my own country appeared for the first time at a meeting of agricultural ministers. I hope that it will not be the last and that other Member States will appoint secretaries of state dealing with consumer affairs who will also discuss with agricultural ministers, because the largest single item in the Community budget is that which goes to agriculture. The consumer meets the cost of this, and consumers have the right to be involved in decisions concerning food production, the cost of the policy, the disposal of surpluses and storage policy as well as the price paid in the shops. I ask the Commission not to drag its feet any longer on this, but to give consumers an opportunity to partake in the decision-making process at all levels of policy.

*(Applause)*

**President.** — I call Mr Battaglia.

**Mr Battaglia, President-in-Office of the Council.** — (I) Mr President, Miss Boothroyd has illustrated this question by means of a series of very convincing arguments, to many of which I personally subscribe.

Using her question as a starting-point, she dealt with all the aspects of the common agricultural policy, a very broad subject which has been often discussed and, I fear, will go on being discussed, and on which I, too, would like to say a few words at the end of this reply.

I have specifically prepared my answer today, and I would therefore ask Miss Boothroyd to understand that I would prefer first to reply to

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the precise questions put to me. Let me state immediately that the Council is in complete agreement that the sectors mentioned by the honourable Members are of prime importance for the protection of consumer health and safety. However, it is plain that we are faced with difficult problems. On the one hand we must take into account the highly technical and scientific nature of the provisions proposed; on the other, we must remember that the provisions to be harmonized are the result of the experience peculiar to each of our Member States and are based on very divergent production and consumption structures and different ways of life. It is clear that when the bases can vary so much from one Member State to another, very detailed study and sometimes considerable efforts at adjustment are necessary; it takes time and patience to solve such complex problems, even if the time needed, which can sometimes be very long, breeds impatience.

With particular regard to pesticides, the Council has received a proposal from the Commission for the fixing of maximum levels concerning pesticide residues on and in fruits and vegetables. The Council is currently working on these proposals and is aiming at a definition of principles for common rules in this sector, which I hope can be agreed on before long.

The Council has also received a proposal on the classification, packaging and labelling of pesticides. The European Parliament and the Economic and Social Committee recently gave their opinions and the experts began their work at the Council last September on the basis of the Commission proposals.

In the case of cosmetics—which I realize must be at a price women can afford and, above all, must not be dangerous—one of two alternatives must be chosen: either a directive of limited scope must be adopted as rapidly as possible in order to forestall greater divergences in national laws, or else the directive must be made as comprehensive as possible from the time of its adoption. The latter solution will inevitably take longer to achieve.

By 15 November, the experts will inform the Council whether agreement can be reached on certain particularly important aspects of this problem, so that a sufficiently broad and, at the same time, important directive can be adopted. The Council has in particular called for agreement, on the compilation of comprehensive lists of colouring agents and cosmetics. We should therefore know within the next few days—on 15 November—the progress made so far.

As regards consumer protection in the wine sector, the Council is currently examining various proposals for directives harmonizing the

use of substances such as additives, preservatives, etc. This is a difficult matter since one comes up against local customs and practices of long-standing in each country. However, the Council hopes to reach a conclusion soon.

On the other hand, Miss Boothroyd, there is good news as regards fruit juices and fertilizers, because work in this area is approaching completion. On a more general note, I would like to point out to Parliament that eleven directives designed to protect the health and safety of consumers have already been adopted.

In point 2 of their question the honourable Members raise the matter of *safety glass* to be fitted in motor vehicles. It has not so far been possible to reach total agreement on this proposal: the question of whether the use of laminated glass for vehicle windscreens should be made compulsory is still outstanding. Work is continuing in an effort to reach an agreement guaranteeing a maximum degree of safety.

As for the problem of consumer prices, which seems to me the central element of Miss Boothroyd's question, I would like to refer first of all to the data which the Commission submitted to Parliament on 14 and 15 October last in its communication on the stocktaking of the common agricultural policy, and in particular to paragraphs 54, 55 and 56. I should especially like to add that of the three factors which go to make up the consumer price of foodstuffs, i.e. distribution, processing and production, the last has less impact than the other two taken together.

This very important point deserves close attention. The portion of production costs in the consumer price has been falling for a long time and amounts to no more than a third of the total consumer price of the foodstuffs which families buy on the market. Take an example: considering the proportion of the typical family budget taken up by the food bill, should there be a 10% increase in agricultural prices and should this be completely reflected in consumers prices—which is rarely the case—the impact of this increase would only add about 1.9%—2% to the total family food bill.

Let me give another example: between 1967 and 1973 the price of bread in France rose by 143%, while wheat for bread went up by only 28%. This means that there is a huge disproportion between the increase in consumer prices and the increase in production prices.

Having said this, I should like to add a few general remarks on Miss Boothroyd's question, in which she referred not only to specific problems but also to difficult problems of a general nature. This matter of consumer prices and the



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effect of production prices on consumption is only one aspect—an important one, admittedly, but, nevertheless, still only one aspect—of the general stocktaking of the common agricultural policy which, in my opinion reveals a number of serious and glaring anomalies.

One of these anomalies is the relationship between the modest level of producers' incomes and the very high retail prices. This is one of the factors on which we ought to concentrate in order to achieve the comprehensive review of the common agricultural policy which, Miss Boothroyd, the Council of Agricultural Ministers began just yesterday or the day before, and which will be debated, albeit in general terms, at the European Council in Rome on 1 and 2 December next.

I personally hope that despite the understandable objections voiced in certain quarters this review will be comprehensive, and that it will improve both the lot of the farmer and consumer protection: these two apparently conflicting interests can, in the complex reality of the European economy, join forces to combat the distortions and speculative manoeuvring which are ultimately detrimental to both consumers and producers of agricultural products.

This is my personal opinion, which I wanted to add in explanation of the other points.

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

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Mr President, I am very grateful to you for allowing me to speak. In fact, I had not intended to participate in this debate, but I think it would be useful if I enlightened Miss Boothroyd on the Consumer Consultative Committee, as I have the impression that her information on this subject is not entirely accurate. Unless I am mistaken, Miss Boothroyd said that when Commission proposals on consumer policy come before Parliament or the Economic and Social Committee, the consumers themselves have not yet been consulted. In fact, the Consumer Consultative Committee, for which no provision was made in any article of the Treaties or any commitment by Heads of State or Government, was set up a year and a half ago by the Commission at my suggestion.

Why did we set up a consultative committee? Because we wanted the voices of the consumers to be heard in the Commission departments when the Commission was still formulating its policies. The Committee consists of 25 members representing the trade unions, national organizations and experts. It is consulted on all proposals relating to consumer policy which the Commission submits first to the Council and

then to the Economic and Social Committee and the European Parliament for their opinions.

The work of the Consumer Consultative Committee has turned out to be so interesting that, although it is obviously still in its infancy the Committee was last year consulted, at my request, by Mr Lardinois before the Commission took any decisions on agricultural prices, and this year has prepared a paper on the stocktaking of the agricultural policy which we have considered and which I have forwarded to all my colleagues in the Commission for their consideration.

That, Mr President, is the explanation which I wanted to give. I would like to assure the questioner that our purpose in setting up the Consumer Consultative Committee was to gather the opinions and the advice of the consumers before finalizing our policies and therefore before submitting our proposals. We believe that in this way, thanks to a system which we think should be given a chance to work, consumers can have an increasing say in matters which concern them so that Commission proposals can be improved and better tailored to consumer needs right from the start.

**President.** — The Group spokesmen may now speak. I would remind the House that speaking time is limited to five minutes and ask the speakers to respect this time-limit.

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

**Mr Frehsee.** — (D) Thank you, Mr President, we really have to watch the seconds rather than the minutes.

Mr President, at the risk of causing the honourable President of the Council, Mr Battaglia, to express dismay and complain bitterly about the adjectives and adverbs used in the European Parliament, I am compelled to state, as Mr Seefeld has just done in relation to the other oral question, that the answer in this case is not satisfactory either.

I say that very reluctantly, but the phrasing of the question shows a sense of anxiety; it has been submitted by the appointed representatives of the peoples of the nine Member States of the European Community because that anxiety exists and because it must be expressed. We naturally expect that the answers provided by the competent Community authority should go some way towards relieving it. Unfortunately this answer has not done so either.

So we now have a magnificent consumer protection programme. It has only been in operation for six months. We considered that our en-



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deavours had been crowned with success when, three years ago, work first began on the programme and, in September 1972, we had the major debate on consumer policy. We were very pleased that the summit conference in Paris acceded to the European Parliament's request and set a programme in motion. But now, after three years, we have to admit that the results are negligible. There is plenty of oratory, and it is all very well for Mr Battaglia to say that he agrees with all the arguments which Miss Boothroyd put forward when introducing this important question. However, we have heard enough words, let us finally see some action!

With reference to point 1 of the question, Mr Battaglia had very little to say, except that eleven directives have been issued, that the long-awaited directive on fruit juices and fertilizers would indeed shortly be ready, that considerable effort was being devoted to cosmetics and that something was initiated two months ago. We are considering a period of three years, however, and I must say on behalf of my party, Mr President, that the conclusion to be drawn from this answer is that the Community spirit apparently leaves much to be desired and that the divergencies to which Mr Battaglia referred possibly dwarf it. It is regrettable that such relatively innocuous sectors, which are to be harmonized, should take up so much time. We must voice our concern at the situation, that is our duty.

It is also really lamentable, Mr President, to be told here that it has not been possible to reach agreement on safety glass for motor vehicles, while large car manufacturers, on their own initiative, and before any Community directive is issued, fit it in their dearer cars. This was therefore an act of surrender, an admission of bankruptcy. It is all very regrettable.

Let me now come to the third point, the Common Agricultural Policy, Mr President, since I must be so brief, I shall make only a few comments and come straight to the point. Reference has been made to a rise of one or two percent in the prices of food products if we decide on a 10% rise in agricultural prices; this is a highly theoretical figure. Surely the increases in food prices are of quite a different order from 1/10 or 10% of the agricultural price increase which we decide on here.

Further, as regards the relationship between GATT and the Common Agricultural Policy or the part played by GATT in the framework of our Common Agricultural Policy, it should be pointed out that it is becoming clear how difficult it is to apply Article 39, which demands the simplest of solutions, if price policy is to be used as a means of simultaneously achieving an adequate income for agricultural producers and

adequate supplies for consumers at reasonable prices. The Council must therefore be clear about the relationship between these two aspirations.

And now let me repeat quite categorically: the consumer organizations, which do more or less represent consumers, say that our policy is biased against consumers. The consumers say that the agricultural prices policy results in consumer subsidies which were only introduced in order to make the agricultural prices policy feasible.

Is it true, ladies and gentlemen, that the consumers have already shown us a very negative reaction in the case of beef, veal and milk? There has been a fall in consumption. Consumers already have an effect on the policies we formulate. This is further evidence of their concern over the Common Agricultural Policy. It has been said with great emphasis that world prices for sugar, cereals and rice were higher for a full year than our prices. That was the case for one year only, but we have been operating the Common Agricultural Policy for 10 years. Rather too much emphasis was placed on that one year, and consumers are now perhaps not entirely in the wrong if they interpret the attitude and mentality behind that emphasis as a sign of bias against the consumer. In any case, they do think of it in that way, and we must here take account of the fact that they do so. They say that others eat cheaper butter, to the production of which they have contributed by means of the high butter prices which they pay and in the form of the considerable sums they have to pay as taxpayers. This butter is available more cheaply to consumers outside the Community than here inside it.

The same is true of wine. High quantities of wine have been exported at prices lower than those which consumers here pay for their own wine which they have already financed by means of subsidies, etc. Denaturing is another case in point. Fortunately we have succeeded in removing from the draft budget for 1976 the sums which had once again been included in it for denaturing. The denaturing of fruit and vegetables! Now there is talk of the need to destroy the excess production of apples. Now, what will consumers say when they learn that millions of hectolitres of wine are being distilled and turned into fuel? I will mention only those few examples. In the short time available I can do no more.

Mr President, the institutions of the Community must draw the logical conclusions from this situation. If, as a result of our brief discussion on this question, the Council and Commission show themselves to be more ready to consider

**Frehsee**

consequences, the purpose of this question will have been served.

(Applause)

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

**Mr Früh.** — (D) Mr President, ladies and gentlemen, I fully agree with the view expressed by Mr Frehsee that the five-minute time limit imposed on speakers is quite intolerable, particularly when such a question is being dealt with and when the general principles of the agricultural policy are being touched upon into the bargain. I should have thought that after yesterday's debate on the agricultural policy and having discussed it here for hours on end, we in this House would be in no doubt as to whether the consumer is being fleeced by the agricultural policy or whether he is benefiting from it. If I am not mistaken, the feeling in this House is that, despite the figures which have been quoted, he has benefited, and I would now ask the Commission, in order to help dispose of this matter, to make it known publicly that the number of minutes the consumer in the Community has to work — and that is a realistic yardstick — in order to purchase food of constantly improving quality is steadily being reduced. It is only in this way that we can finally put an end to this emotional and, I might even say, rather demagogic debate. Otherwise we shall make no progress. Please excuse this introduction, which is really not related to the question of consumer protection, but I think it was necessary in view of the remarks of the previous speakers.

With regard to item 1 concerning pesticides, fruit juices, fertilizers, etc., I think we all realize that our agriculture has to be modern since otherwise we cannot achieve the necessary level of productivity. Modern agriculture cannot do without technical aids, even if we sometimes feel uneasy about them, and I would venture to make the following point. As a fruit grower, I too feel uneasy when it is necessary to use sprays. I would not use them if there were any other way to avoid being penalized by the consumer. If I brought a maggoty plum to market, I would even be penalized by my co-operative and I would have to take it back. I would willingly go back to the old natural method of putting sticky bands round the trees, a job which would be due now, in November, if I could find someone I could pay to do it. No one does that work any more, so the pressure to use modern methods arises from shortage of labour too. The same is true of apples. I don't need to argue the point: however nice an apple

is to eat, its appeal to the eye helps it to sell. Hence the pressure on producers, if they wish to do well on the market.

I would therefore make one request: we should make it clear to consumers, and here consumer associations could make an important contribution, that we could work with smaller quantities of such things as sprays, but that there would then be a considerable risk of destruction of the entire crop by pests; or the consumer should be asked to consider, if he continues to call for imports, and thinks that this would provide an answer, that he would have no say whatsoever in the type of pesticides used.

I need make no comment concerning fertilizers. I believe that everyone in this House who understands anything about the subject knows what Liebig has done for modern agriculture, and I would say that research into the pollution of Lake Constance with phosphorus, etc. has made it quite clear that there are other factors—I am thinking of washing machines and the like—which give much more cause for concern than the use of fertilizer.

Like you, Mr Frehsee, I have to look at the clock, and I must hurry on to the second point. I should like to say this: I naturally regret, as you do, Mr Frehsee, that we cannot agree on this subject. I would, however, ask you a simple question: is it essential for us always to look for agreement by way of regulations etc., or could we not also simply ask the consumer to give his preference to the safest car and to the firm which fits safety belts, thereby allowing the market to regulate. My reason for saying that is that I am slightly sceptical about this matter. The more regulations and orders we have, the more complaints we shall receive from many governments. We would end up by issuing 3 000 regulations, etc., and would interfere with this process of self-regulation.

And now a very brief comment on the third point. I am grateful that the Council's answer makes it clear that the wide gap between producer and consumer prices is accounted for by processing, packaging and distribution. As to the ideas mentioned by Miss Boothroyd—excessive profits and similar considerations—agreement on this is, of course, quickly reached: the producers are dissatisfied and consumers are dissatisfied. What is the explanation? The producer earns too little; the consumer has to pay too much; so let us gang up on the man in the middle.

I can only add this: we must of course have rationalized distribution and processing systems. But just consider the example of the dairies,

**Früh**

whose costs are constantly rising because of increased prices for water and power, and the very high expenses with which they are faced, charges for environmental protection, water purification, etc.

Or consider current increases in transport costs! Consider the rising wage rates! Think of the requirements to be met, of the variety of goods on offer!...

Mr President, I have almost finished. We should stop playing producers and consumers off against each other. We should try, by means of healthy competition, to find a short cut in the ever-growing packing and distributing processes and thus narrow the price gap; but it may not be feasible. We have looked into several distribution sectors and I can show you large rationalized undertakings which are operating at a loss.

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

**Mrs Kruchow.** — (DK) In principle, the Liberal and Allies Group also would like to see the action programme of 14 April last implemented, and I should like to thank Mr Battaglia for the hopeful aspects of his reply. We feel that the consumer is particularly interested in information on the contents of products, but in the case of the price of food products of agricultural origin the consumers are entitled not only to information but also to a policy which—just as Mr Battaglia said—rectifies the anomalies in producer prices and the prices paid by the households.

I also agree with Miss Boothroyd about the objectionable way in which surplus stocks are disposed of, some of them being destroyed, and some of them being sold to other wealthy industrial countries at prices far below cost price. Whatever we do, however, I hope we manage to find a consumer policy which does not involve a substantial increase in public spending on the policy in the Member States.

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

**Mr Laudrin.** — (F) Mr President, in this debate I am deputizing for Mr Krieg who has lost his voice due to the influence of the mists of the Grand Duchy of Luxembourg. Parisians are not as accustomed to this climate as Bretons are and that explains my presence here.

I should like both to congratulate Miss Boothroyd on the interesting document she presented

and also to say that I cannot agree with her conclusions: in particular, I cannot accept the criticism she makes of the foodstuffs sector and by extension of the agricultural sector, a criticism which just now led to a violent contestation of the common market in agriculture.

I think that the minister today representing the Council told you in his reply that the food bill was only 15% of a family's budget. We should not exaggerate; even though the English were once invited to fire first, that is no reason why now, when they have only just arrived, they should destroy the only common agricultural market there is, the only form of Community activity which is really operational and has been so for some time.

I remember that the Commission stated that the Community policy on cereals and meat would give Europe lower prices than in the rest of the world. It was stated openly—and I beg Miss Boothroyd to note this—that we were right to continue with this policy, if only in the interest of consumers.

May I add, Miss Boothroyd, that there is indeed a peasant population! You should not forget that! It is not simply by cutting the cost of the Common Agricultural Policy and by allowing the economic position of our peasant farmers to deteriorate that you will solve the labour and unemployment problems of Europe generally.

You should think of the stabilizing influence which the Common Agricultural Policy has in economic and even in political terms and you should be cautious in the criticisms you make.

Moreover, you are not unaware that the Common Market has brought consumers considerable advantages: the abolition of tariff duties, the intensification of competition, and specialization and rationalization of production and distribution have widened the range of the products available, moderated price increases and speeded the economic growth rate.

However—and on this point we are in agreement—it is essential to make some progress in the consumer organization.

Firstly—and our group has always been adamant on this point—we thought that more attention should have been paid to machinery bringing consumer representatives and qualified experts into the decision-making process even at an earlier stage than the development of goods and services.

Secondly, speaking more generally, we thought that the form of the Community programme

**Laudrin**

was too complicated. It seemed to be presented in a way which made it difficult for the consumer to grasp and could provide an excuse for delays.

We are therefore not surprised at the difficulties encountered in implementing the consumer protection programme.

With reference to the third point raised by our colleagues, i.e. better information on distribution profit margins, I would draw their attention to the fact that the Statistical Office of the European Communities, in cooperation with the national statistical offices, carried out annual surveys on retail prices. It is clear from those surveys that, even now, prices for the same product, on sale at the same time and in the same type of shop, vary widely in the different Community countries. With particular reference to the question concerning Council delays in adopting certain proposals on pesticides, wines, fruit juices, fertilizers, cosmetics or safety glass for motor vehicles, we share the feelings of concern that have been expressed. Producers, when planning new products, should be obliged to take account of the real needs expressed by consumer organizations. We would say to the Council that such requirements can be imposed and that it should therefore take action to ensure that more attention is paid to consumer interests when evaluating the advantages and the disadvantages involved in the manufacture of a new product.

I will not add anything further, Mr President, as I wish to stay within my time limit. As a final comment I would say that, while I disagreed with Miss Boothroyd on certain points, I was however very pleased to hear her say that she wished to go on using the title 'Miss'. Perhaps, with other members of this Assembly, we could form a group of hardened bachelors.

**IN THE CHAIR: MR YEATS**

*Vice-president*

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

**Mr Normanton.** — Mr President, I know the House will be grateful to Miss Boothroyd for having attached her name to, and presented, this question for debate this afternoon. And I am equally aware that the House appreciates the comments which have been forthcoming from the President-in-Office of the Council and from the Commission on the subject. But having said this, I think there are just a few points

which may still be usefully either said or underlined.

I do not think sufficient recognition has been given to the extent and indeed the ways in which industry itself recognizes—if indeed it is not dominated by—the need to be cautious, careful and considerate as far as its products and their reception by the consumer are concerned. There are agencies set up by industry, those set up by governments and above all—and I am sure we will all, as parliamentarians, welcome them—those institutions which are set up by the consumers themselves.

My second point is that whatever these institutions do, I am quite confident that their chief concern is how they can guide, alert and make the consumer aware of all the technical and scientific facts which are relevant to their interests. In other words, their role is to inform the public about the facts and then to leave it to the public to make its final decision.

One or two aspects of this I think are worth commenting upon. Firstly, labelling. I cannot help but feel that however insistent Community or Member States' legislation may be on labelling, here we have two great problems. We have the need to put the facts onto the labels in a manner which provides the consumer with all relevant information on the basis of which he, or usually she, will make the choice, and secondly, in labelling, in packaging and, indeed, in all aspects of consumer protection, we have a very real problem in the Community in trying to abolish one of a very large number of non-tariff barriers in the path of trade. As far as packaging is concerned, I do feel that the Community has an important role to play insofar as packaging is deemed used by the producers and vendors of goods as a means of misrepresentation, creating a false impression, a false sense of values. But again I am bound to say that industry and industrial organizations throughout the Community are conscious of public criticism in this connection, and I hope parliamentarians right across this room will add their views and their voice to that criticism where and insofar it ever does apply.

Miss Boothroyd did, of course, extend her criticism to the question of food production policy. Far be it from me, as a non-agriculturist, to comment upon that. Other comments have been forthcoming and will continue to be so. But I do feel we should be ill-advised to ignore this rising demand on the part of the consumer to exercise her—and it is her—choice of convenience packaging—and convenience foods are high-priced because of packaging. I never thought ten years ago that potatoes, as an

**Normanton**

example, would ever be bought by my own wife, never mind other wives, pre-packed, at an infinitely high price, but the fact is that whether it is my wife or your wives, it is their choice; they make it, and no amount of government regulation, whether it be Member States' or the Community's, should in my opinion intervene between the consumer and her choice. The role of the Community, the role of legislation, is to make her aware of the facts. As far as I am concerned, it should be the consumer, not the politician, who should be the final arbiter on this question of choice of goods.

(Applause)

**President.** — I have no further speakers listed, and no motion for a resolution on this debate.

The debate is closed.

10. *Oral question with debate: Mass dismissals in two multinational undertakings*

**President.** — The next item on the agenda is the oral question, with debate, pursuant to Rule 47 of the Rules of Procedure, on behalf of the Committee on Social Affairs and Employment to the Council of the European Communities (Doc. 345/75):

Subject: Mass dismissals at two multinational undertakings

1. Is the Council prepared, in view of the present social and economic situation and with particular reference to the threats of massive redundancies at AKZO and Philips, to ask the Commission soon to submit proposals for reducing the period of two years provided in Directive No 75/129/EEC, Article 6 (1) <sup>1</sup>?
2. For the same reasons, is the Council further prepared to ask the Commission soon to submit proposals for supplementary instruments offering a possibility of direct Community influence in cases of threatened mass redundancies in firms with establishments in more than one Member State?
3. Does the Council consider that the existing possibilities at Community level, particularly those provided by the European Social Fund, in the areas of vocational training, retraining and the like are adequate to cope with the present difficulties on the labour market, and if not, is the Council prepared to take the necessary steps to bring about an improvement?

(Doc. 345/75)

I call Mr Albers.

**Mr Albers.** — (NL) Mr President, I believe it is the intention that I should speak on this matter

on behalf of the Committee on Social Affairs and Employment as its Chairman is absent.

During the October part-session in Strasbourg we exchanged opinions with Mr Hillery regarding the threats of mass dismissals at AKZO and Philips. Mr Hillery said on this occasion that it would be extremely useful in situations of this kind if the Directive on collective redundancies had already come into force in the Member States, which is not in fact true in all cases. The directive would undoubtedly provide more protection for employees involved in mass dismissals, although, as Mr Hillery said, the differences from country to country would remain to a certain extent since social legislation in the various countries has not yet been harmonized. It would, however, provide a sort of minimum protection with respect to mass dismissals such as those which are taking place or are threatened at the present time.

Everyone shares the view that this directive, issued under the Social Action Programme of 21 January 1974, should already be in force, particularly as Article 2 provides for preventive action by means of consultation with a view to reducing the number of workers affected and mitigating the consequences if collective redundancy is inevitable.

Article 3 of the Directive stipulates that the competent public authority shall be provided with all relevant information concerning the collective redundancies, and this is naturally an important point since it is quite clear even now that in the case of the present threats the reasons for certain reorganizational measures and dismissals are shrouded in mystery.

In addition, the Member States must in accordance with the Directive, indicate within two years the extent to which the directive has been complied with. We therefore proposed that the two-year period be reduced. The Commissioner replied that it was not necessary for the Member States to wait until the two years had expired, and our question to the Council, therefore, is whether it will urge the governments of the Member States to implement this directive more swiftly. I should like to draw attention to this request once more; there are reasons for it, particularly in connection with the question of AKZO and its subsidiary ENKA-Glanzstoff. I should add that the company itself appears to be prepared to take account of the timing and to take part in consultation. This, however, gives rise to new questions, such as whether the directive is not excessively geared to the problems of national undertakings. Is there not a possibility that there might nevertheless be a breakdown in communications between the trade

<sup>1</sup> OJ No L 48, 22 February 1975, p. 29.

**Albers**

unions and the undertakings, because of unwillingness of the latter to enter into consultation with the international trade union movement, the cause being a tendency when faced with reorganizations to settle too much at national level for each individual company. I may say in this connection that the international trade union movement is in the dark regarding the reasons underlying the reorganization which the management feels necessary. There is a McKinsey report based on 1975, and the trade unions feel that 1975 was a poor choice as a model on which to base medium-term forecasts.

Further, details of the undertaking as a whole were not included in the information submitted. While information relating to ENKA-Glanzstoff has been provided, no information has been given on AKZO International, the company which makes the same products in other parts of the world as would be subject to cutbacks within the EEC. Naturally therefore, the trade unions want further information on what is being done in the undertaking as a whole, i.e. by AKZO International, on this point. The international trade union movement discussed this matter on 7 October and declared that it was amazed at a reorganization of this kind taking place in a production sector within the EEC for which there was still a growing market. Within the international movement it was therefore concluded that this reorganization was merely aimed at cutting production costs at the expense of employment.

I should point out, incidentally, that the impression that 6 500 jobs at ENKA-Glanzstoff are what is at stake is in fact mistaken. In reality many more jobs would be involved since the developments over the longer term are as follows: in 1970 ENKA-Glanzstoff employed 49 500 people. Now in 1975 the number has already dropped to 43 000 and in 1978 the figure is expected to have dropped to a mere 34 000. What we have is thus a 30% reduction in jobs in the ENKA-Glanzstoff subsidiary within the European Community. My first question, therefore, is whether the directive has not been drawn up too much in terms of national enterprises and whether it would not be better to devote more attention to studying the development of international organizations, i.e. the multinationals. My second question is whether the Council shares the view that the international trade union movement should be involved in this matter and whether it feels that the national trade unions' request for this matter to be dealt with at international level should be supported. I am firmly convinced, and I have the impression that the members of the Committee on Social Affairs and Employment share my view, that

such a vast issue, involving, as it does, jobs in the Netherlands, Germany and Belgium, is not a matter for the national trade unions represented in the subsidiary, but should really be dealt with by the international trade union movement. I even feel that events of this kind in such a large enterprise are not a matter for national governments, but rather for the European Economic Community since it is so closely connected with the economic development of the Community as a whole. I therefore feel that the other partners in the consultations with this major international undertaking should be the European Economic Community and the international trade union movement and I should be happy to hear whether the Council shares this view.

I should point out that in principle the international trade union movement is not opposed to the internationalization of production. The trade unions have no wish to prevent certain manufactures in countries with low employment, which—as is practically always the case—are also the countries with low wages. The trade unions realize that there must be certain shifts in employment if the employment situation in the world as a whole is to develop more harmoniously. They are, however, justified in my view in insisting on the right to participate in the discussions whenever changes of this kind are taking place. We agree with them, but on certain conditions. And if conditions are being discussed, the Council must be able to play an important part in assessing them and giving guidelines.

Finally, I should like to make a third point on behalf of the Committee for Social Affairs and Employment. If we feel that the European Community has a part to play in the consultation, it should also be involved to a considerable extent in the consequences arising from such reorganization and reduction of the number of jobs as may prove necessary in certain branches of industry.

Then, of course, there is a question of whether the Council has taken sufficient account of known developments when deciding upon the appropriations for the various funds. Is the money available in the Social Fund and the Regional Fund really adequate for retraining, for conducting an efficient labour market policy and for coping with the consequences of mass dismissals. I think we may have reasonable doubts, particularly after the detailed discussions we had yesterday. I also wonder how, in a situation of this kind, it is possible to reduce the appropriations which the Commission feels must be made available for the consultation with the trade unions, i.e. for the establishment of

**Albers**

a trade union institution with an international mandate. How can the Council defend such an action? I should be grateful for an answer to this question too. I ask this with particular urgency since, in my view, the way in which the European Community acts in such cases might determine whether or not we are faced with extremely serious labour conflicts with far-reaching effects on our economy.

**Mr Battaglia, President-in-Office of the Council.**

— (I) Mr President, the Committee on Social Affairs and Employment has asked three precise questions to which I would like to give three precise answers.

As regards the first question, I would recall that on 14 October 1975 Mr Hillery, on behalf of the Commission, explained to this Parliament that the Commission was considering measures to speed up the procedure for the application of the Council Directive on collective redundancies. I can assure you that the Council will examine the Commission proposals as soon as it receives them.

As regards the second question, the Council considers that it is for the Commission to submit, if considered expedient, any proposals for the creation of additional instruments designed to exert direct Community influence.

In all honesty, however, I must add that the current difficult financial situation, of which you are well aware, having recently discussed the Community budget, makes it difficult for me to visualize such measures being adopted, even assuming that proposals were submitted by the Commission.

As regards the existing possibilities at Community level for vocational training and re-training—and this is the third question—it is to be anticipated that the means from the Social Fund may prove inadequate to cope with the grave difficulties currently facing us, i.e. the wave of dismissals which has brought the number of unemployed in Europe to over 5 million. The main function of the available Community means is to provide stimulus and assistance to Member States, particularly in areas to which they and the Community accord priority. The Community funds are not designed to provide the entire means for the Member States. In fact, within the Community, the responsibility for economic policy, financial policy and employment policy, lies of course, with the individual Member States. The Community can endeavour to coordinate and harmonize these policies as much as possible.

It is clear that the current economic recession is greatly reducing the effectiveness of the

Council and the Commission in this field. The Council will definitely bear in mind Mr Albers' request that the trade unions should be allowed to voice their opinions on these matters, and I think that at the conference of the employers, trades unions and Member States on 18 November there will be detailed discussion of the economic and social situation which may permit useful conclusions to be drawn concerning possible Community action. I do not, however, think that it would be useful to set up a trade union institution within the Community. There is already an Economic and Social Committee on which the trade unions are represented, and I do not think it is necessary to set up other bodies.

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

**Mr Van der Gun.** — (NL) Mr President, I must say that it is a little difficult for me to thank the Council on behalf of the Christian-Democratic Group for the explanatory statement we have just heard. I must honestly say that treatment of this kind is, in my view, just not in keeping with the importance of the issues under discussion here today. I am sorry to put it so bluntly, but one of the reasons for my saying this is a general impression I have of complete evasiveness on the part of Europe regarding certain aspects in this field, although the actual state of affairs at a given moment is perfectly clear.

I should like to remind you that in our debate last October we stated quite categorically that the events at AKZO and Philips were nothing new. We had, after all, already discussed the matter in great detail three years previously. It was agreed at that time that an enquiry should be conducted since it was known that the fibres industry had an overcapacity of more than 25%. All we see now is that nothing has been done. We and the management of AKZO and Philips must confess that we are deeply disappointed with what has been done at European level to solve this problem.

I therefore think that if we are not prepared or not able to discuss this matter in a more radical manner than we have done hitherto, the time could be used much more usefully in other ways. Here we are again talking about various measures which would have to be applied in practice once a state of emergency has arisen. As I said in October, and on previous occasions, prevention is better than cure.

One of the reasons for the problems is that there is quite simply no contact in the case of



**Van der Gun**

multinationals, that there is no real basis for participation, that there is no consultation and that there is conflict on the question of whether consultation should be conducted at national or European level. This is again the great bone of contention.

What is to prevent the Council at a given moment from considering a directive setting out firm guidelines for consultation within the multinationals? This is indeed a task for Europe alone; the Member States cannot undertake it. Sooner or later a European effort in a world context will be necessary.

There must be participation at the decision-making levels, and such participation can only be brought about at a level above that of national legislation. That is a task for the Council and the Commission. They must intervene. A directive of this kind could also lay down how consultation at the national level concerning the implementation of the decisions, etc. taken at supra-national level should be conducted. These are the major practical issues. I therefore urge the representative of the Council not to continue making do with some *ad hoc* measure or other, but to tackle the fundamental issue and answer the question of whether or not Europe in fact offers genuine possibilities in this field, since I think it is high time that the peoples of the Member States knew what they can expect from the European Community in a matter of this kind and what they cannot. At all events, we cannot just continue giving the machine a bit of oil here and there when things go wrong. That is not a European policy! It keeps the engine ticking over, no more.

What we urgently need in the case of employment too is a radical approach. The representative of the Council said that, for the time being, employment was still a prime concern of the governments of the Member States. True, but if matters stay this way, we will simply not get a European policy off the ground in this field either. It is just a vicious circle. The governments of the Member States say: 'The international aspects of this problem are such that we can no longer approach it individually', while the Council says: 'Employment is still mainly a national concern and we can therefore do very little in practice.'

Mr President, in view of the shortage of time I should like to leave it at these two specific points. I hope, however, that we shall receive a clear and specific answer explaining what is feasible in this field, and what might prove impossible. Than at least we will know where we stand.

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

**Mr Gibbons.** — Mr President, we are dealing with a problem that unfortunately is very common these days. Industrial firms suffering from a fall in demand for their products due to world-wide economic decline and faced with increasing costs due to soaring inflation have to take serious measures to cope with that situation. This invariably means making a certain number of employees redundant. The necessity for these measures and their extent varies from firm to firm and from place to place. However, in all cases, we must agree that the situation must be carefully studied by workers' representatives and by governments, and, above all, by this Parliament and by this Community. It is particularly true where large numbers of redundancies take place at one time. At the present time, the Communities have a very high rate of unemployment and in the interests of keeping employment as high as possible, every measure that can be devised must be resorted to. In this respect, it is good to see that the Community has made progress through the adoption of the directive on mass dismissals. Unfortunately, this directive does not have to be implemented by Member States until February 1977. The Commission and this Parliament have previously stated that they would like to see this directive fully operational as soon as possible, and I should like to remind our Member States that there is nothing to prevent them from bringing forward the implementation of legislation that is necessary.

The early implementation of such legislation has acquired a new importance, both in the interests of establishing workers' rights and in the interests of maintaining employment. The oral question being debated refers specifically to two multinational enterprises whose subsidiaries are planning mass redundancies.

The fact that multinational firms are involved raises special problems. The operations of multinational firms have been criticized in this Parliament on previous occasions, and I have no doubt that they will be examined again by this Parliament, and I would like to say that they should be examined in greater detail and with greater effect in the future. But we must now consider how the operations of these multinational undertakings affect employment in the countries where their subsidiaries exist and operate. The ready ability of multinational companies to switch their factories and operations from one country to another is very relevant here. Admittedly, it can be very attractive for an enterprise to switch a labour-intensive factory from a high-wage to a low-wage country, and in this way to reduce its wage-bill and production costs, which is then reflected in higher profits. However, maximization of profits is no longer acceptable as the sole goal of in-



**Gibbons**

dustrial enterprise. The rights of workers must also be given equal consideration. When dealing with multinational enterprises and their subsidiaries, it is always more difficult to protect the rights of employees, as decisions taken in one part of the world have serious effects on employment in countries very remote from the point of control. This type of situation must be brought under control. In my own country we have a substantial amount of foreign investment, which has created a significant level of industrial employment in our agriculturally dominated economy. All in all, it can be said that relations between these firms and the workers have been harmonious, but the two multinational firms mentioned in the question have subsidiaries in my country, and the workers are, very naturally, highly concerned about the future of their jobs. I would like to remind the Minister and the Council that the urgency of protecting jobs, especially in areas of high unemployment within the Community, is vital.

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

**Mr Marras.** — (1) Mr President, ladies and gentlemen, it has been becoming more and more obvious for some time that no part-session of this Parliament goes by without a debate on social problems in which many Members take part. We must thank for this the Committee on Social Affairs and Employment, the initiative of some departments of the Commission, and also the present crisis in this sector in the Community.

I shall, like Mr Albers and Mr Van der Gun, be extremely critical in my remarks. And if those who have tabled this question will permit me, I shall add to the problems of Philips and AKZO that of Leyland-Innocenti which currently, as far as Italy is concerned, is becoming one of the most worrying: 1 500 proposed dismissals in a work force of 4 500. As you all know, this is the Italian subsidiary of the great monopolistic concern, British Leyland, which dominates the car industry in the United Kingdom. Mr Albers asked if the Commission was prepared to support the international trade union movement in using its influence, and at the same time discuss the problem with governments involved. The case of Leyland-Innocenti, which is a subsidiary of a state-controlled company, offered ideal conditions for intervention by the Commission, so that the Italian and British governments and the Leyland board could have met around a table to consider a Community approach to the problem.

We pointed this out to the Commission as long ago as July, but it wriggled out of it with this

answer: the future of this plant depends on an improvement in the economic situation, and also on the solutions which the Leyland board will devise, possibly with its private or public associates. In other words, the Commission, like Pilate, washed its hands of the matter. When the Committee on Social Affairs and Employment asked for action in this particular case, which has been evident for some time, the answer was: let the employers and the workers see to it!

So much for Leyland. But let me now say a few words on that giant of European and world trade, Philips, which is established in the homeland of two of those, who have spoken today. Philips is also powerful in Italy; it is enough to say that it has taken over one of the largest manufacturers of electrical appliances in Italy, Ignis, well known all over Europe. Well, around Milan Philips has factories with thousands of workers—and what has it been doing for years? Let me give an example: after setting up a department for the manufacture of integrated circuits, Philips suddenly decided to transfer the work to Formosa. I could give other examples like this. The electrical appliance side of Philips, especially as regards refrigerators, has transferred production from Italy to Brazil or Spain. Our country has been deprived of a highly technological form of production and has not been allowed to re-adapt. And it is obvious that this basic industry will grow in the next few decades in other countries.

I second the requests and the criticisms of the other Members and call for a study of suitable action by the Council of Ministers and the Commission as regards control of these multinationals, such as the two mentioned in the question and also Leyland-Innocenti, which I have included because of its topicality.

**President.** — I call Mr Battaglia.

**Mr Battaglia, President-in-Office of the Council.**

— (1) Mr President, I am no less surprised by the outcome of this discussion than I was about the debate which we had earlier.

It is true, as Mr Gibbons said, that redundancy is common. Whoever is aware of the situation in the Community knows that there are more than five million unemployed and, if the situation does not change, this figure will probably increase.

Well then, what is the Parliament's answer to this problem? A few motions, a few questions to the Council, disapproval for the 'inadequate and unacceptable' answers which the Council can give to these problems, which are quite beyond its scope. Quite frankly, I do not feel

**Battaglia**

that this is a very constructive way to tackle the problem.

Sometimes the Members of this House seem to forget that the Council acts on proposals from the Commission, and if there are no proposals from the Commission, Mr Van der Gun, it is difficult for the Council to act. At other times it is said that the Commission and the Council do not act because of the differences of opinion which prevent them from reaching agreement. When it appears that no agreement could be reached, the shafts are aimed at the Commission or the Council. Why has there been no agreement on this occasion? Perhaps because the Council and the Commission do not get together and work? Perhaps there is no agreement, nothing done, because the Council and the Commission do not want to do anything, because the problems do not interest them, because they do not consider, for example, that the problem of redundancy is a great problem? Perhaps there is no general recognition of the importance of these problems?

Of course this is not the case.

But why, then, is there no agreement at the Council or the Commission? Is it because the members of the Council are—how shall I put it—not entirely up to the job? Well, perhaps. It is a theory; personally I should be inclined to exclude it. I can understand, however, that people may sometimes feel this way. But what is behind this sense of uneasiness which you reflect when you answer like this? There is a political fact which we all need to consider if our discussions are to have a more constructive outcome than they have had today. It is a very simple political fact, and it is this: the differences between the interests of the Member States are stronger than their common interest and the Community interests. Are you suggesting that the Council and the Commission are to blame for sentiments of nationalism developing within each of the nine States of the Community? Are you suggesting that the Council and the Commission are to blame for the fact that within each State national interests prevail over Community interests? However, the Commission and the Council in particular provide the political arena where these very interests, national and nationalistic, are revealed. The problem, then, lies not with the Council, which reflects this basic fact; the problem is the very existence of the fact. Until you tackle it, it is pointless to take it out on the physical manifestation of the fact within the Council. This is only the tip of the iceberg. The truth is that the task of the Council, in the present difficult situation of the Community, is not, as I see it, that of withdrawing into a stubborn defence of its own actions, although these

are often, I must confess, insufficient, for the fundamental and political reasons I have given. The task of the Council is to make few speeches to Parliament, but to supply it with a great deal of accurate and precise data and complete and broadly based information, so that Parliament does not run into a bank of fog, and can instead carry out action which is not piecemeal but shrewd, varied and capable of overcoming the obstacles and the difficulties which dominate the present situation in the Community. But these problems will not be overcome while there exists between the Council and Parliament this odd atmosphere in which the Council's replies are described with high-sounding but empty adjectives, nor until the Council for its part—this I admit—provides Parliament with accurate, precise, realistic and honest data on the situation in the Community.

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

**Mr Normanton.** — Mr President, may I preface my remarks in this debate by expressing my deepest and permanent sympathy with any individual or group of people who find themselves unemployed. No one, I venture to say, who lived through the 1930s—the most hideous period in world economic history—could fail to be influenced by the haunting misery which is created among society when unemployment occurs.

Here, of course, we are talking of two individual cases. I do not know the actual details of the situations, but what I really cannot agree with is the inclusion in the wording of the question of the reference to 'multinational undertakings'. The very inclusion of these words introduces a highly political, a highly emotive and, in my judgment, a totally irrelevant aspect to our consideration of the problem.

There are a number of facts which this House will certainly be aware of, and which I am sure it will place firmly on the records and accept. Firstly, all companies are and should be, I and my group believe, subject to the same rules, the same regulations throughout the length and breadth of the Member States, whether these companies are large, medium or small, whether they are part of a national group, whether they are part of any international grouping. If this is not so, then the fault lies entirely with the parliamentarians of that Member State. That certainly is the situation in a number of the Member States. If it does not apply in the case of these two companies, then the fault, to my mind, lies with the Parliament of the country

**Normanton**

concerned. Secondly, any politician who believes that any undertaking, large, medium or small, can ever continue in business, regardless of the state of trade, will have to wake up and recognize the facts of life. No undertaking can continue in business without making a profit or at least minimizing losses and spreading them over a period until profitability returns.

Thirdly, we must recognize that the bulk of international trade in manufactured goods is promoted, maintained and expanded by international companies.

Fourthly, the resources, the technology, the technical and commercial expertise of these major international companies is responsible for stimulating expansion in world manufacturing capacity, and long may that be the case. This process cannot be the subject of governmental action, it is highly specialized and one in which international companies play a very influential part.

The point made by Mr Van der Gun, if I may say so, is a very valid one. One of the two companies which is referred to in the question is a textile company. We know very well, we have had it repeated frequently in this House, that the textile industry the world over has been and still is going through one of the worst economic recessions that industry has ever known. And although we in the Community have become aware of the situation our failure as a Community to deal with it is indeed a sad indictment. I would agree with Mr Albers when he said that these are matters for the Community to deal with, not for the Member State, and that, Mr President, means—if we carry this argument, which I support, through to its logical conclusion—Economic Union, a common legislative system throughout the Community, a common social policy, a common pension policy and the like. I am prepared to move in that direction and so is my group, but ironically, some of the severest critics of such industrial practices as have been referred to are against all moves towards Community unification in any sector.

I must also take up the point raised by Mr Marras. He referred to the monopolistic firm of Leyland. Far be it from me to take upon my shoulders responsibility for speaking on behalf of that large organization, but the facts are that 36% of all the cars bought in the United Kingdom—at least according to a statement on the radio this morning—are imported into our country, and that includes a large number from Fiat in Italy. Leyland is not a monopolistic company, nor has it the slightest chance of becoming a monopolistic company, and it does great disservice to truth when Mr Marras makes that kind of emotive remark.

**President.** — I call Mr Ellis.

**Mr Ellis.** — Mr President, I first tried to catch your eye before Mr Battaglia spoke because I had been so disappointed at the way the debate had gone on this particular issue, and indeed I found myself criticizing Mr Battaglia's first remarks. But I am happy to say now that having listened to his response, I have entirely changed my view on the debate, because I believe he has brought to the attention of the House the real issues.

Now the question itself is concerned with short-term issues and ameliorative measures for dealing with the symptoms that Mr Battaglia spoke about. Of course, I welcome anything that can be done in the short term to deal with whatever particular illness afflicts us. But the real issues are much deeper, as Mr Battaglia pointed out. I have been struck by one thing in the debate, namely the fact that right across the Chamber, from all political points of view, there has been an acceptance of one cardinal fact, and that is that the demands of technology are leading us to more and more planning and greater interventionism from governments, and in due course European interventionism. For example, just to quote Mr Van der Gun—and I was rather surprised to hear this coming from a Christian Democrat—he spoke about the decisive action needed from governments at European level. Mr Gibbons spoke about the rights of workers and about control of multinational companies and so on. This all reflects a subconscious assumption that the technological demands lead inevitably by a kind of determinism to a truly integrated European Community applying genuine control and intervention over the whole issue of the European economy and our standard of living.

When Mr Marras spoke about the particular factory manufacturing the printed circuits being transported to Formosa, what he was really saying was that if we are to maintain our standards and to improve them in Europe, then we are bound to concentrate more and more on the field of high technology, because the kind of operation involved in the manufacture of printed circuits will go to parts of the world which at the moment tend to be behind us. But they are catching up, and we have to work harder and harder and run faster and faster in this region of high technology, and it seems to me inevitable that we are only going to be able to do this on a European basis. The message going out from this debate to the various Member States is that quickly and seriously they should get together to achieve economic and monetary union and ultimately a genuine federal Europe

**Ellis**

run by a European Parliament and a European government.

**President.** — I call Mr Albers.

**Mr Albers.** — (NL) Mr President, I should like to bring a few more points to the closer attention of this House.

The President-in-Office of the Council has accused us of a certain emotionalism, a reproach which, in my view, is not justified. The Committee on Social Affairs and Employment is considering this issue, has observed that difficulties relating to the consultation between industry and the trade unions are increasing, naturally looks forward with interest, like the President-in-Office of the Council, to the tripartite conference of 18 November at which these matters will doubtless be discussed, but nevertheless finds it necessary to table this question here, not only because the Commission, which will indeed have to make proposals is responsible, but also because the Council shares a certain degree of responsibility; if a directive which has not yet come into force is in fact too national in character, and if after consultation it should prove necessary to give it a more international character, this could well, in my view, be a suitable matter for a meeting of the Council, particularly the Ministers of Employment and Social Affairs, who are involved in these matters. If they then in fact came to these conclusions, they could pass our question on to the Commission with a request that it adjust the directive to fit the international context.

I do not believe that Parliament has gone beyond its terms of reference in putting this question, as claimed by the President-in-Office of the Council. In my view, Parliament has kept completely within its sphere of competency in this matter. I might point out that I have received no answer whatsoever to the three supplementary questions I put orally in connection with the written questions from the Committee for Social Affairs and Employment. I have some sympathy for the Council's explanation that Parliament can put such a large number of questions. I would have thought, however, that the three questions I put could in fact have been answered here today since this will have a bearing on the position which the Committee on Social Affairs and Employment will adopt. It might, for example, prove necessary for our Parliamentary Committee to take some action in order to obtain an answer to these questions, if it emerges that the Council is not prepared to include them on the agenda.

I repeat my questions once more. Is the Council prepared to consider whether the directive on

collective redundancies is excessively geared to national enterprises and does the Council recognize the need for this directive to be revised and made more applicable to international enterprises? Does the Council feel that the international trade union movement has a rôle to play in questions of collective redundancies within large firms and is it prepared to support the international trade union movement in carrying out this rôle? Have there been developments within the European Community since the adoption of the action programme which make it necessary to revise the latter in certain respects and to provide the necessary financial means, apart from the appropriations in the 1976 budget?

Those are the three specific questions which I put here today in somewhat different words but in the same spirit, and I believe Parliament has a right to an answer.

(Applause)

**President.** — I call Mr Battaglia.

**Mr Battaglia, President-in-Office of the Council.** — (I) I should like to point out to the questioner that if a written question contains three separate queries, I prepare myself to answer these three, and not the other few dozen which may be put orally. However, if he wishes me to return to questions which I have already partly answered, I will be glad to give my personal opinion.

Should the directive on collective redundancies be expanded? As far as I am concerned, yes. But this is not the job of the Council and we are waiting for someone to do it.

Secondly, does the problem of the European trade union movement exist? It certainly does. It obviously exists, Mr Albers. However, if the Community or one of the Member States were to declare that a European trade union must be set up, the national trade unions would undoubtedly react by asserting their claims to autonomy. This is not a problem for the European Communities, it is a trade union problem. The Council hopes, together with every sensible person in Europe, that a European trade union will be formed, but the problem of the trade unions is not the Community's problem nor, I feel, the Council's problem.

Thirdly, does the Social Action Programme need revising? In my view, the appropriations for the Social Fund are in particular need of revision, and this is something for which I have argued strenuously in the Council. It also depends to a great extent on the work of the European Parliament, and I hope something will be done on this.

**Battaglia**

Finally, I hope the Council will not now receive dozens of new questions in connection with the ones I have just answered.

**President.** — I have no motion for a resolution on this debate.

The debate is closed.

11. *Oral question with debate: United States protectionist measures*

**President.** — The next item is the oral question with debate, pursuant to Rule 47 of the Rules of Procedure, by Mr Cousté on behalf of the Group of European Progressive Democrats to the Commission of the European Communities (Doc. 348/75):

Subject: Protectionist measures taken or planned by the United States

The Commission is asked to state what protectionist measures have so far been taken or are planned by the United States.

Is not the Commission particularly concerned about the developments which have been brought to the attention of the public in the following four fields:

- inquiries into the imposition of compensatory duties,
- inquiries into the imposition of anti-dumping duties,
- requests for the application of safeguard clauses to certain imports,
- inquiries into practices by third countries allegedly infringing Section 301 of the Trade Act.

I call Mr Kaspereit.

**Mr Kaspereit.** — (F) Mr President, when we observed how slowly the United States was adjusting the Trade Act and when we became acquainted with the text itself, there were many of us in this House who expressed concern, or even serious misgivings.

Would the Trade Act make it possible for the GATT negotiations to start in a favourable atmosphere or would it, on the contrary, be the source of further difficulties between the United States and its partners, particularly its European partners? The question has undeniably arisen again. True, we should derive the required solace from the statements made by Ambassador Dent, who said that the aim was to continue to make progress in trade on the basis of general reciprocity and within the framework of a market economy system guaranteeing comparable advantages. He also said we were moving towards negotiations aimed at

removing barriers to trade and ensuring a more efficient utilization of world resources.

And yet, in spite of repeated declarations by the United States, we obviously cannot react with indifference to the four provisions of the Trade Act which authorize the introduction of new import barriers. We are fully aware that this law was basically intended to contribute to greater freedom of trade. But at a time when the world economic crisis has not yet shown a real sign of improvement, one is inclined to wonder whether the United States is not once again being tempted by the devil of protectionism. One might even wonder whether it is the Act itself which is pushing America's leaders in this direction, even if the American Government is aware of the extent of its drawbacks and the seriousness of its consequences.

I think we should quickly take stock of what has been happening and examine whether the new import barriers provided for in this document and which seem to confirm our misgivings are really justified.

As you know, there are four of them. The first is the safeguard clause. We do, of course, agree with its inclusion in principle. This clause is provided for in the rules of international trade and empowers a country to take protective measures when a flow of imports seriously disturbs its domestic market. We hope that the International Trade Commission will be objective in its assessment of the evidence of actual harm. As far as we are concerned it is quite clear that the application of this clause, in cases of real harm, will never be met with protests.

The second barrier takes the form of a rule regarding the imposition of compensatory duties on products of foreign origin benefiting from export subsidies granted by the exporting countries. The American Treasury now recognizes that the reimbursement of European value added tax on exports is not a subsidy.

We naturally welcome this decision since it puts an end to a long-standing difference of opinion between the United States and the European Community.

The third barrier, the section on unfair practices, is of a much more worrying kind. It stipulates that the President of the United States shall be competent to take retaliatory measures if he considers foreign trade practices of any kind unreasonable and unjustifiable. Is there not a danger here that protectionism may be unleashed? I for my part fear that the answer to this may well be yes.

The fourth barrier, relating to the problems of dumping, merits very careful attention. The con-

**Kaspereit**

sequences of the Trade Act emerge most clearly in the motor industry, in which the United States accuses the European Community of dumping. In fact our disagreement on this issue is due to the contradiction between on the one hand the interpretation of the Trade Act by the American Treasury and the International Trade Commission and on the other the rules contained in the GATT anti-dumping code, to which the United States is a signatory.

According to Article 5 a) of this code, an inquiry can only be instituted in two cases. Firstly, in normal circumstances, at the request of a particular industry. Now, in this particular case—the motor industry—the request was made by a trade union and by a member of the American Congress.

Secondly, Article 5 authorizes the opening of an inquiry when the Government, though it has not received a request from a particular industry, is in possession of evidence of both dumping and harm resulting from it. The International Trade Commission, however, has replied to the Treasury that it has considerable doubts about whether any harm was actually caused in this way. I should add that Article 5 b) of the code stipulates that the evidence of both dumping and harm must be examined simultaneously.

Finally Article 3 a) lays down that the authorities commissioned to make the inquiry must be satisfied that the dumped imports are manifestly the principal cause of appreciable harm and must establish that the goods concerned contribute more than all the other factors likely to have an adverse effect on production.

To sum up, while the American Administration cannot be blamed for enforcing American law, one might ask whether the United States fully respects its international obligations. It is quite clear, without any analysis in depth, that the provisions of the Trade Act and those of GATT differ, and this means that the GATT regulations are being violated. Nor can we claim to be reassured by Mr Denter's statements. He recently denied that the new law showed that the United States was indulging in protectionism and declared that it was, on the contrary, consistent with the traditional American policy of removing barriers to trade.

We can only receive this statement with scepticism. The proposed imposition of compensatory duties at the beginning of the year on exports of Community cheeses, the inquiry in progress regarding the imposition of compensatory duties on canned ham exports, the US Steel affair, and today the motor industry affair, are all things we should like to interpret as an attempt by the American Administration to try out new

laws and to flex its muscles, although these laws contain, I repeat, certain contradictions of GATT regulations. And we sincerely hope that the United States will draw the appropriate conclusions and adopt the measures necessary for the enforcement of the GATT anti-dumping code or request that it be amended if they consider it necessary.

For the time being it is to be feared that the Trade Act, which was originally intended to be the instrument ensuring the success of the Tokyo Round, will in fact be used by lobbies in the United States as a weapon against foreign products. If the complaints currently being examined succeed, we must realize that the management of the common agricultural policy may be jeopardized, since the result would be that complaints would be made about imports levies on egg albumen or about export subsidies on malt barley.

This then, Mr President, ladies and gentlemen, is the full extent of the problem. How does the Commission intend to react to this situation? I thank the Commission in advance for its answer. *(Applause)*

**President.** — I call Mr Gundelach.

**Mr Gundelach, Member of the Commission.** — Mr President, I welcome Mr Cousté's question, and the opportunity it gives us to clear our minds on the important issues that it raises.

Although the honourable Member is asking specifically about protectionism in the United States—and I shall deal with his specific points in a moment—I do not think that anyone in this House will doubt that these issues must be seen in a wider perspective. All over the world it is plain that the malign effects of international recession and in particular unemployment, underused resources and unsatisfactory profits will continue for a considerable time to come. This will be so even if the beginnings of economic recovery are now visible in the United States and perhaps just around the corner in some at least of our Member States. We all know, certainly every Member of this House is in a position to know, that one of the inevitable and quite understandable results of the situation in which the world finds itself has been the re-emergence of pressures for protection in many important quarters, both in the Community and abroad. Those honourable Members who heard the exchanges on the textile industry or on steel during Question Time at some of the recent part-sessions of this House will understand what I mean. And so we are bound quite frankly to admit that the question of protectionist pres-

**Gundelach**

sure is not one that arises only in relation to the United States. It is a problem for all of us, a problem that challenges not only the American commitment to the concept of an open world economy, but also our own commitment to that concept here in the Community.

The honourable Member asks what protectionist measures have so far been taken or planned by the United States. I should like to draw the attention of the House to an important, indeed crucial, distinction: the distinction between protectionist measures and protectionist pressures. So far, both in the United States and in the Community, those responsible for deciding policy have, on the whole, been able to avoid the adoption of protectionist measures. We are all, however, facing great pressure. Our task is to ensure that these pressures are not translated into concrete protectionist measures. In this common task we are all responsible—the Community and its Member States as much as the United States itself.

Looking at the situation in the United States, the Commission is, of course, very concerned about what has been happening over the past few months on the trade front. It is indeed true that the Trade Act which has been enacted for the purposes of carrying through the multilateral trade negotiations carries provisions which can be used to further protectionist interests. We have been given some reason to fear that, in the United States at present, the road that leads from the exercise of pressure to the implementation of protectionist measures is dangerously open; and this cannot but have the gravest implications for us in the Community in view of the volume of our trade with the United States that is being threatened by these pressures.

Europe, being so dependent on foreign trade, naturally, in the situation I have tried to describe, finds itself in a very vulnerable position—and in a more vulnerable position than the United States even if its dependence on foreign trade is increasing. The basic fact is that, until the recent American decision on steel, over \$4 500m worth of Community exports, approaching one-quarter of the value of everything we exported to the United States in 1974, was the subject of complaint under the Trade Act. Even today well over \$3 000m worth of our trade is potentially at risk. And all this is happening, paradoxically, at a time when the United States is enjoying a record surplus with the Community amounting to more than \$3 000m in the first six months of this year.

Let me now take in turn the specific points raised by the honourable Member. First, there is the question of compensatory duties. So far

this year, the United States Treasury has initiated countervailing duty investigations into twelve cases affecting the Community. Six of these cases are still pending. They concern, first, a question of export refunds and exports of canned hams from Denmark and the Netherlands. \$265m worth of Community trade is involved in this investigation. Secondly, they concern the question of regional aids allegedly affecting exports of float-glass from Germany, Belgium and Italy. The value of trade here amounts to some \$2 000m. And thirdly, they concern the question of special production and export subsidies affecting exports of capscrews from Italy. The sum involved here is \$5m.

The second point raised by the honourable Member relates to the possible imposition of anti-dumping duties on Community exports. Four cases concerning Community exports are so far under investigation by the American Treasury. By far the most important case is that which concerns the alleged dumping of motorcars from Belgium, France, Germany, Italy and the United Kingdom. In this matter, \$2 530m of Community trade is involved. The other cases concern water circulating pumps from the United Kingdom involving \$500 000, ski-bindings and parts from Germany worth \$1 700m, and knitting-machinery from Italy worth \$2 000m.

Then there is the question of the application of safeguard clauses. The United States Administration has been petitioned by American firms to impose import quotas or other import restraints on Community exports of shoes to the value of \$324m, industrial fasteners, special steel, stainless steel, table flatware, slide fasteners, gloves, mushrooms—all amounting to more than a further \$5m. The majority of these cases will come up for decision early next year.

Finally, the honourable Member asks about the enquiries being pursued in the United States into alleged restrictions on foreign trade by third countries in infringement of Section 301 (a) of the Trade Act. Up to now, there have been two cases of this kind affecting us: they concern egg albumen and canned fruits and vegetables. I can assure you that all these cases are being closely watched by the Commission; and I can equally assure you that we have, with the support of the Member States and the Council, made our views on these matters perfectly clear to the American authorities at the highest possible level. In particular, in the case of anti-dumping investigations into motorcars, we have drawn the attention of the American authorities to the fact that the initial opening and subsequent conduct of the investigation appears to us to be inconsistent with the GATT anti-dump-



**Gundelach**

ing code, of which the United States is a signatory.

What conclusions are we to draw from all this? It is certainly true that the pressures for protective action have been mounting in the United States, and they are formidable pressures advancing on a wide front. But at the same time it is true that so far, with the notable exception of cheese, on which I shall say a further word in a minute, the American administration itself has not surrendered to these pressures. In other words, the very significant figures to which I have referred indicate an area of danger, not an area of actual loss.

In the field of cheese, which is the only area where things have actually gone wrong, we were forced to remove export refunds on certain types of cheese: Danish Blue, Danish block cheese, Emmenthal and Cheddar type cheese—with the result that our export of cheeses to the United States over the first eight months of this year have been reduced by 25%, which is unacceptable in view of the fact that exports of cheese from other sources in the world using other mechanisms to support their exports have been increasing. This matter, too, will again be brought up with the American authorities.

Leaving this unfortunate incident aside, there is no sign that the American Government's commitment to a liberal world trading order is slackening. Indeed, only a few months ago, the Americans renewed their support for the OECD trade pledge against beggar-my-neighbour protectionist policies. Ambassador Dent's further assurance on this point, to which the previous speaker referred, during his recent speeches and during his visit to the Community last month were very welcome. Even more important, and just as welcome, was the announcement that the American Government was dismissing the complaints concerning rolled steel. This is evidence indeed that the American Administration is putting new vigour into its efforts to resist the pressures that have been building up. The moral we must surely draw from the present situation is that, in a period of exceptional economic difficulty, governments everywhere must be especially active, not only in resisting protectionist pressures, but also in explaining to the citizen exactly why the protectionist soft option must be resisted. And this applies as much to ourselves in the Community as it does to the United States, for if we succumb to these pressures in our trading policies, how can we help to persuade others to hold the line?

Let me add, that in our type of world economy, classical trade measures cannot always be seen in isolation from economic and monetary poli-

cies. For example, changes in exchange rates which do not correspond to cost differences act in the same manner as export subsidies or import taxes. The Commission consequently continues to insist on the necessity of dealing more intensively with these broad economic issues both at Community level and a broad, multilateral level.

The case we are confronted with is simple: the interdependence of the different elements of the world economy today is far greater than it was in the 1930s, when the world-wide retreat into protectionism did such great harm to all our economies and indeed to the very basis of our political life. But the damage which we did to one another then, inadvertently and in ignorance, is as nothing compared with what we should do to ourselves if we were now to take that road again. When I visit the United States next week to conduct the Commission's regular consultations with the Americans, I shall be concerned to make this point and to drive it home. And I shall be strengthened in the knowledge that, in these matters, I can speak for the Community as a whole and, I believe with the support of this House.

*(Applause)*

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

**Lord Castle.** — I think the whole House will have been made most aware of the quality of representation the Community has had in the United States from the strong and exceptionally well-informed and, if I may say so, politically philosophical speech of the Commissioner. I think it was his own modesty—and, of course, we must accept that as a virtue—which prevented him from telling us how great has been his influence on our behalf so far. Some of us know that in June and July the Commissioner was in the United States, and it was very obvious that he was saying what we wanted to be said to the authorities there. It is due to this that the 41 applications which have been made to the government to enforce some kind of restriction on imports from this area, have been so greatly reduced. I believe that we want to wish him every success next week in carrying out his job.

What his statesmanship and sense of responsibility prevented him from underlining, I fear, was the fact of the new situation in America, which has produced a new type of government, not the government we knew a year or eighteen months ago, but a government subjected to the most diabolical of pressures, that of the well-heeled lobby which employs considerable sums of money to ensure its representation in



**Lord Castle**

Washington, and presses—against the interests of the country—in favour of sectional interests.

We know that 41 applications have been made and that so far only one has succeeded. We welcome particularly the fact that only three weeks ago the Treasury was able to resist the tremendous pressure which, as we know from history, can be exerted by the American Steel Corporation.

On the other hand, of course, there is this awful problem of cheese. I always believe that as soon as you place restrictions upon certain items of trade, you produce anomalies which are utterly illogical. In the case of cheese, we have difficulties placed in the way of the sale of Emmenthal, Cheddar and Danish block cheese. What an extraordinary distinction to make. And upon what basis is it made? Is it made because of the eclectic palate, the unsophisticated palate of some person near the Treasury? What is the justification for the exclusion of Cheshire, Double Gloucester, Leicestershire, Lancashire from my country, Pont-L'Évêque from France, Gorgonzola from Italy? What is the justification for America exercising this extraordinary selectivity? But this is the kind of anomaly that exists.

What we are grateful for this afternoon is the fact that we have been made aware of the spectre, the real spectre, which haunts the world today, which is the resurgence of nationalism, industrial nationalism and protectionism. This to me has a frightful sound about it because I am old enough to remember the talk of trade war in the very earliest years of this century and in the twenties and thirties. Trade war not only caused financial disaster: sometimes, especially in the last century and in this, it led to real war. For God's sake let us kill this bogey of protectionism while we can, because we on this side of the House, and I am sure on the other side of the House, are basically democrats. We are naturally suspicious of the growth of power of privately sustained industrial giants. I do not want unnecessarily to elevate or over-emphasize the importance of this discussion, but this question and the threat of widespread retaliatory protectionism which it highlights gives us as a group, the Socialist Group, and I hope as a Parliament, the opportunity to reassert the primacy of the politics of principle, against the politics of the pressure groups. We are glad, and if I may say so personally, even proud of what Mr Gundelach's negotiations have produced so far, and have prevented so far. And we hope that the moderation so far shown by the US Treasury will continue and that experience will reinforce them in their resistance to the narrow industrial nationalism which has appeared in recent months to become so clamant.

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

**Mr Scholten.** — (NL) Mr President, ladies and gentlemen, Mr Cousté's question, which was introduced by Mr Kaspereit, bears witness to a certain amount of anxiety, and this afternoon Mr Gundelach has added fuel to the flame. In the opinion of my Group there are indeed grounds for anxiety about developments in the trade relations between Europe and the United States. I shall begin, however, by saying that I wholeheartedly agree with Mr Gundelach that we must see this question in a somewhat broader setting and not confine ourselves to examining our relations with the United States. We must be fully aware of the fact that the situation both in other parts of the world and in our own countries is such that there is every reason to issue repeated warnings about the danger of protectionism, especially at a time of economic recession.

Another remark in passing. My interpretation of the situation in the United States differs markedly from that of the distinguished previous speaker on behalf of the Socialist Group. I think it is wrong to lay so much stress on the influence of pressure groups and lobbies, which after all constitute a perfectly normal feature of American society and politics. These pressure groups and lobbies do, of course, exert an influence, but I think that there is a quite different reason for the present trend, namely a certain shifting of power in American politics from the Administration to Congress. This power shift is quite recognizable. Our delegation which was in America two weeks ago noticed it in other areas too. I am thinking, for example, of the current discussions on the review of the international monetary system. It seems to me that the attempt by the American Congress to achieve greater power in the area of trade policy is definitely a factor influencing the matters we are now discussing. This applies in particular this year in view of the nearness of the important elections in the United States.

A third point I should like to draw attention to is that American industry has taken a certain number of initiatives which give rise to some concern. Several times during this debate reference has been made to the request of the United States Steel Corporation in connection with the refund of VAT on exports. I think Mr Gundelach was right in saying that the American Government's decision to turn down this application was an extremely important one. In view of the present situation it was an extremely important decision of principle and one we can mention with gratitude in this debate.

**Scholten**

That does not mean, of course, that there is no longer any cause for alarm. I certainly do not wish to imply that. But on the other hand we must not act as if we were already facing great difficulties in all sorts of areas.

Cheese is a substantial problem. I am pleased that the arrival of the British Socialists in this Parliament incidentally provides them with an opportunity of widening their knowledge of European cheeses. Dutch cheese is also concerned in this affair. In this connection I have a question to ask Mr Gundelach. He said that if we succumb to American pressures in this area we shall get nowhere in subsequent discussions. But I feel bound to point out to him that in view of the wide range of stances adopted on the cheese question, I am not so sure that we have not at some point given in. I would ask Mr Gundelach whether he can provide us with further information in this debate concerning the standpoint adopted by the Commission on this matter. Why has the Commission accepted this situation and this proposal at this particular juncture? I recall what my fellow Socialist, Mr Klepsch said on 18 June about the vital importance not only of tariff barriers but also of non-tariff barriers in trade negotiations between the United States and Europe. He referred to such problems as the American Selling Price, the Domestic International Sales Corporation and the Buy American Act. I think these are indeed particularly vital issues in the overall context of relations between Europe and the United States.

In the area of agriculture the Americans have quite frequently expressed the view that it is the European agricultural policy which constitutes an invitation to resort to certain trade barriers. Let me draw your attention to something I read on 26 October in 'Welt am Sonntag', where it is reported as a matter of simple fact that total American exports of agricultural products rose 4% last year while its exports to Europe rose 8%. The arguments used by the Americans are therefore in my view difficult to accept.

Mr President, there are disturbing portents in the sky. We are grateful to Mr Gundelach for conveying our disquiet to the United States Government at the highest level, because my Group believes that it is of the utmost importance, not only from the economic but also from the political point of view, that there should be no trade war of any kind between Europe and the United States.

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

**Mr Guldberg.** — (DK) Mr President, may I first of all thank Mr Cousté for having put down this question and then go on to say that, although I appreciate the Commission's answer, I fear it is more courteous and diplomatic than realistic. We can all agree about protectionism, but I think the question raised here goes much further.

It is not simply a question of trade policy. The fact of the matter is that, for two years, we have been on the verge of a world economic crisis, and that those countries with which we have cultural, industrial, economic and defence links still do not seem able to bring the situation under control.

There is good reason for stressing this immediately before the Rambouillet meeting. We are aware that, if one or more countries succumb to the temptation of protectionism, we may unleash a catastrophe which would jeopardize not only our economic and employment situation, but also the very form of society which we treasure, but which others would like to see destroyed. This is a game of poker, and it is doubtful whether Europe is good enough at the game.

The United States still prefers floating exchange rates. Up till now, this has resulted in a weakening of the European economy and a transfer of credit and employment opportunities away from Europe.

I therefore hope that those countries which realize the importance of a stable and peaceful Europe will not overestimate our economic and political powers of resistance. The European Community cannot continue to exist unless its internal exchange rates are fixed. If, for economic reasons, we are forced to have floating exchange rates vis-à-vis our major trading partners, this also forces us to use all means available to ensure our internal stability.

If we cannot agree on a monetary policy which will ensure that the Community continues to exist as an economic entity, the solution can in practice be found only in the trade sector.

It cannot be emphasized enough that other countries' recourse to trade restrictions against the Community, or attempts to subvert the contractually agreed system in the Community, constitute a dangerous policy which may land us against our will in a situation with which we cannot cope. And this does not just concern individual sectors—cheese or other agricultural problems or motorcars or footwear or whatever—it is of more general significance.

It must therefore be emphasized—and this is of relevance to the meeting to be held in Ram-

**Guldberg**

bouillet—that we must avoid an aggravation of the situation through further restrictions. What we need is the opposite—a constructive monetary policy to reduce the pressure and the need for everyone to try to go it alone.

I fully recognize the Commission's firm resolve—particularly after the reply we have just heard—and call upon it to work on this problem in the wider context to which I have tried to draw attention.

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

**Mr Spicer.** — Mr President, may I first of all thank the Commissioner, particularly for broadening the whole basis of this discussion and making it quite clear that in his view this is not a matter that concerns only our relations with the United States, but each and every one of us within and outside the Community.

A quick word about the United States. The Commissioner did speak quite rightly of the pressure which the United States' Administration is under at the moment. Would it be right to say that that pressure upon the Administration will grow as they come closer to their elections next year? Their position may become more difficult, and they may in fact move back from the strong position that, as I understand, Ambassador Dent and many others during the visit to America two weeks ago adopted in this respect.

There was a point made by our Ambassador Krag the other day, who stated quite clearly that US measures call into question the usefulness of pursuing further efforts in multilateral trade negotiations. I would like, if we could have it, an assurance from the Commissioner that that point will be rammed home very hard when he visits Washington next week.

Mr President, I am a great believer in the domino theory; so I will, if I may, turn away from the United States and deal with the problems that we face in Europe, both inside and outside the Community.

One event which should cause us particular concern is the way in which the Swedes have acted in violation of their agreement with the Community in putting a ban on the import of shoes into Sweden. It is not merely the matter of the ban, which might have been dealt with in another way; they used as a basis for that ban Article 21 of their agreement with the EEC, which says: 'In case of war or international crisis...' It seems to me that this is the breach which we must avoid at all costs, and I wonder if the Commissioner would in his reply say

that we do not accept that, we will not carry on negotiations on this basis, and that action will be taken to see that this is stopped.

I was glad, Mr President, that Lord Castle made it quite clear that although there may be some weaker brethren within the Community who are calling for import controls in respect of their own countries, he is not to be numbered amongst them. I hope that all of us will stand firm, as I am certain that you will when you speak for us in Washington, to avoid any breach in the agreements that we have made both inside and outside the Community.

*(Applause)*

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

**Mr Leonardi.** — *(I)* I share the sense of concern shown in the speeches of many honourable Members and of Commissioner Gundelach. In times of crisis, there may be a certain tendency to protectionism not only in the USA, but in other countries as well. Even so, I would like to remind Members that the position of the USA is different from that of other countries. The means available to the USA for implementing a protectionist policy differ considerably from any which the Community countries, either individually or together, might have. In particular, on the financial and monetary front and with regard to raw material prices, it has instruments at its disposal which affect the competitive potential of the Community countries. In view of this, the USA can in fact behave fairly in the commercial sector and still achieve the same results in other fields. I feel that this point needs to be stressed especially in view of Commissioner Gundelach's forthcoming visit to the United States.

In other words, we believe that the situation is one of serious imbalance, which the United States can undoubtedly use to protect herself in periods of crisis, probably without realizing the very grave consequences to which this can give rise. This is more or less the crux of what I have to say.

Besides, the figures speak for themselves. During the past two or three years, the United States has completely reversed its external balance of payments position on current account. The first nine months of 1975 show a record surplus, whereas three years ago it was in deficit on the trade balance. The fact is that the United States, whose situation three years ago prompted influential American figures to make declarations of trade war, has since then managed to reverse that situation. We must remember this.

**Leonardi**

The balance in economic strength has been disturbed and the EEC's position vis-à-vis the United States is today very different and far weaker than it was some years ago. In my opinion, this situation does not merely involve the field of trade relations which Mr Cousté touched upon in his question: it goes much deeper than that.

**President.** — I call Mr Gundelach.

**Mr Gundelach.** — Mr President, I shall be very brief, but I do wish to express my deep satisfaction and gratitude to the House for what I can only qualify as a unanimous sentiment backing up the positions which I have tried to outline to you as being those of the Commission and those which I shall once again present to the American authorities during our biannual consultations next week. It is quite evident that my position in these consultations will be tremendously strengthened by the fact that I have not only the support of the European Communities' Council, but also the unanimous support of the European Parliament, and I am grateful for the way in which the debate has developed.

A few additional questions have been put to me to which I should like to answer. The consultations we are to have next week with the United States authorities do indeed cover other problems as well as straightforward questions. In this sense I can reply to those Members who have been underlining—as, indeed, I did in my speech—that, important as they are, trade measures are not in a modern, complex world the only element to be taken into account. Other elements—the way we deal with raw materials, the way we deal with industrial problems, development problems, monetary problems and general economic policy problems—all have their increasing significance and must therefore be brought into the consultations and into co-operation at an international level. We can no longer progress toward a more open and more liberal world trade unless the necessary conditions have been provided through closer cooperation in a number of other fields in the broad spectrum of economic policies. On this point, therefore, I am in total agreement with what has been said by Members of this Parliament this afternoon.

Some mention has been made in this same connection of the importance of non-tariff barriers. I need not assure the House of the importance I personally attach to this issue: I have discussed these matters with the House often enough so that you will know that I give them a very high priority indeed in any internal or external discussions of trade questions. I was asked: how did this cheese question, to which reference

has been made by others and myself, come about? I should like to make it clear that the Commission did not enter into any agreement with the United States Government in the spring concerning cheese refunds. We were faced, however, with a situation where we had the choice between two evils, the one obviously greater than the other. Either we took unilateral action to remove our refunds in regard to the cheeses I have mentioned, or we would be faced with a situation where taxes would be imposed on all cheese exports from Europe to the United States. In that situation, we decided not to enter into any agreements but to choose the lesser evil: we removed the refunds—at some cost to our trade—for three cheeses in order to avoid the imposition of a tax on all our cheese exports to the United States. It was by no means a satisfactory solution, but the choice of a lesser evil. We shall have to return to the subject in our conversations with the American authorities. Why precisely these cheeses were chosen by the American authorities is something of a mystery: to a large extent it seems to have been a question of their conception of prices, but what subsequently happened in the way of cheap exports of cheese from other countries puts this argument very much in doubt.

It has been remarked—and I am happy about this—that we must look upon these problems not only in the light of European-American relations, however important these are to both sides, both economically and politically, but also in a wider perspective, that of our own policies within Europe.

Here reference was made to the recent action taken by the Swedish Government in regard to imports of shoes. The Swedish Government invoked, as stated, Article 21 of the Free Trade Agreement, which refers to 'situations of war', 'imminent threat of war' in order to justify the imposition of import restrictions on footwear. Let me state quite clearly and firmly that this position assumed by the Swedish Government is not acceptable to the Community. We have made it quite clear in the relevant bodies of the free trade area organization that this position is not acceptable and cannot be made so to the Communities, as we have learned that it is not acceptable to Sweden's partners in GATT, in the OECD or even in the European Free Trade Area.

So far as the Community is concerned, the inevitable consequence will be that the free trade area agreement will be implemented in accordance with the rules, which means that as of 12 o'clock yesterday the ceilings on imports of paper which previously had not triggered off higher duties on imports from Sweden, have done so. It is regrettable, it is deplorable, but

**Gundelach**

this is the inevitable consequence when countries take unilateral action at the cost of their neighbours. Each time it happens it is going to have these consequences, and I am happy that this example has been brought forward in order to drive home the point that unilateral action by individual countries at the height of an international economic crisis is just too dangerous.

Mr President, with regard to the American situation and to the forthcoming presidential elections, the question has been raised whether the threats to which I have referred and which have been discussed this afternoon will manifest themselves in specific decisions, or whether there is hope that they will recede. Economic reasoning, apart from the type of political reasoning we have been advancing this afternoon, should indicate that the pressure will recede. There is a clear upswing—or the beginning of an upswing—in the American economy; the United States has, as I have indicated, a growing surplus in its balance of payments with, among others, Europe. And so there is no real economic justification for an escalation of decisions by the American administration in regard to the various subjects to which reference has been made. Whether political factors will work in the opposite direction, one can only speculate; but I do not think that the American Administration, even in the face of approaching elections, has shown or will show indications of abdicating its responsibility in holding the fort against pressures which are sectoral. I do not think that the American Administration will yield to these pressures but obviously it is our duty to exert as much influence as we possibly can, in the name of political interest and in the name of economic interest, to sustain the will of the American Administration to withstand these pressures, just as it is our duty to withstand, as we have been withstanding, pressures from inside our own Community.

At this point I would like to say that when we speak about the serious economic crisis in which we are living, it is the most serious crisis since the Second World War. Nevertheless, both the international economic community and our own European Economic Community have been able to withstand the protectionist pressures so far. We have ourselves maintained our internal markets, and basically we have maintained free trade internationally. And therefore, in the face of predictions of chaotic and tragic developments, I would nevertheless like to inject into the discussion this notion of guarded optimism in that so far, throughout nearly 18 months of crisis, we have withstood, and this is no small achievement, in particular as far as the European Community is concerned. Thus, there is still reason to look upon the future both inside

the Community and between the Community and its trading partners, with a reasonable degree of confidence. I would not like this afternoon to draw the conclusion that our concern over the pressures in the United States should now lead us to believe that multilateral trade negotiations have to be abandoned. I believe now, as before, that such international trade negotiations in themselves constitute one of the most important defences against unwanted and serious backlashes into protectionism. I would therefore certainly not draw that conclusion here this afternoon. On the contrary, I would hope that we, together with our trading partners, including the United States, could give new credibility and new life to the ongoing trade negotiations to the benefit of our economies and to our political life as a whole.

*(Applause)*

**President.** — I have no motion for a resolution on this debate.

The debate is closed.

## 12. *Change in the agenda*

**President.** — The last item on the agenda was to have been a debate on the report drawn up by Mr Dondelinger on behalf of the Committee on Social Affairs and Employment on a proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 1612/68 on the extension of trade union rights to workers moving within the Community (Doc. 354/75). In view, however, of the decision already taken to close this sitting at 7.15 p.m., I propose that this item be placed immediately after the vote on the budget tomorrow, Thursday.

Are there any objections?

That is agreed.

## 13. *Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Thursday, 13 November 1975, with the following agenda:

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

- Vote on the motion for a resolution contained in the Aigner report on the draft amending and supplementary budget No 3 of the Communities for 1975;
- Vote on the motion for a resolution contained in the Flesch report on Parliament's estimates for 1976;

**President**

- Vote on the motion for a resolution contained in the Flesch report on Sections II and IV of the draft general budget of the Communities for 1976;
- Vote on the draft general budget of the Communities for 1976 and on the motion for a resolution contained in the Cointat report;
- Dondelinger report on the extension of trade union rights to workers moving within the Community;
- Artzinger report on the annual report on the economic situation in the Community;
- Schwabe report on a system of bracket tariffs for the carriage of goods (without debate);
- Giraud report on the Community quota for the carriage of goods;
- Carretoni Romagnoli report on the education of migrant children;
- Mitterdorfer report on Community transit;
- Mitterdorfer report on the elimination of technical barriers to trade;
- Pintat report on investment projects of interest to the Community.

The sitting is closed.

*(The sitting was closed at 7.15 p.m.)*

## ANNEX

*Questions which could not be answered during Question Time, with written answers**Question by Mr Spicer*

Can the Commission report on the current state of negotiations for the continuance of the Dragon project?

*Answer*

The Coreper meeting tomorrow is to consider a proposal from the German delegation for the renewal of the Agreement for a period of nine months, that is, from 1 April to 31 December 1976.

This extension would be used to consider the possibility of other countries, like the United States and Japan, acceding to the Agreement, thereby reducing the share of the costs borne by the United Kingdom, which has raised the most serious objections to the project.

The Commission considers the three months' extension proposed by the United Kingdom unacceptable, since it would not allow for any negotiations. It believes, moreover, that the project has a future, especially in the context of research on alternative energy sources, particularly on the production of hydrogen.

For these reasons, the Commission will recommend acceptance of the proposal to Coreper.

*Question by Mr Zeller*

When does the Commission expect to be able to submit its second action programme on the environment for the period 1976-1980 and, in this connection, what specific measures does it propose putting forward to extend the durability of products offered to Community consumers with a view to combating the wastage of resources?

*Answer*

The Commission intends to submit to the Council its second action programme on the environment at the beginning of next year.

It has not yet finally decided on the precise measures which it intends to propose in order to increase the durability of products offered to Community consumers. Nevertheless, the Commission can assure the European Parliament that the second programme will give greater priority than the first to actions aimed at economizing on natural resources, especially by means of provisions relating to salvaging and recycling waste, to the composition and durability of products, and to the national utilization of energy and raw materials.

At its 364th session on 16 October last, during the discussions on the Commission's 'initial reflections' on the principles and aims of the second programme, the Council agreed that Community action in the context of its environmental policy to combat the wastage of resources should be intensified.

*Question by Mr Marras*

Has the Commission received from the Italian Government the draft law of the Emilia-Romagna Region on the adaptation of Community directives on agricultural structures, and if so, what are its views on it?

*Answer*

Article 17 of Council Directive 72/159/EEC, Article 8 of Council Directive 72/160/EEC and Article 10 of Council Directive 72/161/EEC state that Member States shall forward to the Commission the drafts of the regulations which they plan to adopt pursuant to these same Directives. The Commission, after consulting the Standing Committee on Agricultural Structures, is required to give its opinion within two months after receiving such communication.

On 4 July 1975, the Italian Government forwarded to the Commission the draft law of the Emilia-Romagna Region in application of the Community directives for the reform of agricultural structures.

The Italian Government subsequently asked the Commission by telex to postpone examination of the aforementioned draft.

For this reason, the Standing Committee on Agricultural Structures has not yet been consulted on the draft law in question. Consultation of this committee, as stipulated in the articles quoted above, is mandatory before the Commission can give an opinion on plans to implement the socio-structural directives.

*Question by Mr Cousté*

Can the Commission tell us what arrangements are being considered, under the negotiations, for imports of crude oil and oil products from the Maghreb countries, Algeria in particular?

*Answer*

Within the framework of the negotiations with the three Maghreb countries the Commission has been requested by the Council to propose:

1 — that crude oil and other oil products from the Maghreb countries should be allowed duty-free entry without quantitative restrictions; this amounts to a formalization of the current customs situation;

2 — that refined oil products should be allowed duty-free entry up to a certain annual ceiling, fixed at 900 000 t for Algeria and 150 000 t for each of the other two countries;

and in addition that for Algeria exemption of customs duties should be extended beyond this ceiling provided that the opening of the Community market does not result in a reduction of the Community's potential supply of Algerian crude oil;

3 — that the preference thus proposed for refined oil products may be restricted, until 31 December 1979, by a unilateral decision of the Community within the framework of Community decisions in the area of common trade policy or on the establishment of a common energy policy; in the event of such a restriction compensation would have to be offered;

4 — that the usual safeguard clauses should in any case be applicable for both crude and refined products, either by application of the general provisions resulting from the Treaty of Rome or in accordance with a special article in each of the three agreements relating to 'serious disturbances in a sector of the economy' and 'serious deterioration of the economic situation in a region of the Community';

5 — that the contracting parties should undertake 'not to impede the honouring of supply contracts for hydrocarbons concluded between operators';

6 — and finally that cooperation on energy should be established between the parties concerned in order to promote the cooperation of European operators in exploration, production and processing programmes and all activities aimed at maximizing returns on such resources locally, and also to promote the honouring of long-term contracts.



## SITTING OF THURSDAY, 13 NOVEMBER 1975

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## IN THE CHAIR: MR SPÉNALE

*President*

*(The sitting was opened at 10.15 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. *Texts of treaties forwarded by the Council*

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

- Agreement between the European Economic Community and the People's Republic of Bangladesh on trade in jute products;
- Agreement in the form of exchanges of confidential letters between the European Economic Community and the People's Republic of Bangladesh on trade in jute products;
- Agreement in the form of an exchange of letters between the European Economic Community and the People's Republic of Bangladesh on trade in hand-made products (handicrafts);
- Agreement in the form of an exchange of letters between the European Economic Community and the People's Republic of Bangladesh on trade in fabrics of silk or of waste silk other than noil or of cotton, woven on handlooms;
- Notice of the completion by the Community of the procedures necessary for the conclusion of two agreements in the form of an exchange of letters between the European Economic Community and the People's Republic of Bangladesh, one on trade in fabrics of silk or of waste silk other than noil or of cotton, woven on handlooms, and the other on trade in hand-made products (handicrafts);
- Notice of the completion by the Community of the procedures necessary for the entry into force of the agreement between the European Economic Community and the People's Republic of Bangladesh on trade in jute products.

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

3. *Tabling and inclusion in the agenda of two motions for resolutions*

**President.** — I have received from Mr Giraudo, on behalf of the Political Affairs Committee, a

motion for a resolution, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the Resolution of the General Assembly of the United Nations on Zionism (Doc. 376/75).

Are there any objections to the request for urgent procedure?

The adoption of urgent procedure is agreed. In accordance with the decision arrived at yesterday by the enlarged Bureau, I propose that this motion for a resolution be placed on the agenda immediately after the vote on the budget and that speaking-time in this debate be limited to a maximum of two minutes for one speaker from each political group.

Are there any objections?

That is agreed.

I have received from Mr Durieux, on behalf of the Political Affairs Committee, a motion for a resolution, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the award of the Nobel Peace Prize to Andrei Sakharov (Doc. 377/75).

Are there any objections to the request for urgent procedure?

The adoption of urgent procedure is agreed. The debate on this motion, due immediately after that on the motion tabled by Mr Giraudo, would normally be governed by the same conditions regarding speaking-time; but, in view of the latest developments concerning this problem, I have received a request from the Christian-Democratic Group that each political group be allowed to speak for five minutes.

Are there any objections?

That is agreed.

I call Mr Fellermaier on a point of order.

**Mr Fellermaier.** — (D) Mr President, I wish to inform the House that, in view of the Soviet Government's latest statement, my group has decided to table an amendment to the motion for a resolution put down by the Political Affairs Committee, referring specifically to the refusal of an exit visa for Mr Sakharov. We hope it will be technically possible to supply the other groups with this text as soon as possible.

4. *Budgetary procedure*

**President.** — Before passing to the vote on the different sections of the Budget, I would remind you briefly of some of the points contained in the relevant procedure.

**President**

In accordance with the provisions of the resolution adopted by Parliament during the October 1975 part-session and those contained in the handbook on budgetary procedure, which has been distributed, the voting procedure will be as follows.

Appropriations on which neither draft amendments nor proposed modifications have been tabled will automatically stand adopted.

All proposed modifications and all draft amendments will be put to the vote in plenary sitting unless withdrawn by their authors.

The order in which draft amendments and proposed modifications are called will be that of the budgetary nomenclature and of the appropriations to which they refer.

If several proposed modifications or draft amendments to the same article are identical in content, they will be called and their texts put to the vote in the chronological order of their tabling.

You are reminded that the Treaties require us to distinguish between draft amendments and proposed modifications: proposed modifications concern compulsory expenditure, while draft amendments concern non-compulsory expenditure. To be adopted, proposed modifications require a majority of the votes cast, while draft amendments require the votes of a majority of the current Members of Parliament. Voting on proposed modifications will be by a show of hands, and on draft amendments by sitting and standing.

After voting on the various articles, chapters and sections, we shall proceed to vote on the consequent modifications of revenue.

In order to facilitate the counting of the votes, persons who are not Members of Parliament but whose duties require their presence in the Chamber are urgently requested to avoid standing among the benches reserved to Representatives during the voting.

Finally, since about 150 draft amendments and proposed modifications have been tabled, we must adhere rigorously to the arrangements we laid down on Monday if we are to complete our work within a reasonable length of time. This means that, when the various draft amendments and proposed modifications are called, only the rapporteur will be entitled to speak if he wishes to do so. The authors of these texts will not be given the floor, save for the purpose of withdrawing them.

5. *Draft amending and supplementary budget No 3 for 1975 (vote)*

**President.** — The next item on the agenda is the vote on draft amending and supplementary budget No 3 of the European Communities for 1975 (Doc. 279/75) and on the motion for a resolution contained in Mr Aigner's report (Doc. 364/75). The general debate on this report took place on Tuesday.

Before the motion for a resolution, we must consider a draft amendment and a proposed modification to the draft amending budget.

On Title 4, Chapter 40: 'Aids', I have draft Amendment No 1, tabled by the Committee on Budgets:

SECTION III — COMMISSION

(A) *Expenditure*

Enter a new Article 402 — Aid to beekeepers

Enter an appropriation of 2.5 million u.a.

(B) *Revenue*

Increase revenue accordingly

JUSTIFICATION

During the debate on the 1975 general budget of the European Communities, the European Parliament presented a proposal for the deletion of the premiums for the denaturing of sugar (which the Council also approved) subject to the presentation by the Commission of a proposal for a regulation on direct aid to European beekeepers, in view of the importance of beekeeping for the ecological balance of the earth.

The Commission promised at the time to examine the matter and subsequently presented a proposal for a regulation. The expenditure for the present financial year required to initiate this action should be entered in the present supplementary budget.

**President**

What is the rapporteur's view?

**Mr Aigner rapporteur.** — (D) Mr President, your Committee on Budgets voted unanimously in support of this draft amendment.

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

Draft Amendment No 1 is adopted by 105 votes to 0, with 7 abstentions.

On Title 6, Chapter 65: 'Beef and veal', I have proposed Modification No 1, tabled by Mr Scott-Hopkins on behalf of the Committee on Agriculture, on which the Committee on Budgets has delivered a favourable opinion:

**SECTION III — COMMISSION****(A) Expenditure**

Article 652 — Other expenditure

Item 6522 — Premium for restocking

Increase appropriations by 62 500 000 u.a.

**(B) Revenue**

Increase revenue by 62 500 000 u.a.

**JUSTIFICATION**

The Commission has sought to transfer part of the cost of restocking premiums. This entails modifying Regulation 464/75/EEC adopted by the Council on 27 February 1975, on which the European Parliament had given its opinion.

The rewriting of proposals in order to allow for a transfer to fit the requirements of the moment cannot be accepted.

In addition, the result of this proposal will be to reduce expenditure from the Guidance Section of the EAGGF on individual projects, which have made a valuable contribution to restructuring Community agriculture.

The Council has refused to allow 50% of appropriations required by these premiums to be entered under the Guarantee Section until it has taken a decision on the proposed modification of Regulation No. 464/75/EEC. Consequently, 50% of expected expenditure on these premiums is not covered by appropriations entered in the 1975 budget. A supplementary budget will therefore be required.

In order to avoid a reduction in expenditure under the Guidance Section, and to provide the required budgetary resources for these premiums to producers of bovine animals, the Committee on Agriculture believes that a further 62 500 000 u.a. should be entered under Item 6522.

I put proposed Modification No 1 to the vote.

Proposed Modification No 1 is rejected.

Draft amending and supplementary budget No 3 of the European Communities for the financial year 1975, so amended, is adopted. It will be forwarded to the Council of the European Communities.

On the motion for a resolution contained in Mr Aigner's report, I have Amendment No 1, tabled by Mr Aigner and Mr Lange:

Paragraphs 4, 5 and 6 to be replaced by a new paragraph as follows:

'4. Proposes to approve amending and supplementary budget No. 3 of the European Communities for 1975 provided the Council makes an appropriate statement on paragraph 3 to the Delegation from the European Parliament at the latest in the next round of consultations

and, with this reservation, authorizes the President of the European Parliament at the appropriate time to declare amending and supplementary budget No. 3 of the European Communities for 1975 adopted.'

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

**Mr Aigner, rapporteur.** — (D) Mr President, this was withdrawn, as being without foundation, at the last meeting of the committee.

**President.** — Amendment No 1 is therefore withdrawn.

I put the motion for a resolution to the vote.

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

<sup>1</sup> OJ C 280 of 8. 12. 1975.

6. *General budget of the Communities for 1976*  
(vote)

**President.** — The next item on the agenda is the vote on the draft general budget of the European Communities for 1976 (Doc. 306/75) and on the motions for resolutions contained in the reports by Mr Cointat (Doc. 361/75) and Miss Flesch (Docs 366/75 and 367/75).

With regard to the draft general budget, since proposed modifications and draft amendments

have been tabled which, if they are adopted, will have repercussions on revenue, the vote on the 'Revenue' section as a whole will be deferred until after the vote on the individual sections.

We begin with Section I: 'Parliament'.

On Title 1, Chapter 11: 'Staff', I have draft Amendment No 80, tabled by the Committee on Budgets, which also concerns Chapter 98:

(A) *Expenditure*

Reduce this appropriation by: 2 294 390 u.a.<sup>1</sup>

Chapter 98 — Non allocated provisional appropriations

Increase this appropriation by 1 972 000 u.a.

(B) *Revenue*

*Own resources*

Title 4 — Deductions from staff remunerations

Chapter 40 — Proceeds of taxation on the salaries, wages and allowances of officials and other servants

— Parliament

Reduce these resources by: 35 000 u.a.

Chapter 41 — Staff contributions to the pension scheme

— Parliament

Reduce these resources by: 14 000 u.a.

*General revenue*

Adjust general revenue accordingly

JUSTIFICATION

The intention is to adapt the appropriations for expenditure relating to staff to the method applied by the other Institutions.

<sup>1</sup> In Chapter 11, modify the appropriations as follows:

<i>Article 110 - Officials and temporary staff holding a post provided for in the list of posts</i>	
Item 1100 - Basic salaries	— 412 500 u.a.
Item 1101 - Family allowances	— 35 720 u.a.
Item 1102 - Expatriation allowances	— 64 850 u.a.
Item 1103 - Temporary fixed allowances	— 5 050 u.a.

*Article 110 - Total:* — 518 120 u.a.

*Article 111 - Other staff*

Item 1110 - Auxiliary staff	— 30 700 u.a.
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*Article 111 - Total:* — 30 700 u.a.

*Article 113 - Sickness and accident insurance and occupational diseases*

Item 1130 - Sickness insurance	- + 73 630 u.a.
Item 1131 - Accident insurance and occupational diseases	+ 6 200 u.a.

*Article 113 - Total:* + 79 830 u.a.

*Article 116 - Weightings:* — 1 825 400 u.a.

*Chapter 11 - Total:* — 2 294 390 u.a.

**President**

I put this draft amendment to the vote.  
Draft Amendment No 80 is adopted by 127 votes to 0.

On Title 2, Chapter 27, Article 270: 'Official Journal', I have draft Amendment No 78, tabled by the Committee on Budgets:

**(A) Expenditure**

Increase this appropriation by 21 500 u.a.

**(B) Revenue**

Increase revenue accordingly

**JUSTIFICATION**

In consideration of the European Parliament's obligations as regards the texts to be published in the Official Journal and of the principle of budgetary austerity, the Committee on Budgets proposes this figure.

I put this draft amendment to the vote.  
Draft Amendment No 78 is adopted by 128 votes to 0.

On Title 3, Chapter 37, Article 374: 'Share of the expenditure of the Audit Board', I have draft Amendment No 75, tabled by Miss Flesch on behalf of the Committee on Budgets:

**(A) Expenditure**

Reduce appropriations by 3 894 u.a.

**(B) Revenue**

Adjust revenue accordingly

**JUSTIFICATION**

Half the funds for the Audit Board were entered in Parliament's estimates and the other half in the Council's estimates. The purpose of this draft amendment is merely, following the establishment of the budget of the European Communities, to bring the funds entered in Parliament's estimates in line with those entered in the Council's estimates.

I put this draft amendment to the vote.  
Draft Amendment No 75 is adopted by 127 votes to 0.

On Title 3, Chapter 37, Article 375: 'Share of the expenditure of the ECSC Auditor', I have draft Amendment No 76, tabled by Miss Flesch on behalf of the Committee on Budgets:

**(A) Expenditure**

Title 3 — Expenditure resulting from the Institution carrying out special functions

Chapter 37 — Expenditure relating to certain institutions and bodies

Article 375 — Share of the expenditure of the ECSC Auditor

Reduce appropriations by 3 653 u.a.

**(B) Revenue****Own resources**

Reduce own resources as follows:

Title 4 — Deductions from staff remuneration

**President**

Chapter 40 — Proceeds of taxation on the salaries, wages and allowances of officials and other servants	
— ECSC Auditor	
Reduce these resources by:	450 u.a.
Chapter 41 — Staff contributions to the pension scheme	
— ECSC Auditor	
Reduce these resources by:	100 u.a.
<i>General revenue</i>	
Adjust general revenue accordingly	

## JUSTIFICATION

Half the funds for the ECSC Auditor were entered in Parliament's estimates and the other half in the Council's estimates. The purpose of this draft amendment is merely, following the establishment of the budget of the Communities, to bring the funds entered in Parliament's estimates in line with those entered in the Council's estimates.

I put this draft amendment to the vote.

Draft Amendment No 76 is adopted by 128 votes to 0.

On Title 4, Article 419: 'Other subsidies and financial contributions towards inspection costs',

I have two draft amendments:

— draft Amendment No 77, tabled by the Committee on Budgets:

**(A) Expenditure**

Insert two new items under Article 419:

Item 4190 — Subsidies and financial contributions to the cost of receiving groups of visitors

Enter the appropriation of 420 000 u.a. already entered against Article 419

Item 4191 — Subsidies towards costs incurred in receiving important visitors from the Member States

Make a token entry

**(B) Revenue**

Revenue unchanged

## JUSTIFICATION

The Committee on Budgets recognizes the necessity of creating Item 4191. Until such time as Parliament defines general guidelines for the allocation of these subsidies, only a token entry will be made against this item.

— draft Amendment No 94, tabled by Mr Aigner, Mr Fellermaier, Mr Bangemann, Mr Scott-Hopkins and Mr Yeats, on which the

Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

Increase the appropriations of 420 000 u.a. by 80 000 u.a.

**(B) Revenue**

Increase revenue accordingly





**President**

Category LA + 2 A3  
— 2 A4

Category Bt + 1 Bt4

Category C — 1 C2

**JUSTIFICATION**

The Bureau of the Economic and Social Committee had requested the conversion of certain posts in order to adapt the structure of its secretariat to the Committee's actual needs. This request was refused by the Council. It is obvious that the Committee's work is increasing constantly in view of the growing number of obligatory and optional consultations. If the Committee's output capacity and functioning are to be maintained, the organization of the Committee's secretariat must be adapted to the requirements imposed by this gradual change. The staff of the secretariat being very small, the situation could be improved by converting certain posts, namely:

- two principal administrator posts into head of division posts
- two head of translation section posts into head of division posts
- one clerical officer post into a technical assistant post.

Since the Committee has agreed to effect these conversions only towards the end of the 1976 financial year, *there is no need to modify the appropriations under the budget items affected by these conversions.*

I put this draft amendment to the vote.

Draft Amendment No 81 is adopted by 128 votes to 0.

The whole of Section II: 'Council', thus amended, is adopted.

We pass to Section III: 'Commission'.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) Before the vote commences, Mr President, I have the honour of informing the House that on 6 November 1975 you received a letter of amendment from Mr Rumor, President-in-Office of the Council. The purpose of this third letter of amendment is to add, under Article 490, the sum of 12m u.a. to cover the interest on loans granted to Portugal by the European Investment Bank and, under Article 901, the sum of 3.5m u.a. for the purpose

of promoting commercial relations between the Community and non-associated developing countries.

I wanted to make this preliminary statement, Mr President, since the letter I refer to necessitates a slight modification of the preamble to the motion for a resolution insofar as a reference to this letter must be incorporated in it.

**President.** — I hope we shall be in possession of the modified version of the motion for a resolution when the moment comes to vote on it.

On the Establishment plan, I have two draft amendments:

- draft Amendment No 4/rev., tabled by Mr Cointat, Mr Durand, Mr Gibbons, Mr Pintat and Mr Yeats, on which the Committee on Budgets has delivered an unfavourable opinion:

Add to the Commission's establishment plan the following posts under the heading of 'Structural requirements':

Category B: 5 B posts

Category C: 50 C posts

**(A) Expenditure**

Increase the Commission's appropriations by 740 000 u.a.

**(B) Revenue**

Increase revenue by 740 000 u.a.

**JUSTIFICATION**

The object of this amendment is partially to introduce the appropriations requested by the Commission in its preliminary draft for 1976, for B and C Category staff to fill the structural shortage in the Commission's establishment plan.

**President**

These requests were explained by the increase in the activities arising from the implementation and administration of Community policies, entailing additional work in the Commission's departments.

The situation was even more difficult in that in the case of the Commission it had been noted that the number of Category C posts was already markedly lower than the total number of A and LA posts<sup>1</sup>.

The authors of the amendment consider that, in the interests of economy, the re-introduction of these posts should be spread over three years.

The Commission has stated that these posts would be broken down as follows:

1 B1  
4 B3-2  
6 C1  
38 C3-2  
6 C5-4

*Breakdown of staff (as a percentage) on the basis of the Commission's establishment plan for 1975*

		<i>Number of posts</i>
Category A and LA	± 41%	2 018 A + 1 120 LA
Category B	± 20%	1 566
Category C	± 34%	2 547
Category D	± 5%	381
	<u>100%</u>	<u>7 636</u>

**FINANCIAL IMPLICATIONS**

Under the provisions currently in force, this draft amendment will affect the budget as follows:

**SECTION III — COMMISSION***Expenditure*

Title 1 — Expenditure relating to persons working with the Institution

**Chapter 11 — Staff**

Increase this appropriation by 323 000 u.a.<sup>2</sup>

**Chapter 12 — Allowances and expenses on entering and on leaving the service and on transfer**

Increase this appropriation by 201 600 u.a.<sup>3</sup>

<sup>1</sup> Category A ± 28% (i.e., 2 018 A).

<sup>2</sup> In Chapter 11, modify the appropriations as follows:

*Chapter 11:*

Item 1100 - Basic salaries	+ 162 400 u.a.
Item 1101 - Family allowances	+ 17 400 u.a.
Item 1102 - Expatriation allowances	+ 21 100 u.a.
Item 1103 - Temporary fixed allowances	+ 5 800 u.a.
Item 1130 - Sickness insurance	+ 7 400 u.a.
Item 1131 - Insurance against accidents	+ 1 700 u.a.
Item 1141 - Travel expenses on annual leave	+ 8 900 u.a.
Article 116 - Salary weightings	+ 98 300 u.a.

**Chapter 11 - Total:** + 323 000 u.a.

<sup>3</sup> In Chapter 12, modify the appropriations as follows:

*Chapter 12:*

Item 1211 - Staff travel expenses (including members of the family)	+ 9 900 u.a.
Item 1221 - Staff installation, resettlement and transfer allowances	+ 54 700 u.a.
Item 1231 - Staff removal expenses	+ 87 700 u.a.
Item 1241 - Staff temporary daily subsistence allowances	+ 49 300 u.a.

**Chapter 12 - Total:** + 201 600 u.a.

**President**

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 21 — Rental of buildings and associated expenditure

Increase this appropriation by 118 443 u.a.<sup>1</sup>

Chapter 22 — Movable property and associated expenditure

Increase this appropriation by 49 120 u.a.<sup>2</sup>

Chapter 23 — Current administrative expenditure

Increase this appropriation by 19 680 u.a.<sup>3</sup>

Title 9 — Other expenditure

Chapter 98 — Non-allocated provisional appropriations

Increase this appropriation by 28 200 u.a.

— draft Amendment No 90, tabled by Mr Cousté on behalf of the Group of European Progressive Democrats, on which the Committee on Budgets has delivered an unfavourable opinion:

Add to the Commission's list of posts 40 C posts under the heading of 'Structural requirements'.

**(A) Expenditure**

Increase the Commission's expenditure by 550 000 u.a.

**(B) Revenue**

Increase revenue accordingly

**JUSTIFICATION**

This amendment is designed partly to restore the appropriations requested by the Commission in its preliminary draft budget for 1976 for Category B and C staff in order to cover the Commission's structural staff requirements.

These requests are justified by developments in the Commission's administrative activities and by the application of multilingualism to the Commission's services. The situation at present gives particular cause for concern because the Commission's staff structure is unsuitable. The quantitative imbalance between administrative and supervisory staff (Category A) on the one hand and executive staff (Categories

<sup>1</sup> In Chapter 21, modify the appropriations as follows:

<i>Chapter 21:</i>	
Article 210 - Rent	+ 68 050 u.a.
Article 211 - Insurance	+ 1 217 u.a.
Article 212 - Water, gas, electricity and heating	+ 6 805 u.a.
Article 213 - Cleaning and maintenance	+ 17 023 u.a.
Article 214 - Fitting out of premises	+ 20 700 u.a.
Article 219 - Other expenditure	+ 4 648 u.a.
<b>Chapter 21 - Total:</b>	<b>+ 118 443 u.a.</b>

<sup>2</sup> In Chapter 22, modify the appropriations as follows:

<i>Chapter 22:</i>	
Item 2200 - New purchases (office machinery)	+ 18 300 u.a.
Item 2203 - Maintenance, use and repair	+ 1 020 u.a.
Item 2210 - New purchases (furniture)	+ 23 000 u.a.
Item 2220 - New purchases (technical equipment)	+ 5 812 u.a.
Item 2223 - Maintenance, use and repair	+ 888 u.a.
<b>Chapter 22 - Total:</b>	<b>+ 49 120 u.a.</b>

<sup>3</sup> In Chapter 23, modify the appropriations as follows:

<i>Chapter 23:</i>	
Item 2300 - Stationery and office supplies	+ 7 850 u.a.
Item 2310 - Postage	+ 3 300 u.a.
Item 2311 - Telephone, telegraph, telex, etc.	+ 7 150 u.a.
Item 2390 - Miscellaneous insurance	+ 1 380 u.a.
<b>Chapter 23 - Total:</b>	<b>+ 19 680 u.a.</b>

**President**

B, C and D) on the other results in a depreciation, and hence a major drop in the output and quality of the work performed by Category A staff.

According to the Commission of the European Communities, the posts could be broken down as follows:

5 C1  
30 C3-2  
5 C5-4

*Breakdown of staff (in %) on the basis of the Commission's list of posts for 1975*

		No. of staff
Category A + LA	± 41%	2 018 A + 1 120 LA
Category B	± 20%	1 566
Category C	± 34%	2 547
Category D	± 5%	381
	100%	7 636

**FINANCIAL IMPLICATIONS**

Under the provisions currently in force this draft amendment will affect the budget as follows:

**SECTION III — COMMISSION***Expenditure*

Title 1 — Expenditure relating to persons working within the Institution

Chapter 11 — Staff

Increase this appropriation by 235 800 u.a.

Chapter 12 — Allowances and expenses on entering and on leaving the service and on transfer

Increase this appropriation by 150 200 u.a.

Title 2 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 21 — Rental of buildings and associated expenditure

Increase this appropriation by 86 400 u.a.

Chapter 22 — Movable property and associated expenditure

Increase this appropriation by 35 800 u.a.

Chapter 23 — Current administrative expenditure

Increase this appropriation by 14 300 u.a.

Title 9 — Other expenditure

Chapter 98 — Non-allocated provisional appropriations

Increase this appropriation by 20 500 u.a.

Since these two draft amendments are mutually exclusive, they must be considered jointly.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) Mr President, you say that these two draft amendments are mutually exclusive; but in fact it seems to me that they should both be put to the vote.

**President.** — Describing them as mutually exclusive means that if the first draft amend-

ment put to the vote is adopted, the second is not put to the vote.

**Mr Cointat, rapporteur.** — (F) Thank you, Mr President. I suppose that you will first put to the vote draft Amendment No 4/rev., which departs furthest from the draft budget.

The Committee on Budgets has delivered an unfavourable opinion on this amendment by 11 votes to 7.

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — (F) The Commission reaffirms its need for structural modifications ensuring an adequate number of executive staff. It therefore asks the House to adopt draft Amendment No 4/rev. or, failing that, draft Amendment No 90.

**President.** — I put draft Amendment No 4/rev. to the vote.

Draft Amendment No 4/rev. is rejected.

I put draft Amendment No 90 to the vote.

Draft Amendment No 90 is rejected.

On the Establishment plan, I have draft Amendment No 64, tabled by Mr Cointat on behalf of the Committee on Budgets:

Add to the Commission's establishment plan 2 Category A posts and 3 Category C posts for the Commission departments responsible for the implementation of the Convention of Lomé.

(A) *Expenditure*

Increase the Commission's appropriations by 50 000 u.a.

(B) *Revenue*

Increase revenue by 131 000 u.a.

#### JUSTIFICATION

The object of this draft amendment is to re-introduce in part certain of the requests for staff shown in the preliminary draft budget. The posts requested would supplement the Commission departments responsible in particular for implementing the Convention of Lomé, which, in view of the substantial increase in the number of the Associated States, entails considerable extra administrative work for the Commission.

The Commission has stated that these five posts would be broken down as follows:

1 A5/4  
1 A7/6  
3 C

#### FINANCIAL IMPLICATIONS

Under the provisions currently in force, this draft amendment will affect the budget as follows:

*Expenditure*

Title 1 — Chapter 11 — Staff

Article 110 — Officials and temporary staff holding a post provided for in the list of posts

Article 113 — Sickness and accident insurance

Article 114 — Miscellaneous allowances and grants

Article 116 — Salary weightings

Title 1 — Chapter 12 — Allowances and expenses on entering and on leaving the service and on transfer

Article 121 — Travel expenses (including members of the family)

Article 122 — Installation, resettlement and transfer allowances

Article 123 — Removal expenses

**President**

Article 124 — Temporary daily subsistence allowances:

Increase this appropriation by 47 300 u.a.<sup>1</sup>

Title 9 — Other expenditure

Chapter 98 — Non-allocated provisional appropriations

Increase this appropriation by 2 500 u.a.

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

Draft Amendment No 64 is adopted by 127 votes to 0.

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets has delivered a favourable opinion on this draft amendment.

On the Establishment plan, I have two draft amendments:

— draft Amendment No 2/rev., tabled by Mr Cointat, Mr Durand, Mr Gibbons, Mr Pintat and Mr Yeats:

**President.** — I put draft Amendment No 64 to the vote.

Add to the Commission's establishment plan seven Category A posts for staff for the EAGGF, the European Regional Development Fund and external relations

**(A) Expenditure**

Increase Commission appropriations by 110 000 u.a.

**(B) Revenue**

Increase revenue by 110 000 u.a.

**JUSTIFICATION**

The object of this draft amendment is to re-insert at least in part certain requests for staff and appropriations that appeared in the preliminary draft budget. The staff requested would be employed in particular:

- in extending the system of on-the-spot checks, taking more effective action against frauds and irregularities and improving estimates of its expenditure,
- exercising the financial control provided for by the regulation establishing the Regional Development Fund,
- the development and expansion of external relations.

It should be pointed out that these requests, in the interests of economy, were kept to a minimum in 1974 and 1975. Moreover, they relate to activities of a specific nature.

The Commission has stated that these seven Category A posts would be broken down as follows:

1 A2  
2 A3  
2 A4  
2 A5

<sup>1</sup> This appropriation is broken down in Chapters 11 and 12 as follows:

**Chapter 11:**

Item 1100 - Basic salaries	+ 14 800 u.a.
Item 1101 - Family allowances	+ 1 600 u.a.
Item 1102 - Expatriation allowances	+ 1 900 u.a.
Item 1103 - Temporary fixed allowances	+ 400 u.a.
Item 1130 - Sickness insurance	+ 700 u.a.
Item 1131 - Insurance against accidents	+ 100 u.a.
Item 1141 - Travel expenses on annual leave	+ 800 u.a.
Article 116 - Salary weightings	+ 8 500 u.a.

**Chapter 11 - Total: + 29 200 u.a.**

**Chapter 12:**

Item 1211 - Staff travel expenses (including members of the family)	+ 900 u.a.
Item 1221 - Staff installation, resettlement and transfer allowances	+ 4 900 u.a.
Item 1231 - Staff removal expenses	+ 7 900 u.a.
Item 1241 - Staff temporary daily subsistence allowances	+ 4 400 u.a.

**Chapter 12 - Total: + 18 100 u.a.**

**President****FINANCIAL IMPLICATIONS**

Under the provisions currently in force, this draft amendment will affect the budget as follows:

**SECTION III — COMMISSION***Expenditure***Title 1 — Chapter 11 — Staff**

**Article 110 — Officials and temporary staff holding a post provided for in the list of posts**

**Article 113 — Sickness and accident insurance**

**Article 114 — Miscellaneous allowances and grants**

**Article 116. — Salary weightings**

**Title 1 — Chapter 12 — Allowances and expenses on entering and on leaving the service and on transfer**

**Article 121 — Travel expenses (including members of the family)**

**Article 122 — Installation, resettlement and transfer allowances**

**Article 123 — Removal expenses**

**Article 124 — Temporary daily subsistence allowances**

Increase these appropriations by 65 500 u.a.<sup>1</sup>

**Title 9 — Other expenditure**

**Chapter 98 — Non-allocated provisional appropriations**

Increase this appropriation by 3 500 u.a.

**Title 2 — Buildings, equipment and miscellaneous administrative expenditure**

**Chapter 21 — Rental of buildings and associated expenditure**

Increase this appropriation by 28 157 u.a.<sup>2</sup>

<sup>1</sup> In Chapters 11 and 12, modify the appropriations as follows:

**Chapter 11:**

Item 1100 - Basic salaries	+ 20 600 u.a.
Item 1101 - Family allowances	+ 2 200 u.a.
Item 1102 - Expatriation allowances	+ 2 600 u.a.
Item 1103 - Temporary fixed allowances	—
Item 1130 - Sickness insurance	+ 900 u.a.
Item 1131 - Insurance against accidents	+ 200 u.a.
Item 1141 - Travel expenses on annual leave	+ 1 100 u.a.
Article 116 - Salary weightings	+ 12 500 u.a.

**Chapter 11 - Total: + 40 100 u.a.**

**Chapter 12:**

Item 1211 - Staff travel expenses (including members of the family)	+ 1 200 u.a.
Item 1221 - Staff installation, resettlement and transfer allowances	+ 6 900 u.a.
Item 1231 - Staff removal expenses	+ 11 100 u.a.
Item 1241 - Staff temporary daily subsistence allowances	+ 6 200 u.a.

**Chapter 12 - Total: + 25 400 u.a.**

<sup>2</sup> In Chapter 21, modify the appropriations as follows:

**Chapter 21: Rental of buildings and associated expenditure**

Article 210	+ 15 750 u.a.
Article 211	+ 283 u.a.
Article 212	+ 1 575 u.a.
Article 213	+ 3 937 u.a.
Article 214	+ 5 400 u.a.
Article 219	+ 1 212 u.a.

**Chapter 21 - Total: + 28 157 u.a.**



**President**

## Chapter 22 — Movable property and associated expenditure

Increase this appropriation by 9 840 u.a.<sup>1</sup>

## Chapter 23 — Current administrative expenditure

Increase this appropriation by 40 657 u.a.<sup>2</sup>

## — Draft Amendment No 65, tabled by Mr Cointat on behalf of the Committee on Budgets:

Add to the Commission's establishment plan seven category A posts for staff for the EAGGF and the European Regional Development Fund.

(A) *Expenditure*Increase Commission appropriations by 110 000 u.a. and freeze them<sup>3</sup>(B) *Revenue*

Increase revenue accordingly

## JUSTIFICATION

The object of this draft amendment is to reinsert at least in part certain requests for staff and appropriations that appeared in the preliminary draft budget. The staff requested would be employed in particular:

- in extending, within the context of EAGGF interventions, the system of on-the-spot checks, taking more effective action against frauds and irregularities and improving estimates of expenditure,
- in exercising the financial control provided for by the regulation setting up the Regional Development Fund.

It should be pointed out that these requests, in the interest of economy, were kept to a minimum in 1974 and 1975. Moreover, they relate to activities of a specific nature.

The Commission has stated that these seven category A posts would be broken down as follows:

1 A2  
2 A3  
2 A4  
2 A5

## FINANCIAL IMPLICATIONS

Under the provisions currently in force, this draft amendment will affect the budget as follows:

<sup>1</sup> In Chapter 22, modify the appropriations as follows:

**Chapter 22: Movable property and associated expenditure**

Item 2200	+	300 u.a.
Item 2203	+	20 u.a.
Item 2210	+	8 200 u.a.
Item 2220	+	1 208 u.a.
Item 2223	+	112 u.a.

**Chapter 22 - Total: + 9 840 u.a.**

<sup>2</sup> In Chapter 23, modify the appropriations as follows:

**Chapter 23: Current administrative expenditure**

Item 2300	+	970 u.a.
Item 2310	+	420 u.a.
Item 2311	+	910 u.a.
Item 2390	+	360 u.a.

**Chapter 23 - Total: + 2 660 u.a.**

<sup>3</sup> This appropriation to be unfrozen only with Parliament's agreement.

**President****SECTION III — COMMISSION***Expenditure***Title 1 — Chapter 11 — Staff**

**Article 110 — Officials and temporary staff holding a post provided for in the list of posts**

**Article 113 — Sickness and accident insurance**

**Article 114 — Miscellaneous allowances and grants**

**Article 116 — Salary weightings**

**Title 1 — Chapter 12 — Allowances and expenses on entering and on leaving the service and on transfer**

**Article 121 — Travel expenses (including members of the family)**

**Article 122 — Installation, resettlement and transfer allowances**

**Article 123 — Removal expenses**

**Article 124 — Temporary daily subsistence allowances**

Increase these appropriations by 65 500 u.a.<sup>1</sup>

**Title 9 — Other expenditure**

**Chapter 98 — Non-allocated provisional appropriations**

Increase this appropriation by 3 500 u.a.

**Title 2 — Buildings, equipment and miscellaneous administrative expenditure**

**Chapter 21 — Rental of buildings and associated expenditure**

Increase this appropriation by 28 157 u.a.<sup>2</sup>

**Chapter 22 — Movable property and associated expenditure**

Increase this appropriation by 9 840 u.a.<sup>3</sup>

<sup>1</sup> In Chapters 11 and 12, modify the appropriations as follows:

**Chapter 11:**

Item 1100 - Basic salaries	+ 20 600 u.a.
Item 1101 - Family allowances	+ 2 200 u.a.
Item 1102 - Expatriation allowances	+ 2 600 u.a.
Item 1103 - Temporary fixed allowances	—
Item 1130 - Sickness insurance	+ 900 u.a.
Item 1131 - Insurance against accidents	+ 200 u.a.
Item 1141 - Travel expenses on annual leave	+ 1 100 u.a.
Article 116 - Salary weightings	+ 12 500 u.a.

**Chapter 11 - Total: + 40 100 u.a.**

**Chapter 12:**

Item 1211 - Staff travel expenses (including members of the family)	+ 1 200 u.a.
Item 1221 - Staff installation, resettlement and transfer allowances	+ 6 900 u.a.
Item 1231 - Staff removal expenses	+ 11 100 u.a.
Item 1241 - Staff temporary daily subsistence allowances	+ 6 200 u.a.

**Chapter 12 - Total: + 25 400 u.a.**

<sup>2</sup> In Chapter 21, modify the appropriations as follows:

**Chapter 21: Rental of buildings and associated expenditure**

Article 210	+ 15 750 u.a.
Article 211	+ 283 u.a.
Article 212	+ 1 575 u.a.
Article 213	+ 3 937 u.a.
Article 214	+ 5 400 u.a.
Article 219	+ 1 212 u.a.

**Chapter 21 - Total: + 28 157 u.a.**

<sup>3</sup> In Chapter 22, modify the appropriations as follows:

**Chapter 22: Movable property and associated expenditure**

Item 2200	+ 800 u.a.
Item 2203	+ 20 u.a.
Item 2210	+ 8 250 u.a.
Item 2220	+ 1 205 u.a.
Item 2233	+ 112 u.a.

**Chapter 22 - Total: + 9 840 u.a.**

**President**

## Chapter 23 — Current administrative expenditure

Increase this appropriation by 40 657 u.a.<sup>1</sup>

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

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets approves the content of these draft amendments. By tabling draft Amendment No 65, however, it proposes that these appropriations be frozen, a point not contained in draft Amendment No 2/rev. Consequently, the Committee on Budgets advocates rejecting draft Amendment No 2/rev. and adopting draft Amendment No 65.

**President.** — I put draft Amendment No 2/rev. to the vote.

Draft Amendment No 2/rev. is rejected.

I put draft Amendment No 65 to the vote.

Draft Amendment No 65 is adopted by 123 votes to 0, with 4 abstentions.

On the Establishment plan, I have two draft amendments:

— draft Amendment No 1/rev., tabled by Mr Cointat, Mr Durand, Mr Gibbons, Mr Pintat and Mr Yeats, on which the Committee on Budgets has delivered an unfavourable opinion:

Modify the establishment plan by the following conversions of posts:

Category A: + 23 A4 - 23 A5

Category B: + 31 B1

— 6 B2

— 25 B3

+ 5 B4

— 5 B5

Category C: + 119 C1

— 66 C2

— 53 C3

+ 6 C4

— 6 C5

Category D: + 15 D1

— 15 D2

**(A) Expenditure**

Increase Commission appropriations by 259 600 u.a.

**(B) Revenue**

Increase revenue by 259 600 u.a.

**JUSTIFICATION**

The breakdown of posts is the result of a compromise between the Commission's requests in the preliminary draft budget for 1976 and the rapporteur's desire to ensure a proper and reasonable career structure while at the same time restricting expenditure.

The comparatively large number of posts to be converted is justified by the following considerations.

In the interests of economy, the Commission restricted its requests for new posts in 1974 and 1975 and again in 1976; in addition, staff turnover was extremely low mainly because of the low average age of officials — resulting in particular from operations arising from the merging of the executives and the enlargement of the Communities.

The Commission, appreciating the need to establish a proper staff policy which would no longer be dependent on the fluctuations in the establishment plan, has also asked a group of experts to study the problem; their conclusions will not, however, be available before the final adoption of the 1976 Budget.

The Commission considers that its request:

— is of a provisional character, pending a general proposal by the Commission,

<sup>1</sup> In Chapter 23, modify the appropriations as follows:

Chapter 23: Current administrative expenditure

Item 2300

Item 2310

Item 2311

Item 2390

+ 970 u.a.

+ 420 u.a.

+ 210 u.a.

+ 360 u.a.

Chapter 23 - Total: + 2 660 u.a.

**President**

- is a purely budgetary operation, as was always the case in the past, and its budgetary effects will be comparatively limited,
- is based on an assessment of the various parameters affecting staff movements (vacant posts, turnover, etc.) that is as objective as possible,
- specifies a maximum percentage for the promotions the Commission considers appropriate in each grade, so that opportunities will no longer be left to chance (number of new posts, number of resignations) as in the past, and thus provides the basis for a staff policy,
- insures that the system will operate in both directions since it provides for the adjustment of grades when the number of vacant posts exceeds promotion requirements.

**FINANCIAL IMPLICATIONS**

Under the provisions currently in force, the draft amendment will affect the budget as follows:

**SECTION III — COMMISSION***Expenditure***Title 1 — Chapter 11 — Staff**

**Article 110 — Officials and temporary staff holding a post provided for in the list of posts**

**Article 113 — Insurance against accidents and occupational diseases**

**Article 114 — Miscellaneous allowances and grants**

**Article 116 — Salary weightings**

Increase this appropriation by 230 500 u.a.<sup>1</sup>

**Title 9 — Other expenditure**

**Chapter 98 — Non-allocated provisional appropriations**

Increase this appropriation by 29 100 u.a.

— Draft Amendment No 89, tabled by Mr Cousté on behalf of the Group of European Progressive Democrats, on which the Com-

mittee on Budgets has delivered an unfavourable opinion:

Modify the list of posts by the following conversions:

Category A: + 23 A4 - 23 A5	Category C: + 84 C1
	— 66 C2
Category B: + 31 B1	— 18 C3
— 22 B2	+ 19 C4
— 9 B2	— 19 C5
+ 4 B4	
— 4 B5	Category D: + 15 D1
	— 15 D2

<sup>1</sup> In Chapter 11, modify appropriations as follows:

<b>Title 1 - Chapter 11 - Staff</b>	
Item 1100	- Basic salaries + 122 500 u.a.
Item 1101	- Family allowances + 13 100 u.a.
Item 1102	- Expatriation allowances + 15 900 u.a.
Item 1103	- Temporary fixed allowances
Item 1130	- Sickness insurance + 5 500 u.a.
Item 1131	- Insurance against accidents + 1 300 u.a.
Item 1141	- Travel expenses on annual leave
Article 116	- Salary weightings + 72 200 u.a.

**Chapter 11 - Total: + 230 500 u.a.**

**President****(A) Expenditure**

Increase the expenditure of the Commission by 225 000 u.a.

**(B) Revenue**

Increase revenue accordingly

**JUSTIFICATION**

This amendment is designed to give reasonable prospects of promotion to the staff of the Commission in 1976.

Under the present system promotion can result only from a vacancy for a new post created in the budget, from a post released as a result of the departure of its holder (death, retirement) or from the conversion of a post authorized by the budgetary authority.

Since the average age of officials is at present very low in view of the voluntary retirement measures connected with the enlargement of the Communities and since the Commission did not request any new posts in 1974 and in 1975 (except in the technical and linguistic sectors), it is clear that there will be scarcely any promotions in 1976 unless Parliament adopts the proposals made by the Commission in its preliminary draft budget as regards the careers of its officials.

**FINANCIAL IMPLICATIONS**

Pursuant to the provisions in force, the present draft amendment has the following implications for the budget:

**SECTION III — COMMISSION****Expenditure****Title 1 — Chapter 11 — Staff**

Article 110 — Officials and temporary staff holding a post provided for in the list of posts

Article 113 — Sickness and accident insurance

Article 114 — Miscellaneous allowances and grants

Article 116 — Salary weightings

Increase this appropriation by 200 000 u.a.<sup>1</sup>

Title 9 — Other expenditure

Chapter 98 — Non-allocated provisional appropriations

Increase this appropriation by 25 000 u.a.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets recognizes that there is a problem concerning promotion and the normal development of careers, but it has delivered an unfavourable opinion because it considers that we must await

completion of the revision of the Staff Regulations before taking any further measures. It has therefore adopted a negative attitude to draft Amendment No 1/rev. by 13 votes to 3 and to draft Amendment No 89 by 16 votes to 6, even though the latter amendment constitutes a compromise.

<sup>1</sup> Within Chapter 11, the appropriations are modified as follows:

<b>Title 1 - Chapter 11 - Staff</b>		
Item 1100	- Basic salaries	+ 108 000 u.a.
Item 1101	- Family allowances	+ 10 000 u.a.
Item 1102	- Expatriation allowance	+ 13 000 u.a.
Item 1103	- Temporary fixed allowances	—
Item 1130	- Sickness insurance	+ 4 000 u.a.
Item 1131	- Insurance against accidents	+ 1 000 u.a.
Item 1141	- Travel expenses on annual leave	—
Article 116	- Salary weightings	+ 64 000 u.a.
<b>Total Chapter 11</b>		<b>+ 200 000 u.a.</b>

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

Draft Amendment No 89 is rejected.

Draft Amendment No 1/rev. is rejected.

On the Establishment plan, I have draft Amendment No 51, tabled by Mr Cointat on behalf of the Committee on Budgets:

I put draft Amendment No 89 to the vote.

Add to the Commission's establishment plan two category A posts to ensure the permanent representation of staff.

(A) *Expenditure*

Increase expenditure by 33 300 u.a., to be broken down as shown overleaf

(B) *Revenue*

Increase revenue accordingly

### JUSTIFICATION

This draft amendment is similar to an amendment already adopted by Parliament at its first reading of the 1975 budget, although the amount proposed this time reflects a greater desire to economize. The aim is to create two category A posts to cover the staff's need for permanent representation at the Commission's administration. By their very nature, these posts must be considered temporary.

The European Parliament created such a post in 1975 and it seems only natural that staff as numerous as that of the Commission should be represented on a permanent basis by two senior officials. The Commission has stated that these posts would consist of:

1 A5

1 A7

### FINANCIAL IMPLICATIONS

Under the provisions currently in force, this draft amendment will affect the budget as follows:

#### SECTION III — COMMISSION

##### *Expenditure*

##### Title 1 — Expenditure relating to persons working with the Institution

##### *Chapter 11 — Staff*

Items	u.a.
1100 .....	11 950
1101 .....	1 300
1102 .....	1 550
1103 .....	—
1130 .....	600
1131 .....	150
1141 .....	350
Article 116 .....	8 100
<b>TOTAL</b> .....	<b>24 000</b>

##### *Chapter 12 — Allowances and expenses on entering and on leaving the service and on transfer*

Items	u.a.
1211 .....	400
1221 .....	2 650
1231 .....	3 500
1241 .....	2 750
<b>TOTAL</b> .....	<b>9 300</b>

##### *Chapters 11 and 12 — Total*

**33 300**

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

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets has delivered a favourable opinion on this draft amendment by 17 votes, with 4 abstentions.

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

Draft Amendment No 51 is adopted by 127 votes to 0, with 3 abstentions.

We pass to Title 1.

On Chapter 11, Article 111, Item 1112: 'Local staff', I have draft Amendment No 93, tabled by Mr Fellermaier on behalf of the Socialist Group:

(A) *Expenditure*

Article 111 — Other staff

Item 1112 — Local staff

Freeze an appropriation of 200 000 u.a.<sup>1</sup>

(B) *Revenue*

Unchanged

#### JUSTIFICATION

Until Parliament pronounces definitively on the Information Bureau in Santiago de Chile, it is inconceivable that the Commission should increase from 6 to 9 the number of local staff intended for this Bureau.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) This draft amendment relating to local staff would require the Commission to abstain from increasing from 6 to 9 the number of local staff intended for Santiago de Chile. The Committee on Budgets has delivered an unfavourable opinion on this draft amendment by 16 votes to 10, with 1 abstention.

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

Draft Amendment No 93 is rejected by 72 votes to 52, with 1 abstention.

On Title 1, Chapter 14: 'Expenditure on social welfare', I have draft Amendment No 66, tabled by Mr Cointat on behalf of the Committee on Budgets:

(A) *Expenditure*

Title 1 — Chapter 14

Insert an Article 145 — Building loans

Reinstate the appropriation of 2 million u.a. provided for in the preliminary draft budget.

(B) *Revenue*

Reinstate Article 994 (revenue chapter) :

'repayment of building loans; proceeds from interest on these loans'. Enter an appropriation of 125 016 u.a.

#### JUSTIFICATION

The Committee on Budgets considers that an appropriation of 2 million u.a. should be included in the budget with effect from 1976 for a period of five years for the purpose of granting building loans to officials of the Institutions of the European Communities.

The ECSC funds made available to officials have proved inadequate to meet a large number of applications for loans (450 applications are currently in abeyance) although extremely strict criteria have been applied in order to preserve the social character of this scheme.

<sup>1</sup> To be unfrozen only with Parliament's agreement.

**President**

This operation is particularly useful in the present economic conditions because it can be integrated in the measures adopted by the Member States themselves to provide incentives for investment, particularly investment in property.

The cost of this operation for 1976 must be assessed in the light of the fact that the amounts arising from amortization and interest are entered in the budget as revenue; this would not, therefore, constitute non-recoverable expenditure, but would be an interest-producing loan which would be restored to the budget in its entirety within 25 years at the most.

This request was already submitted last year by the Committee on Budgets. It is now corroborated by the similar suggestions put forward by an inter-institutional group set up to study this matter.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) This amendment aims at increasing by two million u.a. building-loans offered to officials. In 1975, this Parliament voted a similar amendment, but the sum involved was rejected by the Council because on that occasion the Commission had made no proposals to this effect in its preliminary draft budget. This year, the Commission has made such proposals, and for this reason the Committee on Budgets asks you to adopt this draft amendment, on which it has delivered a very favourable opinion by 20 votes, with 2 abstentions.

**(A) Expenditure**

Article 210 — Rent

Item 2100 — Rent

Reduce appropriations by: 1 u.a.

**(B) Revenue**

Reduce revenue by: 1 u.a.

**JUSTIFICATION**

The Information Bureau of Santiago de Chile will have to be transferred to another Latin-American country which can guarantee the undisturbed progress of the specific information work of the Bureau. Until the European Parliament takes a final decision on this Bureau, the appropriations intended for rents should be reduced by a symbolic 1 u.a.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) This draft amendment is similar to the one that has just been rejected on the question of the Information Bureau at Santiago de Chile. Consequently, the Committee on Budgets has also delivered an unfavourable opinion on this draft amendment.

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

**(A) Expenditure**

Enter an appropriation of 150 000 u.a. against this item in

Section III — Commission

Annex II to Section III — Official Publications Office

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

Draft Amendement No 66 is adopted by 122 votes to 0.

We pass to Title 2.

On Chapter 2, Article 2, Article 210, Item 2100: 'Rent', I have draft Amendment No 91, tabled by Mr Fellermaier on behalf of the Socialist Group, on which the Committee on Budgets has delivered an unfavourable opinion:

Draft Amendment No 91 is rejected by 69 votes to 54, with 1 abstention.

On Chapter 22, Article 222, Item 2221: 'Replacements', I have draft Amendment No 82, tabled by Mr Cointat on behalf of the Committee on Budgets:



**President****(B) Compensation**

Reduce the appropriations entered in Chapter 98 by 150 000 u.a. in  
Section III — Commission  
Annex II to Section III — Official Publications Office

**(C) Remarks**

Item 2221: In Section III — Commission — amend the third paragraph accordingly  
In Annex II — Official Publications Office — amend the second paragraph accordingly

**(D) Remarks**

Chapter 98 — Section III — Commission — Delete subparagraph (2)  
Chapter 98 — Annex II — Official Publications Office — Delete the second indent

**JUSTIFICATION**

At the time of the establishment of the estimates of the Official Publications Office and of the preliminary draft general budget for the 1976 financial year, a technical study was in progress with a view to replacing the existing photocomposition equipment at the Official Publications Office. An appropriation of 150 000 had been provisionally entered for this purpose in Chapter 98.

At its meeting of 10 October the Administrative Board of the Official Publications Office decided on the basis of the results of the abovementioned study to purchase the equipment in question.

Under the circumstances it is no longer necessary to maintain the 150 000 u.a. entered under Chapter 98: this appropriation should therefore be transferred to the appropriate budgetary heading (Item 2221).

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The purpose of this draft amendment is to transfer an appropriation from Chapter 98 to Article 222 in order to make possible the immediate purchase of photocomposition equipment for the Official Publications Office. The Committee on Budgets has delivered a unanimously favourable opinion on this draft amendment.

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

Draft Amendment No 82 is adopted by 124 votes to 0.

On Chapter 25, Article 254: 'Campaigns on behalf of young people', I have draft Amendment No 26, tabled by Mr Suck on behalf of the Committee on Cultural Affairs and Youth, on which the Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

Enter an appropriation of 190 000 u.a. in this Article.

**(B) Compensation**

Reduce the appropriations entered in Article 980 by: 100 000 u.a.

**(C) Revenue**

Increase revenue by: 90 000 u.a.

**(D) Remarks**

In the remarks on Article 980, delete Item 3: Campaigns on behalf of young people.

**JUSTIFICATION**

In its preliminary draft general budget for 1976, the Commission asked for 190 000 u.a. under this Article. The Council accepted a token entry against Article 254 and entered 100 000 u.a. for it under Chapter 98 (non-allocated provisional appropriations).

**President**

Since the Council started discussing the recommendation for a decision setting up a Committee on Youth Affairs and a Youth Forum in the middle of 1975, and since the patience of European youth organizations should be tried no longer, the Committee on Cultural Affairs and Youth considers that the appropriations should be increased to the figure originally entered, so as to get the Youth Forum off to a good start.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets has delivered a favourable opinion on this draft amendment by 12 votes to 9.

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

Draft Amendment No 26 is adopted by 120 votes to 0, with 5 abstentions.

On Chapter 25: 'Expenditure for formal and other meetings', I have three draft amendments:

— Draft Amendment No 43, tabled by Mr Adams, Mr Albers, Mr Albertsen, Mr Bermani, Mr Carpentier, Mr Dondelinger, Mr Glinne, Mr Kavanagh and Mr Stewart on behalf of the Socialist Group:

**(A) Expenditure**

Title 4 — Buildings, equipment and miscellaneous administrative expenditure

Chapter 25 — Expenditure for formal and other meetings

Insert an Article 256 — Expenditure on pre-consultation meetings of trade unions

Increase appropriations by: 200 000 u.a.

**(B) Revenue**

Increase revenue by: 200 000 u.a.

**JUSTIFICATION**

The sum of 200 000 u.a. represents the reinstatement of appropriations entered in the Commission's preliminary draft budget (Article 256) (for the second year running). The appropriations were intended to facilitate and develop regular contacts at all levels with trade union organizations. In particular their purpose was to allow the European trade union movement to formulate its ideas and proposals before the final decision-making stage is reached.

The introduction by the Commission of this budgetary entry has given practical expression to the commitment given at the Paris Summit Conference whereby the two sides of industry were to be given increasing participation in the major economic and social decisions of the Community.

In view of the importance attached by the ETUC to the building of Europe and especially its social evolution, it is imperative that this entry should appear in the 1976 budget.

— Draft Amendment No 88, tabled by Mr Fellermaier on behalf of the Socialist Group:

**(A) Expenditure**

Add an Article 256 — Expenditure for preliminary trade-union consultations.

Appropriations to be increased by: 200 000 u.a.

**(B) Revenue**

Revenue to be increased by: 200 000 u.a.

**JUSTIFICATION**

The 100 000 u.a. accepted by the Committee on Budgets seems quite inadequate for the achievement of the objective of involving the trade-union movements more closely in European decisions.

The reason given by the Committee on Budgets, i.e. the need to make savings, are not sufficient justification for reducing the meagre appropriations set aside for an activity considered essential by the Paris Summit Conference.

**President**

— Draft Amendment No 52, tabled by the Committee on Budgets:

**(A) Expenditure**

Insert an Article 256 — Expenditure on preconsultation meetings of trade unions

Increase appropriations by: 100 000 u.a.

**(B) Revenue**

Increase revenue by: 100 000 u.a.

**JUSTIFICATION**

The sum of 100 000 u.a. represents the reinstatement of half the appropriations entered in the Commission's preliminary draft budget (Article 256) (for the second year running). The appropriations were intended to facilitate and develop regular contact at all levels with trade union organizations. In particular their purpose was to allow the European trade union movement to formulate its ideas and proposals before the final decision-making stage is reached.

The introduction by the Commission of this budgetary entry has given practical expression to the commitment given at the Paris Summit Conference whereby the two sides of industry were to be given increasing participation in the major economic and social decisions of the Community.

In view of the importance attached by the ETUC to the building of Europe and especially its social evolution, it is imperative that this entry should appear in the 1976 budget; in view, however, of the desire to economize which characterizes the 1976 budget, the Committee on Budgets feels that the appropriations proposed by the Commission under this Article should be reduced by half.

What is the rapporteur's opinion?

**Mr Cointat, rapporteur.** — (F) I would first point out that draft Amendments Nos 43 and 88 are identical and propose increasing by 200 000 u.a. appropriations for expenditure on pre-consultation meetings of trade unions, while draft Amendment No 52, tabled by the Committee on Budgets, proposes to increase these appropriations by only 100 000 u.a.

The Committee on Budgets has decided against draft Amendments Nos 43 and 88, and recommends the adoption of draft Amendment No 52.

**President.** — I put draft Amendment No 43 to the vote.

Draft Amendment No 43 is rejected by 70 votes to 55, with 1 abstention.

**(A) Expenditure**

Freeze an appropriation of: 200 000 u.a.<sup>1</sup>

**(B) Revenue**

unchanged

**JUSTIFICATION**

Until the European Parliament takes a decision on the Information Bureau in Santiago de Chile, the Commission is requested to freeze the work of this Bureau.

<sup>1</sup> To be unfrozen only with Parliament's agreement.

**Mr Fellermaier,** does the Socialist Group maintain draft Amendment No 88?

**Mr Fellermaier.** — (D) No, Mr President.

**President.** — Draft Amendment No 88 is therefore withdrawn.

I put draft Amendment No 52 to the vote.

Draft Amendment No 52 is adopted by 108 votes to 18.

On Title 2, Chapter 27, Article 272, Item 2720: 'Expenditure on the dissemination of information, on popularization and on participation in public events', I have draft Amendment No 92, tabled by Mr Fellermaier on behalf of the Socialist Group:

**President**

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) This draft amendment, too, concerns the Information Bureau at Santiago de Chile. The Committee on Budgets recommends you to reject it.

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

Draft Amendment No 92 is rejected by 63 votes to 54, with 1 abstention.

**(A) Expenditure**

Increase appropriations by:

95 000 u.a

**(B) Revenue**

Increase revenue accordingly.

**JUSTIFICATION**

The figures given in the remarks on this Article clearly show that, in view of the importance and the extent of Community measures to help migrant workers and handicapped persons, no effective policy can be pursued with the appropriations proposed by the Council.

This year account must also be taken of the two new sectors resulting from the decisions taken within the context of Women's Year.

The appropriations proposed by the Council will mean a cutback on 1975 of current activities by at least 30 000 u.a. or more if measures for women are also deducted therefrom.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The opinion of the Committee on Budgets is favourable.

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

Draft Amendment No 19 is adopted by 110 votes to 14.

**(A) Expenditure**

Insert an Item 3051-a<sup>1</sup> — Contribution to pilot project on better housing for migrant workers

The token entry proposed by the Commission to be entered in the budget.

**(B) Revenue**

Revenue to be increased accordingly.

**JUSTIFICATION**

The Committee on Social Affairs and Employment feels it would be wrong, in the present socio-economic situation, to exclude even the possibility of the Community making appropriations available in 1976 for this purpose; this would be incompatible with the concern increasingly evinced by the Community with regard to the problems of migrants.

Another factor is that at the moment, the building sector is one of the economic sectors most threatened by unemployment; stimulation of this sector would also benefit many other workers.

<sup>1</sup> Item 3052 in the Commission's preliminary draft budget.

**President**

— draft Amendment No 67, tabled by the Committee on Budgets:

**(A) Expenditure**

Insert a new Item 3052 — Contribution to pilot projects on better housing for migrant workers

Reinstate the token entry proposed by the Commission.

Item 3052 of the draft budget becomes Item 3053.

**(B) Revenue**

Increase revenue accordingly.

**JUSTIFICATION**

The Committee on Budgets adopts the justification given by the Committee on Social Affairs and Employment (Doc. 306/20/PdA).

I draw your attention, in passing, to the fact that the text of Part B: 'Revenue' is to be deleted in both draft amendments, since the entries are token entries.

Since both these amendments pursue the same object, they must be considered jointly.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets took the view that it was more correct to create an Item 3052 instead of an Item 3051-a, but so far as the substance goes, it is entirely in agreement with Mr Bertrand.

I take the liberty of asking Mr Bertrand whether he would not agree to withdraw his draft amendment in favour of draft Amendment No 67, which is more correct from the financial point of view.

**(A) Expenditure**

Enter an appropriation of:

500 000 u.a.

**(B) Revenue**

Increase revenue accordingly.

**JUSTIFICATION**

The importance of the expenditure envisaged for this Article, i.e. to increase the participation of trade unions and in particular to create a European Trade Union Institute, is self-evident. Moreover, this objective is supported by the Tripartite Conference which since 1974 is held at least once every five years.

If, as was decided at the 1972 Summit Conference, Europe is to be given concrete form for its citizens, the creation of a European Trade Union Institute must be considered as one of the most efficient means of achieving this aim.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) This draft amendment was the subject of a long discussion. In

**President.** — Mr Bertrand, do you maintain your draft amendment?

**Mr Alfred Bertrand.** — (NL) We withdraw our amendment at the rapporteur's request.

**President.** — Draft Amendment No 20 is therefore withdrawn.

I put draft Amendment No 67 to the vote.

Draft Amendment No 67 is adopted by 125 votes to 0.

On Chapter 30, Article 307: 'Community measures for the participation of both sides of industry in the Community's economic and social decisions—Operations of the European Trade-Union Institute', I have draft Amendment No 21, tabled by Mr Alfred Bertrand on behalf of the Committee on Social Affairs and Employment, on which the Committee on Budgets has delivered an unfavourable opinion:

the end, the Committee on Budgets delivered an unfavourable opinion by 8 votes to 7, with 4 abstentions, taking the view that it was unnecessary to set up a European Trade-Union

**Cointat**

Institute since the trade unions are represented on the Economic and Social Committee.

**President.** — I put draft Amendment No 21 to the vote.

Draft Amendment No 21 is rejected by 65 votes to 10, with 31 abstentions.

**(A) Expenditure**

Increase appropriations by: 3 000 u.a.

**(B) Revenue**

Increase revenue by: 3 000 u.a.

**JUSTIFICATION**

The Council has reduced the appropriations proposed by the Commission from 10 000 to 7 000 u.a., although 1975 expenditure in this field amounted to 10 000 u.a. Since inspections are made by veterinary experts when infringements of the rules governing the products in question (fresh meat, poultrymeat) are suspected and when such infringements could create difficulties in intra-Community trade, appropriations should be increased by 3 000 u.a. to enable these inspections, which are necessary to ensure the smooth functioning of intra-Community trade, to be continued on about the same scale as in 1975.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets has delivered an unfavourable opinion because the amendment concerns trade within the Community. Member States might well pay their own officials!

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

**(A) Expenditure**

Increase appropriations by: 7 000 u.a.

**(B) Revenue**

Increase revenue by: 7 000 u.a.

**JUSTIFICATION**

Under the Council Directives on imports of bovine animals, pigs and fresh meat from non-member countries, appropriate inspections are to be carried out by veterinary experts of the Member States, and the Community finances the expenditure involved. The Commission proposed the same amount as the previous year, i.e. 80 000 u.a., but the Council reduced this amount by 7 000 u.a. To maintain the smooth functioning of these imports, the appropriations should be reinstated and the inspections continued on the same scale as last year.

What is the rapporteur's opinion?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets is very much in favour: since it is here a matter of trade with third countries, it is legitimate that the experts should be Community officials.

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

On Chapter 31, Article 311, Item 3110: 'Health measures in respect of intra-Community trade in fresh meat', I have draft Amendment No 40, tabled by Mr Frehsee, Mr Hansen, Mr Hughes, Mr Laban and Lord Walston, on which the Committee on Budgets has delivered an unfavourable opinion:

Draft Amendment No 40 is rejected.

On Chapter 31, Article 311, Item 3112: 'Veterinary inspection in non-member countries', I have draft Amendment No 41, tabled by Mr Frehsee, Mr Hansen, Mr Hughes, Mr Laban and Lord Walston, on which the Committee on Budgets has delivered a favourable opinion:

Draft Amendment No 41 is adopted by 125 votes to 0.

On Chapter 31, Article 314, Item 3141: 'Research Programmes', I have draft Amendment No 42, tabled by Mr Frehsee, Mr Hansen, Mr Hughes, Mr Laban and Lord Walston, on which the Committee on Budgets has delivered an unfavourable opinion:

**President****(A) Expenditure**

Increase appropriations by: 115 000 u.a.

**(B) Revenue**

Increase revenue by: 115 000 u.a.

**JUSTIFICATION**

By decision of 22 July 1975, the Council approved joint and coordinated research programmes in the fields of animal leucoses, effluents from intensive stock farms, the production of beef and veal and the improvement of vegetable proteins. The Commission estimated the cost of this programme for 1976 at 3 354 000 u.a.: 'This estimate was worked out by a group of national experts, with the assistance of the departments of the Commission, appointed by the Standing Committee on Agricultural Research, on the basis of the average costs of research in the Member States'. Although the Council endorsed these remarks, it has reduced these appropriations by 115 000 u.a.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets takes the view that this amendment is without foundation since it concerns what is in fact an error committed by the Commission in its calculations. What the draft budget presented by the Council does, in fact, is merely to rectify these figures. I therefore ask Mr Frehsee to withdraw his amendment.

**President.** — Mr Frehsee, do you maintain your amendment?

**(A) Expenditure**

Make provision against this Article for commitment appropriations and payment appropriations in two separate columns.

**JUSTIFICATION**

In its preliminary draft, the Commission made provision, under Remarks, for commitment appropriations against Articles 322 and 323. The projects to be financed in the sectors in question (hydrocarbons and uranium) will require the expenditure to be staggered over several years; provision should therefore be made for commitment appropriations for the following financial year. For clarity's sake, these commitment appropriations should be entered in a column parallel to that of the payment appropriations rather than under Remarks only.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) In my oral presentation, I had occasion to point out that the Committee on Budgets sees a need for creating the idea of commitment appropriations for certain projects requiring expenditure to be staggered over several years.

Hence this draft Amendment No 53, tabled by the Committee on Budgets, which considered it necessary to create this idea of commitment appropriations for the hydrocarbons sector, particularly as, according to the Council's observations, 50m u.a. were envisaged for the two years, while 42m u.a. are already committed and

**Mr Frehsee.** — (D) I explained this point the day before yesterday. This is also connected with draft Amendment No 84: if that is accepted, then this amendment loses its foundation anyway.

**President.** — Draft Amendment No 42 is accordingly withdrawn.

On Chapter 32, Article 322: 'Projects in the hydrocarbons sector', I have draft Amendment No 53, tabled by Mr Cointat on behalf of the Committee on Budgets:

another 44m u.a. are planned—i.e., 86m u.a. altogether. Consequently, it is desirable to create the concept of commitment appropriations in order to give the budget greater clarity and transparency.

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — (F) Mr President, the Commission warmly recommends this and the two following amendments, which would make it possible to launch a project in the energy sphere.

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

**President**

Draft Amendment No 53 is adopted by 118 votes to 0.

On Chapter 32, Article 322, Item 3220: 'Community technological development projects in

the hydrocarbons sector', I have draft Amendment No 47/rev., tabled by the Committee on Energy, Research and Technology, on which the Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

Increase appropriations by 10 million u.a. in payment appropriations and 50 million u.a. in commitment appropriations.

**(B) Revenue**

Increase revenue by: 10 000 000 u.a.

**JUSTIFICATION**

On 9 November 1973, the Council adopted Regulation (EEC) No 3056/73 on the support of Community projects in the field of hydrocarbons. The payment appropriation of 25 million u.a. entered by the Council in its draft is totally inadequate to finance the numerous projects which are submitted to it and which are of the utmost importance for the Community energy policy.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) As you pointed out, Mr President, the opinion of the Committee on Budgets is favourable.

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

Draft Amendment No 47/rev. is adopted by 118 votes to 0.

On item 3221: 'Joint projects in connection with prospecting for hydrocarbons', I have draft Amendment No 44, tabled by the Committee on Energy, Research and Technology, on which the Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

Increase appropriations by 1 million u.a. in payment appropriations and 50 million u.a. in commitment appropriations.

**(B) Revenue**

Increase revenue by: 1 000 000 u.a.

**JUSTIFICATION**

On 29 November 1974, the Commission submitted to the Council a draft regulation on financial support for undertakings engaged in prospecting for oil.

The need to implement this draft, which is part of a wider plan of action, is dictated by the 1985 target for the Community energy policy, set by the Council itself. The primary aim is to reduce the Community's dependence on energy to 50%, and if possible 40%, by 1985.

This intention should now be carried out by implementing a certain number of projects, including this draft regulation, as soon as possible. The payment appropriation of 1 million u.a. is to allow for an initial application of this regulation as from 1976. The commitment appropriation of 50 million u.a. is intended to ensure the stepping up of this project in 1977.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The opinion expressed by the Committee on Budgets on this draft amendment is extremely favourable.

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

Draft Amendment No 44 is adopted by 117 votes to 0.

After Article 322, I have two draft amendments:

— draft Amendment No 68, tabled by Mr Cointat on behalf of the Committee on Budgets:



**President****(A) Expenditure**

Insert an Article 323 — Prospecting for uranium deposits

Make provision against this Article for commitment appropriations and payment appropriations in two separate columns.

**JUSTIFICATION**

In its preliminary draft, the Commission made provision, under Remarks, for commitment appropriations against Articles 322 and 323. The projects to be financed in the sectors in question (hydrocarbons and uranium) will require the expenditure to be staggered over several years; provision should therefore be made for commitment appropriations for the following financial year. For clarity's sake, these commitment appropriations should be entered in a column parallel to that of the payment appropriations rather than under Remarks only.

— draft Amendment No 46 tabled by the Committee on Energy, Research and Technology:

**(A) Expenditure**

Insert an Article 232 — Prospecting for uranium deposits

Enter an appropriation of 1 million u.a. in payment appropriations and 5 million u.a. in commitment appropriations.

**(B) Revenue**

Increase revenue by:

1 000 000 u.a.

**JUSTIFICATION**

The insertion of this new budgetary line complete with the necessary appropriations should be seen in the light of the 1975 target set by the Council in the energy sector. The aim is to reduce the Community's dependence on energy to 50%, and if possible 40%, by 1985. The appropriations of 1 million u.a. are to cover initial Community financial assistance for uranium prospection on the territory of the Member States, pursuant to Article 70 of the EAEC Treaty. The necessity of this prospection is mainly dictated by the supply and price situation on the world uranium market.

Since these two amendments are not mutually exclusive, we shall begin by considering draft Amendment No 68, on the establishment at this point of two separate columns.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) This amendment is of the same type as Amendment No 53, which has just been adopted: it aims at establishing the concept of commitment appropriations for prospecting for uranium deposits.

**President.** — I put draft Amendment No 68 to the vote.

Draft Amendment No 68 is adopted by 117 votes to 0.

What is the rapporteur's view on draft Amendment No 46?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets takes a very favourable view.

**President.** — I put draft Amendment No 46 to the vote.

Draft Amendment No 46 is adopted by 113 votes to 0.

After Article 328, I have draft Amendment No 6, tabled by Mr Cointat, Mr Durand, Mr Gibbons, Mr Terrenoire and Mr Yeats, on which the Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

— insert a new Article 329: 'Community loans for the financing of nuclear power stations'

— introduce a token entry.

**President****(B) Revenue****Title 9****Chapter 94 — borrowing and lending**

- insert a new Article 944: 'yield from Community borrowing for the financing of nuclear power stations'
- introduce a token entry.

**JUSTIFICATION**

The European Parliament agrees with the Commission that Euratom loans should be included in the budget.

In its resolution on 19 June 1975<sup>1</sup>, it states that, in its view:

'in line with the relevant legal rules, an entry should be made in the annual budget to cover Community borrowings and lendings, which should be subject to the budgetary procedure applicable to all Community revenue and expenditure and that the Commission must therefore be empowered by the budgetary authorities to borrow funds and to approve loans of sums to be accurately defined and set out in the budgetary documents.'

Until it is decided exactly how these items are to be entered in the budget, a token entry should be made for the financial year 1976.

These loans should be shown in the 1976 budget, although the Council has not yet reached a final decision on the matter, in order that the budget should be an accurate reflection of the estimates.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) In my oral presentation, I drew the attention of this House to the need for including, at least in part, loans in the budget. We shall have a number of amendments pursuing this aim, of which No 6 is the first, relating to Community loans for the financing of nuclear power stations. The Committee on Budgets recommends the House to accept this amendment, to which it gave its approval by 14 votes, with 1 abstention.

**President.** — I put draft Amendment No 6 to the vote.

Draft Amendment No 6 is adopted by 114 votes to 0, with 6 abstentions.

On Article 330, Annex I, Title 3: 'Joint programme — headquarters and indirect action', I have three draft amendments:

- draft Amendment No 50, tabled by the Committee on Energy, Research and Technology:

**(A) Expenditure**

Increase appropriations by 57 457 589 u.a. (payment appropriations) and 230 533 529 u.a. (commitment appropriations).

**(B) Revenue**

Increase revenue by 49 003 514 u.a. (payment appropriations)

**(C) Compensation**

Reduce appropriations under Title 8 (miscellaneous activities) Chapter 810 (headquarters and indirect action) by 8 454 075 u.a. (payment appropriations) and 8 454 075 u.a. (commitment appropriations).

**JUSTIFICATION**

The 57 457 589 u.a. are to be broken down as follows in Annex I to Volume 4 of the draft budget (statement of revenue and expenditure relating to research and investment activities):

<sup>1</sup> Doc. 79/75, OJ No C 157/75.

**President**

Title 3 — Joint programme — headquarters and indirect action		Commitment Appropriations	Payment Appropriations
Chapter 320 — Thermonuclear fusion		token entry	1 824 088
	Increase	162 089 664	38 350 724
	Total	162 089 664	40 174 812
Chapter 330 — Biology and health protection (radiation protection)		token entry	481 037
	Increase	20 496 937	5 566 937
	Total	20 496 937	6 047 974
Chapter 331 — Biology and health protection (medical and agricultural research)		token entry	token entry
	Increase	12 284 622	1 866 622
	Total	12 284 622	1 866 622
Chapter 340 — Dragon Agreement		257 771	456 395
	Increase	24 902 362	6 902 362
	Total	25 160 133	7 358 757
Chapter 351 — Reference materials and methods		token entry	626 079
	Increase	991 992	566 992
	Total	991 992	1 193 071
Chapter 352 — Protection of the environment		token entry	1 454 969
	Increase	9 767 952	4 203 952
	Total	9 767 952	5 658 921

The additional appropriations entered under Title 3 are intended to ensure continuity in certain research activities undertaken by the Community. In the six areas in question, the multiannual programmes will expire at the end of 1975. These should be succeeded by the implementation of six new programmes currently being considered by the Council. Any interruption of these research activities in the absence of a Council-decision and thus of the necessary appropriations, would cause irreparable damage to Community research.

— draft Amendment No 84, tabled by the Committee on Energy, Research and Technology:

**(A) Expenditure**

Increase appropriations by 40 million u.a. in payment appropriations and 222 079 454 u.a. in commitment appropriations.

**(B) Revenue**

Increase revenue by 40 million u.a. in payment appropriations.

**JUSTIFICATION**

The 40 million u.a. are to be broken down as follows in Annex I to Volume 4 of the draft budget (statement of revenue and expenditure relating to research and investment activities):

**President**

Title 3 — Joint programme — Headquarters and indirect action		Commitment appropriations	Payment appropriations
Chapter 320 — Thermonuclear fusion		157 671 773	27 923 327
Chapter 330 — Biology and health protection (radiation protection)		17 731 950	1 929 622
Chapter 331 — Biology and health protection (medical and agricultural research)		12 017 318	1 306 822
Chapter 340 — Dragon Agreement		24 450 913	5 369 327
Chapter 351 — Reference materials and methods		750 243	236 396
Chapter 352 — Protection of the environment		9 457 257	3 234 506
<b>TOTAL:</b>		<b>222 079 454</b>	<b>40 000 000</b>

The additional appropriations entered under Title 3 are intended to ensure continuity in certain research activities undertaken by the Community. In the six areas in question, the multiannual programmes will expire at the end of 1975. These should be succeeded by the implementation of six new programmes currently being considered by the Council. Any interruption of these research activities in the absence of a Council decision and thus of the necessary appropriations would cause irreparable damage to Community research.

— draft Amendment No 54, tabled by the Committee on Budgets:

**(A) Expenditure**

Increase payment appropriations by: 40 000 000 u.a.

**(B) Revenue**

Increase revenue by: 31 545 925 u.a.

**(C) Compensation**

Reduce payment appropriations under Title 8 (miscellaneous activities)

Chapter 810 (headquarters and indirect action) by: 8 454 075 u.a.

**JUSTIFICATION**

The amount given under (A) Expenditure is to be broken down into payment appropriations as follows in Annex I to Volume IV of the draft general budget (statement of revenue and expenditure relating to research and investment activities):

Title 3 — Joint programme — Headquarters and indirect action		Payment appropriations
Chapter 320 — Thermonuclear fusion		1 824 088
	Increase	26 680 000
	<b>Total</b>	<b>28 504 088</b>
Chapter 330 — Biology and health protection — radiation protection		481 037
	Increase	3 880 000
	<b>Total</b>	<b>4 361 037</b>



**President****(A) Expenditure**

Increase appropriation by: 1 300 000 u.a.

**(B) Revenue**

Increase revenue by: 1 300 000 u.a.

**JUSTIFICATION**

The 1 300 000 u.a. are to be broken down as follows in Annex I to Volume 4 of the draft budget (statement of revenue and expenditure relating to research and investment activities):

	Commitment Appropriation	Payment Appropriation
Title 8 — miscellaneous activities		
Chapter 820 — Staff awaiting assignment to a post (Joint Research Centre)	26 000 000	26 000 000
Increase	1 300 000	1 300 000
Total	27 300 000	27 300 000
Chapter 820 is subdivided as follows:		
Category 11. Expenditure on staff	1 300 000	1 300 000
Category 95. Use of scientific divisions	26 000 000	26 000 000

The 1 300 000 u.a. appropriation is intended to cover expenditure on staff currently employed in the JRC and recognized as necessary for the implementation of the multiannual research programme. This appropriation is included under Title 8 and not under Titles 3 and 4 (relating to direct action) because the endowment for the multiannual research programme has already been used up. It should be pointed out that this endowment, decided on by the Council in 1973, has never been reviewed despite inflation.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets strongly favours this amendment and strongly recommends its adoption, for the staff of the Joint Research Centre has to be paid until the end of the year. If we still have no multi-annual programme, we must at least pay our staff and trust that there will at least be some people who understand if we pay a staff that has no programme of work.

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

Draft Amendment No 48 is adopted by 119 votes to zero.

On Article 330, Annex I, Title 8: 'Miscellaneous activities', I have draft Amendment No 49, tabled by the Committee on Energy, Research and Technology, on which the Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

Increase appropriations by 1 464 303 u.a. (payment appropriations) and 4 532 800 u.a. (commitment appropriations).

**(B) Compensation**

Reduce appropriations under Title 9 (provisional appropriations), Chapters 931 and 934, by 1 224 303 and 240 000 u.a. (payment appropriations) and 4 292 800 and 240 000 u.a. (commitment appropriations).

**JUSTIFICATION**

The 1 464 million u.a. in payment appropriations and 4 532 million u.a. in commitment appropriations are to be broken down as follows in Annex I to Volume 4 of the draft budget (Statement of revenue and expenditure relating to research and investment activities):

**President**

	Commitment Appropriation	Payment Appropriation
Title 8 — miscellaneous activities		
Chapter 820 — Staff awaiting assignment to a functioning of the JRC <sup>1</sup>	4 292 800	1 224 303
Chapter 831 — H.F.R. <sup>2</sup>	240 000	240 000
	4 532 800	2 464 303

In its draft budget for 1976, the Council has blocked the appropriations needed for the proper functioning of the JRC by entering them under Title 9 'provisional appropriations'. Our committee and the European Parliament know by experience that the main effect of such a decision would be to make the administration of the JRC less efficient and thus diminish the value and effectiveness of Community research. Our committee therefore proposes that these appropriations should be included under Title 8 in order that they can be used directly.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) Extremely favourable.

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

Draft Amendment No 49 is adopted by 119 votes to zero.

On Article 3310: 'Research objective: Biology — Adaptation of nuclear techniques to agricultural and medical research', I have draft Amendment No 16, tabled by Mr Frehsee on behalf of the Committee on Agriculture, on which the Committee on Budgets has delivered an unfavourable opinion:

**(A) Expenditure**

Increase appropriations by:

12 313 728 u.a.

**(B) Revenue**

Increase revenue accordingly

**JUSTIFICATION**

The proposed appropriations correspond to those entered by the Commission in the preliminary draft budget to finance the above research objective but which appear in the draft general budget only as token entries. They are intended to finance, inter alia, the fourth research programme on biology and health protection. This programme for the period 1976-1980 will follow on directly from the research programme expiring on 31 December 1975. One of the purposes of this research programme is to continue work on the application of nuclear techniques to agricultural research. Besides the research aspects of this work, which is farmed out on a contractual basis, there is also the question of safeguarding the jobs of a large number of scientists financed by these funds and of the staff required in the national establishments.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets rejected this amendment because it is a matter of commitment appropriations and not of payment appropriations. Moreover, these appropriations are covered by Amendment No 84, which we have just voted on. I therefore take the liberty of asking Mr Frehsee to withdraw his amendment.

**President.** — Mr Frehsee, do you maintain your amendment?

**Mr Frehsee.** — (D) On behalf of the Committee on Agriculture, I must point out that it does not correspond to the facts to say that the Committee on Budgets turned the matter down any more than the Committee on Energy, Research and Technology did. Quite the reverse. On behalf of the Committee on Agriculture, I must thank these

<sup>1</sup> Re-insertion of budgetary chapter.

<sup>2</sup> Creation of budgetary chapter.

**Frehsce**

two committees for lending their support to the continuation of this radiobiological research and for placing their knowledge at the disposal of the Committee on Agriculture for the purpose of reducing as far as possible the application of pesticides and antibiotics. Now that we have unanimously adopted draft Amendment No 84, in which this matter is included, we can, while thanking the committees and the Parliament, declare draft Amendment No 16 to be groundless.

**(A) Expenditure**

Increase appropriations by: 20 000 u.a.

**(B) Revenue**

Increase revenue by: 20 000 u.a.

**JUSTIFICATION**

This Article serves to finance specific activities in the field of radiation protection which are the responsibility of the Commission under Articles 30 to 39 of the EAEC Treaty. The Commission has requested for 1976 appropriations amounting to 245 000 u.a. as proposed to 209 500 u.a. authorized by the Council for 1975.

In its financial analysis (Volume 7, page 93), the Commission rightly points out that appropriations had to be increased in view of the *increase in requirements* in the field of radiation protection following developments in the nuclear energy sector.

It is incomprehensible that the Council should have reduced the appropriations requested by 25 000 u.a. to 220 000 u.a. The Council draft gives no reason for this.

The committee therefore insists that these appropriations should be increased not by 25 000 u.a., as requested by the Commission, but by 20 000 u.a.

The committee's decisions not to support fully the Commission's proposal is based on its own discussions and the desire to economize.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) Generally speaking, the Committee on Budgets has taken an unfavourable view of all proposals to increase by less than 10 per cent appropriations included in the draft budget. This draft amendment on radiation protection is a case in point, and it was turned down by the Committee on Budgets by 13 votes to 3.

**(A) Expenditure**

Increase appropriations by: 20 000 u.a.

**(B) Revenue**

Increase revenue by: 20 000 u.a.

**JUSTIFICATION**

This Chapter relates to expenditure for the improvement of human living conditions by combating pollution affecting the air, water and soil, including noise pollution—one of the objectives of the Communities' environmental action programme. The action comprises the preparation of studies by experts, the organization of programmes to compare sampling and analysis, and of meetings of experts, scientific seminars and conferences.

**President.** — Draft Amendment No 16 is therefore withdrawn.

On Article 350: 'Radiation protection', I have draft Amendment No 10, tabled by Mr Willi Müller on behalf of the Committee on Public Health and the Environment, on which the Committee on Budgets has delivered an unfavourable opinion:

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

Draft Amendment No 10 is rejected.

On Article 351: 'Health and safety in respect of air and water', I have draft Amendment No 11, tabled by Mr Willi Müller on behalf of the Committee on Public Health and the Environment, on which the Committee on Budgets has delivered an unfavourable opinion:



**President**

The Commission requested 425 000 u.a. for this purpose. In 1975, the Council had authorized 385 000 u.a. for this Article. As the Commission rightly points out, the Community's actual contribution for this modest additional amount will remain unchanged in view of the reduction in purchasing power.

The Council, however, has reduced these appropriations to 400 000 u.a. without giving any reasons. With such a reduction, it is no longer possible to guarantee that the Communities' environmental action programme will be carried out properly.

The committee therefore feels that appropriations should be increased by 20 000 u.a. to 420 000 u.a., almost the amount requested by the Commission.

The committee's decision not to support fully the Commission's proposal is based on its own discussions and a desire to economize.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** (F) For the same reason—it is a matter here of a very small appropriation representing less than 5 per cent—the Committee on Budgets invites the Parliament to reject this amendment.

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

Draft Amendment No 11 is rejected.

On Article 352: 'Health and safety measures at the place of work', I have draft Amendment No 12, tabled by Mr Willi Müller on behalf of the Committee on Public Health and the Environment, on which the Committee on Budgets has delivered an unfavourable opinion:

**(A) Expenditure**

Increase appropriations by: 200 000 u.a.

**(B) Revenue**

Increase revenue by: 200 000 u.a.

**JUSTIFICATION**

The considerable increase in appropriations under this Article from 180 000 u.a. in 1975 to 520 000 u.a. in 1976 arises from three important Community programmes:

- the environmental protection programme of 22 November 1973, and in particular the 'improvement of working conditions' section,
- the social action programme of 21 January 1974, and
- the guidelines for a Community programme for safety, hygiene and health protection at work.

In the social action programme, the Council qualifies the introduction of a first action programme for health and safety at work as a *priority project*. The appropriations are intended in particular for surveys and joint actions to improve safety at work by means of regulations, preventive measures and appropriate training of workers. Corresponding action will be planned and implemented in cooperation with the Advisory Committee on Safety, Hygiene and Health Protection at Work, set up by Council decision of 27 June 1974.

It is therefore incomprehensible that the Council should have drastically reduced the appropriations requested by the Commission by 200 000 u.a. to 320 000 u.a. The committee feels that these appropriations should be fully reinstated if the three Community programmes are to be properly carried out.

The committee also insists that this decision be respected because the Community's credibility as guarantor for social progress in Europe depends to a considerable extent on the effectiveness of the measures envisaged.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets bore in mind the fact that, while the sum appropriated for 1975 under this article dealing with health and safety measures at the

place of work was 120 000 u.a. for 1976 the Commission proposed 520 000 u.a., which is a very great increase; moreover, the Council decided upon 320 000 u.a. which, whatever one says, constitutes an increase of 77 per cent. This is what prompted the Committee on Budgets to

**Cointat**

reject the amendment, even though it was well aware of the importance of the problem. I should add that the rejection resulted from a ballot of 10 votes to 10.

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

Having obtained 67 votes, with 46 votes against and 1 abstention, draft Amendment No 12 is not adopted.

I call Mr Aigner on a point of order.

**Mr Aigner.** — (D) The interpretation—at least that from the German cabin—suggested that something has been wrongly heard. You will forgive me for quoting the figures once more: they were, after all, the reason given for the rejection. The sums devoted to this purpose in the budgetary years 1974, 1975 and now 1976 are respectively 103 000, 180 000 and 320 000 u.a. and we took the view that the Commission could not spend such sums.

I had to correct these figures because, in the German version at least, they had become distorted, if not already wrongly given by the rapporteur himself.

**President.** — I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) We are in complete agreement on the figures quoted by Mr Aigner.

**President.** — I call Mr Hamilton on a point of order.

**(A) Expenditure**

Increase appropriations by: 120 000 u.a.

**(B) Revenue**

Increase revenue by: 120 000 u.a.

**JUSTIFICATION**

This new Article provides for appropriations totalling 380 000 u.a. intended in particular for medical research to be carried out within the framework of the action programme relating to scientific and technological policy adopted by Council resolution of 14 January 1974. This research is intended to back up the work of the Scientific and Technical Research Committee in fields which are of major interest to the public (epidemiology, medical biology, the bio-medical field, road accidents, deafness, monitoring of patients suffering from serious illnesses).

In 1975, the Council had allocated 200 000 u.a. to this Article (part of Article 391 of the 1975 budget). The additional 180 000 u.a. are based on the abovementioned Council resolution and are in the interest of public health.

It is illogical that the Council should have deleted the appropriations requested in their entirety, thereby reducing its resolution of 14 January 1974 to a dead letter.

The committee considers the allocation for this purpose of 120 000 u.a. justified and, unlike the Commission, it feels that such an amount is sufficient to enable the necessary surveys and research to be continued.

What is the rapporteur's view?

**Mr Hamilton.** — I think this underlines not the point that has just been made, but the whole procedure of voting in this Chamber. I do not know whether this is the point at which to raise it, but when there is a narrow vote there is no means, so far as I can gather, of challenging that vote or asking for a recount. I have the impression that one or two votes have been either wrongly counted, or there have been mistakes, and there is no redress or remedy. Quite honestly, I thought that the vote on the last amendment had gone the other way, irrespective of its merits. What kind of redress do we have in these matters?

**President.** — Mr Hamilton, I am quite prepared to go through the voting again, but I would remind you that if a draft amendment is to be adopted it must have obtained 100 votes. That is why, although it had received a majority of the votes cast, I said that the draft amendment had not been adopted.

If you nevertheless wish us to proceed to a fresh vote by sitting and standing, I am prepared to accede to your wish.

**Mr Hamilton.** — Mr President, quite clearly my group seems to think it unnecessary.

**President.** — On Article 353: 'Studies and research on medicine and public health', I have draft Amendment No 13, tabled by Mr Willi Müller on behalf of the Committee on Public Health and the Environment, on which the Committee on Budgets has delivered an unfavourable opinion:

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets took the view that this draft amendment was without foundation, since the appropriations proposed by Mr Willi Müller already exist in Article 391. The only question for the Committee on Budgets was whether these appropriations should be transferred from Article 391 to Article 353, and the committee decided that the present situation was satisfactory. Since this amendment has been declared to be without foundation, I would ask Mr Müller to withdraw it.

**President.** — Mr Müller, do you maintain your amendment?

**Mr Willi Müller.** — (D) After what has been said and if the transfer is possible, I naturally withdraw the amendment which I tabled on behalf of my committee.

**President.** — Draft Amendment No 13 is accordingly withdrawn.

On Article 356: 'Organization and "humanizing" of work', I have two draft amendments:

— draft Amendment No 14, tabled by Mr Willi Müller on behalf of the Committee on Public Health and the Environment:

(A) *Expenditure*

Increase appropriations by: 1 000 u.a.

(B) *Revenue*

Increase revenue by: 1 000 u.a.

#### JUSTIFICATION

The 150 000 u.a. entered under this Chapter are intended for one of the priorities laid down in the social action programme of 21 January 1974: the humanizing of particularly unpleasant jobs. In this connection the Commission plans the following three types of action:

- a general, Community-wide survey of action already taken on *assembly-line work* with this aim in view,
- an evaluation of any current projects on *job enrichment*,
- support for selected *pilot projects*.

As the Commission points out in its remarks, these activities will help to provide a basis for a short-term Community policy in this field and for the formulation of the long- and medium-term policy of the European Foundation for the Improvement of Living and Working Conditions.

The Council has deleted the appropriations requested in their entirety. The Committee on Public Health and the Environment understands the Council's efforts to economize, but feels that a token entry of 1 000 u.a. under this Article is indispensable if progress is to be made in these activities once the budget situation has improved.

— draft Amendment No 55, tabled by the Committee on Budgets:

(A) *Expenditure*

Increase appropriations by: 1 u.a.

(B) *Revenue*

Increase revenue by: 1 u.a.

#### JUSTIFICATION

The Committee on Budgets adopts the justification given by the Committee on Public Health and the Environment (Doc. 306/14/PdA).

**President**

Since these two draft amendments are mutually exclusive, they must be considered jointly.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) These amendments concern the organization and humanization of work, and are of a symbolical nature. The Committee on Public Health and the Environment wants to increase the appropriation by 1 000 u.a. We are in complete agreement on the essential point, but the Committee on Budgets proposes the classical practice of increasing by 1 u.a., which seems to be more orthodox.

Consequently, the Committee on Budgets asks the House to reject draft Amendment No 14 and adopt draft Amendment No 55.

**President.** — I put draft Amendment No 14 to the vote.

Draft Amendment No 14 is rejected.

I put draft Amendment No 55 to the vote.

Draft Amendment No 55 is adopted by 112 votes to zero.

On Article 392: 'Expenditure on educational measures', I have three draft amendments:

— draft Amendment No 27, tabled by Mr Suck on behalf of the Committee on Cultural Affairs and Youth:

**(A) Expenditure**

Allocate an appropriation of 800 000 u.a. to this Title

**(B) Revenue**

Increase revenue by: 800 000 u.a.

**JUSTIFICATION**

In its preliminary draft, the Commission proposed 1 500 000 u.a. for educational measures. The Council replaced this by a token entry. The Commission needs 800 000 u.a. to cover implementation of the Educational Committee's proposals, education of children of migrant workers, encouraging education in the environmental sector, and developing the idea and system of the European schools.

The Committee on Cultural Affairs and Youth considers that the appropriations necessary for the above projects, which are regarded as a minimum programme to implement the Council decisions of 6 July 1974, must be allocated without delay.

— draft Amendment No 56, tabled by the Committee on Budgets:

**(A) Expenditure**

Enter a frozen appropriation of 800 000 u.a. against this title<sup>1</sup>

**(B) Revenue**

Increase revenue by: 800 000 u.a.

**JUSTIFICATION**

The Committee on Budgets adopts the justification given by the Committee on Cultural Affairs and Youth (Doc. 306/27/PdA).

It considers, however, that this appropriation should be frozen.

— draft Amendment No 15, tabled by Mr Willi Müller on behalf of the Committee on Public Health and the Environment:

<sup>1</sup> To be unfrozen only with the European Parliament's agreement.

**President****(A) Expenditure**

Increase appropriations by: 1 000 u.a.

**(B) Revenue**

Increase revenue by: 1 000 u.a.

**JUSTIFICATION**

The 1 500 000 u.a. entered under this Article include appropriations to encourage education in the field of environmental protection pursuant to the resolution adopted by the Council of Ministers of Education at its session of 6 June 1974 on cooperation in the field of education (OJ No. C 98 of 20.8.1974, p. 2).

The Council has deleted the appropriations requested in their entirety. The Committee on Public Health and the Environment insists that a token entry of 1 000 u.a. should be made for this important sector, so as to ensure that the projects envisaged will be started when the time comes.

Since these three draft amendments are mutually exclusive, they have to be considered jointly.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) Mr President, I understood that draft Amendment No 15 would be withdrawn by Mr Willi Müller in favour of one or other of the other two amendments.

Substantially we are in agreement with the Committee on Cultural Affairs and Youth, which proposes an appropriation of 800 000 u.a. for educational measures, but the Committee on Budgets would like to see this appropriation frozen, since we are not yet in possession of all the information required on this subject.

Consequently, the Committee on Budgets advocates the withdrawal of Amendment No 15, the adoption of Amendment No 56 and the rejection of Amendment No 27.

**(A) Expenditure**

Insert an Article 393 — Expenditure on cultural projects (token entry)

**(B) Revenue**

Revenue remains unchanged

**JUSTIFICATION**

In its preliminary draft, the Commission had added the above Article for cultural projects, intended to finance measures for the cultural preparation for European union, cultural exchanges for young workers and the preservation of the architectural heritage. The Council deleted this new Article.

The Committee on Cultural Affairs and Youth strongly urges that this Article be reinstated so as to enable the Commission to carry on activities in cultural areas and thereby promote European integration.

— draft Amendment No 57, tabled by the Committee on Budgets:

**President.** — Mr Müller, do you maintain your amendment?

**Mr Willi Müller.** — (D) No, Mr President.

**President.** — Draft Amendment No 15 is accordingly withdrawn.

I put draft Amendment No 27 to the vote.

Draft Amendment No 27 is rejected.

I put draft Amendment No 56 to the vote.

Draft Amendment No 56 is adopted by 123 votes to zero.

On Chapter 39: 'Other expenditure on specific projects undertaken by the Institution', I have two draft amendments:

— draft Amendment No 29, tabled by Mr Suck on behalf of the Committee on Cultural Affairs and Youth:

**President****(A) Expenditure**

Insert an Article 393 — Expenditure on cultural projects (token entry)

**(B) Revenue**

Revenue remains unchanged

**JUSTIFICATION**

In its preliminary draft, the Commission had added the above article intended to finance measures for the cultural preparation for European union. The Council deleted this new article.

Since these two draft amendments are mutually exclusive, they must be considered jointly.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The problem is exactly the same in both cases: the proposal is to insert an Article 393 for expenditure on cultural projects and treat it as a token entry.

The difference between the position taken up by the Committee of Budgets and that by the Committee on Cultural Affairs and Youth is that the Committee on Budgets wishes to limit appropriations entered at a later date under this article to the cultural preparation for European Union.

It rejects the idea of the Committee on Cultural Affairs and Youth that these appropriations should also finance cultural exchanges for young workers and the preservation of the architectural heritage. The Committee on Budgets has a quite different idea of the problems concerned,

and so it proposes that the House reject draft Amendment No 29 and adopt draft Amendment No 57.

**President.** — I put draft Amendment No 29 to the vote.

Draft Amendment No 29 is rejected by 69 votes to 55, with 2 abstentions.

I put draft Amendment No 57 to the vote.

Draft Amendment No 57 is adopted by 119 votes to 0, with 1 abstention.

We pass to Title 4.

On Chapter 40: 'Aids', I have two draft amendments.

— draft Amendment No 95, tabled by Mr Aigner, on behalf of the Christian-Democratic Group, Mr Lange, on behalf of the Socialist Group, and Mr Cointat, on which the Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

Insert a new article 420: 'Aid for beekeepers'

Enter:

5 000 000 u.a.

**(B) Revenue**

Increase revenue accordingly

**JUSTIFICATION**

An appropriation of 2.5m u.a. was proposed for the 1975 supplementary budget. The same amount has been proposed for the financial year 1976.

To avoid having to carry this appropriation forward in view of the late date and to simplify the budgetary procedure for 1975, it would seem appropriate to include the two proposals in the 1976 budget.

— draft Amendment No 58, tabled by the Committee on Budgets:

**(A) Expenditure**

Insert an Article 402 — Aid to beekeepers

Enter an appropriation of:

2 500 000 u.a.

**(B) Revenue**

Increase revenue accordingly

**President****JUSTIFICATION**

During the debates on the general budget of the European Communities for the financial year 1975, the European Parliament had proposed the abolition of denaturing premiums for sugar (a proposal which was approved by the Council) on condition that the Commission should submit a proposal for a regulation providing for direct aid to European beekeepers as beekeeping was indispensable to the earth's ecological balance. The Commission had promised at the time to examine this question and to submit a corresponding proposal for a regulation; this it has in the meantime done.

The difficulties still being experienced by beekeepers make it necessary in the opinion of the Committee on Budgets to continue this action (a similar proposal was made by the rapporteur on the draft supplementary and rectifying budget No. 3 for 1975 during the debate).

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets first examined draft Amendment No 58 and approved it by 16 votes to 1. It therefore recommends that the House adopt draft Amendment No 58.

On the other hand, draft Amendment No 95, tabled by Mr Aigner, Mr Lange and myself, was put forward in case the appropriations amounting to 2.5m u.a. intended for the benefit of farm-workers and proposed for draft supplementary budget No 3 were not adopted and in such a way as to combine the two proposals in the 1976 budget. Since, however, Parliament has just adopted the appropriation of 2.5m u.a. in supplementary budget No 3, I consider, for my part, that draft Amendment No 95 should be withdrawn and that the House should vote solely on draft Amendment No 58. I therefore

ask Mr Aigner and Mr Lange if they agree to withdraw it.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (D) We withdraw the amendment.

**President.** — Draft Amendment No 95 is accordingly withdrawn.

I put draft Amendment No 58 to the vote.

Draft Amendment No 58 is adopted by 118 votes to 0, with 5 abstentions.

On Article 410: 'Subsidies to institutions of higher education', I have two draft amendments:

— draft Amendment No 30, tabled by Mr Vandewiele, Mr Aigner, Mr Seefeld, Mr Premoli and Mr Delmotte, on which the Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

Increase appropriations by: 38 000 u.a.

**(B) Compensation**

Reduce the appropriations entered in Article 419 by: 38 000 u.a.

**(C) Remarks**

Add the following text to the remarks:

... 'of these appropriations, 50 000 u.a. are earmarked for the College of Bruges'.

**JUSTIFICATION**

In paragraph 3 of the resolution adopted on 22 September 1975, the European Parliament:

'3. Shares the Commission's view that aid must primarily take the form of incentives but that the budgetary authorities may decide to allocate grants to certain existing institutions;'

The College of Bruges, which celebrated its twentieth anniversary last year, has so far only received a subsidy of 12 000 u.a. to finance the Robert Schuman Chair.

This establishment, which is one of the finest institutes of higher European studies, must be given the possibility of further development; for this purpose a higher amount must be entered in Article 410 (12 000 u.a. + 38 000 u.a.).

In compensation, the appropriations in Article 419 are reduced by 38 000 u.a.

**President**

— draft Amendment No 28, tabled by Mr Suck on behalf of the Committee on Cultural Affairs and Youth, on which the Committee

on Budgets has delivered an unfavourable opinion:

**(A) Expenditure**

Increase appropriations by: 10 000 u.a.

**(B) Revenue**

Increase revenue by: 10 000 u.a.

**JUSTIFICATION**

In its resolution of 22 September 1975, the European Parliament declared that the Commission of the European Communities could contribute to the financing of institutions of higher education but that this aid must be increased in order to lend credibility to the Community's efforts. The appropriations initially requested by the Commission should therefore be reinstated until such time as it has drawn up more substantial aid programmes.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) Mr President, your indication of the situation is perfectly correct: the Committee on Budgets is favourable to draft Amendment No 30 and opposed to draft Amendment No 28.

**President.** — I put draft Amendment No 30 to the vote.

Draft Amendment No 30 is adopted by 115 votes to 4, with 4 abstentions. Draft Amendment No 28 accordingly becomes void.

I call Mr Aigner to speak on a point of order.

**Mr Aigner.** — (D) Mr President, please excuse me if I am mistaken, but I thought we ought nevertheless to vote on No 28, since No 30 does not render it void. The two are justified on different grounds.

**President.** — Mr Cointat, do you not consider that the adoption of draft Amendment No 30 renders draft Amendment No 28 void?

**Mr Cointat, rapporteur.** — (F) Mr President, both these draft amendments concern Article 410, and since you have put to the vote the draft amendment that departs furthest from the text, draft Amendment No 30 excludes draft Amendment No 28.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (D) Mr President, I beg to differ, but if the House shares your view and raises no objection, then I shall not either.

**President.** — Finally, I have draft Amendment No 7, tabled by Mr Cointat, Mr Durand, Mr Gibbons, Mr Terrenoire and Mr Yeats:

**(A) Revenue****Title 9 — Chapter 94:**

— insert a new Article 945:

'yield from Community borrowing to provide aid for Member States experiencing balance of payments difficulties as a result of the rising prices of petroleum products'

— introduce a token entry

**(B) Expenditure****Title 4: aid, subsidies and financial contributions**

— insert a new Chapter 48:

'Community loans to provide aid for Member States experiencing balance of payments difficulties as a result of the rising prices of petroleum products'

— introduce a token entry



**President**

## JUSTIFICATION

The European Parliament agrees with the Commission that Community loans should be included in the Budget.

In its resolution of 19 June 1975<sup>1</sup>, it states that, in its view:

'in line with the relevant legal rules an entry should be made in the annual budget to cover Community borrowings and lendings, which should be subject to the budgetary procedure applicable to all Community revenue and expenditure and that the Commission must therefore be empowered by the budgetary authorities to borrow funds and to approve loans of sums to be accurately defined and set out in the budgetary documents.'

Until it is decided exactly how these items are to be entered in the budget, a token entry should be made for the financial year 1976.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) A short while ago the House accepted, at least in part, the inclusion in the budget of Euratom loans. Pursuing the same lines, the Committee on Budgets unanimously proposes that Community loans should also, at least in part, be included in the budget.

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

Draft Amendment No 7 is adopted by 120 votes to 0.

We pass to Title 5.

First of all, I have draft Amendment No 61, tabled by Mr Cointat on behalf of the Committee on Budgets:

Chapters 50, 51 and 52

Amend the headings of these chapters to read as follows:

Chapter 50 — New social fund expenditure under Article 4 of the Council decision of 1 February 1971

Chapter 51 — New social fund expenditure under Article 5 of the Council decision of 1 February 1971

Chapter 52 — New social fund pilot schemes and preparatory studies

Chapters 53 and 54

Amend the headings of these chapters to read as follows:

Chapter 53 — Old social fund expenditure provided for under Article 125(1) (a) of the EEC Treaty

Chapter 54 — Old special fund expenditure provided for under Article 125(1) (b) of the EEC Treaty

## JUSTIFICATION

The purpose of this draft amendment is to simplify and clarify budgetary nomenclature while at the same time emphasizing the distinction between the old and the new Social Fund.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The purpose of draft Amendment No 61 is to introduce a little more clarity into the budgetary nomenclature as regards the Social Fund by emphasizing the distinction between the old and the new Social Fund. What the Committee on Budgets here proposes to the House is, therefore, an amendment of a technical nature, a matter of orthodox budgetary procedure.

**President.** — I put draft Amendment No 61 to the vote.

Draft Amendment No 61 is adopted by 123 votes to 0.

On Chapter 50: 'New Social Fund expenditure under Article 4 of the Council Decision of 1 February 1971', I have Amendment No 59, tabled by Mr Cointat on behalf of the Committee on Budgets:

<sup>1</sup> Doc. 79/75, OJ C 157/75.

**President****(A) Expenditure**

Insert a 'commitment appropriations' column

**JUSTIFICATION**

According to the financial regulation, a distinction is to be made for Social Fund expenditure between payment appropriations and commitment authorization to enable operations which, by their very nature, take place over several years to be adequately financed. These authorizations currently figure in the 'remarks' column of the budget.

For clarity's sake, genuine *commitment appropriations* should be entered on the actual budgetary line alongside the payment appropriations.

The same system was in fact recently adopted for regional fund appropriations (Chapter 55). Thus the object of this amendment is to rationalize the procedure with regard to commitment appropriations.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) A short while ago, the House agreed to establish the concept of 'commitment appropriations' for hydrocarbons and for prospecting for uranium. In the same way, the Committee on Budgets, for consistency's sake, proposes to the House the idea of 'commitment appropriations' for the Social Fund since, here too, it is a matter of multi-annual projects.

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

Draft Amendment No 59 is adopted by 122 votes to 0.

On the same chapter, I have draft Amendment No 9/rev., tabled by Mr Cointat, Mr Durand, Mr Gibbons, Mr Terrenoire and Mr Yeats, on which the Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

— Replace Article 500 by the following five new articles:

*Article 500* — 'Aid to the agricultural and textiles sectors'

*Article 501* — 'Aid to young people'

*Article 502* — 'Aid to handicapped persons'

*Article 503* — 'Aid to migrant workers'

*Article 504* — 'Aid to sectors and regions affected by the crisis'

**JUSTIFICATION**

It appears that the budgetary item in which appropriations under Article 5 of the new Social Fund are entered makes insufficient distinction between the Commission's various sectors of activity in this field.

To give the budgetary authority a clearer idea of the amount of the appropriations allocated to each of these activities, the budgetary nomenclature should be broken down into more detailed headings.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) This is a matter of ensuring budgetary clarity. Having noticed that, with regard to radiation protection, which has an appropriation of 220 000 u.a., there are six items where one would have sufficed, while the 200m u.a. allocated to the Social Fund are covered by a single article, the Committee on Budgets, for the sake of introducing a little more clarity and enabling Parliament to exercise

a better control of expenditure, proposes the establishment of five articles instead of one. This will not, by the way, hamper the Commission in its duties, since it will be able to make transfers from one to another of these articles.

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

Draft Amendment No 9/rev. is adopted by 125 votes to 0.

**President**

Still on Chapter 50, I have eight draft amendments:

— draft Amendment No 17, tabled by Mr Alfred Bertrand on behalf of the Committee on Social Affairs and Employment:

**(A) Expenditure**

Article 500 — Expenditure under Article 4 of the Council Decision of 1 February 1971 on the reform of the European Social Fund

Increase appropriations by: 70 000 000 u.a.

**(B) Revenue**

Increase revenue by: 70 000 000 u.a.

**JUSTIFICATION**

The European Social Fund is the sole Community instrument for combating the present day problems on the employment market. Appropriations under Article 4, with which we are concerned here, are intended for

- i. those leaving agriculture
- ii. migrant workers
- iii. the handicapped
- iv. young people<sup>1</sup>
- v. projects to be determined by the Council in December next.

It is self-evident that these are the categories most at risk in the present socio-economic situation.

It would therefore be almost grotesque in the present circumstances to cut back on this budget item, especially since clear promises on this subject were made at the Paris Summit Conferences in 1972 even before the current situation in the employment market arose.

— draft Amendment No 31, tabled by the Group of European Progressive Democrats:

**(A) Expenditure**

Article 500 — Expenditure under Article 4 of the Council Decision of 1 February 1971 on the reform of the European Social Fund

Increase appropriations by: 70 000 000 u.a.

**(B) Revenue**

Increase revenue by: 70 000 000 u.a.

**JUSTIFICATION**

Because of the economic situation prevailing at present throughout the Community, rapid inflation, economic depression and unemployment, one wonders what the Council's logic is in cutting expenditure in this important area.

The proposed amount is well below what is required in view of the present economic and social crisis in the Community.

— draft Amendment No 85, tabled by Mr Cousté on behalf of the Group of Progressive Democrats:

**(A) Expenditure**

Article 500 — Expenditure under Article 4 of the Council Decision of 1 February 1971 on the reform of the European Social Fund

Enter 340 million u.a. in commitment appropriations

**(B) Revenue**

unchanged

<sup>1</sup> Council Decision 75/459, OJ No L 199/75, p. 36.

**President****JUSTIFICATION**

In order to clarify long-term budgetary operations, the Committee on Budgets had proposed the creation of a commitment appropriation column; the object of this amendment is to express Parliament's determination that the Commission's programme be fully implemented. This is all the more necessary as we are at present passing through a period of crisis.

The commitment appropriations for which we ask include:

- the 1976 payment appropriations requested by the Commission: 220 million u.a.
  - the commitment appropriations requested by the Commission for 1977: 80 million u.a.
  - the commitment appropriations requested by the Commission for 1978: 40 million u.a.
- the following draft amendments tabled by the Committee on Budgets:

**Draft amendment No 62****(A) Expenditure**

**Article 500** — (new article): Measures to aid the agricultural and textile sectors

Enter the following appropriations:

	1976 appropriations (million u.a.)	
	commitment	payment
Article 500...	100	75

**JUSTIFICATION****(a) Payment appropriations**

The Committee on Budgets proposes the following increase in Social Funds payment appropriations:

(in million u.a.)

	Preliminary draft budget	Draft budget	Committee on Budgets
Chapter 50 (expenditure Article 4)	220	150	+ 40 i.e. 190m u.a.
Chapter 51 (expenditure Article 5)	280	250	+ 30 i.e. 280m u.a.

The Committee on Budgets having already proposed that Chapter 50 be broken down into five separate articles and Chapter 51 into two separate articles, the increases of 40 and 30m u.a. should be distributed among these new articles. For this distribution, the Committee on Budgets has followed the proposals made by the Commission in its general introduction to the preliminary draft budget (Volume 7, pages 88 and 89); however, the Committee felt that there should be no increase in the appropriations for the new Article 504 (anti-crisis measures) in respect of which the Council has not yet adopted a regulation: since the Committee on Budgets has reinstated only in part the appropriations proposed by the Commission for Chapter 50, the appropriations for Article 504 are in fact *reduced* by half in relation to the general introduction to the preliminary draft.

**(b) Commitment appropriations**

In a separate amendment, the Committee proposes that commitment appropriations should be entered against the Social Fund.

The present draft amendment proposes that commitment appropriations for Chapters 50 and 51 be calculated as follows:

**President**

The commitment appropriations include:

	Chapter 50	Chapter 51
(1) The total payment appropriations provided for in the draft budget .....	150	250
(2) The increase in payment appropriations proposed by the Committee on Budgets .....	40	30
(3) The 'commitment authorizations' proposed by the Commission in its preliminary draft (remarks) for the years 1977 and 1978 .....	<u>120</u>	<u>150</u>
TOTAL .....	310	430

The Committee on Budgets having already proposed that Chapter 50 be broken down into five separate articles and Chapter 51 into two separate articles (see above), the commitment appropriations must therefore be distributed among these new articles; this distribution has been effected taking account of the Commission's proposals and of the Committee on Budget's position as regards a new Article 504 (anti-crisis measures).

*(c) Summary*

The following table sums up the proposals of the Committee on Budgets:

*1976 appropriations (in million u.a.)*

	Commitment	Payment
<i>Chapter 50 (expenditure Article 4)</i>		
(new) Article 500: Measures to aid the agricultural and textile sectors .....	100	75
(new) Article 501: Measures to aid young workers .....	90	40
(new) Article 502: Measures to aid handicapped workers .....	25	20
(new) Article 503: Measures to aid migrant workers .....	35	25
(new) Article 504: Measures to aid sectors and regions hit by the crisis .....	60	30
TOTAL .....	<u>310</u>	<u>190</u>
<i>Chapter 51 (expenditure Article 5)</i>		
(new) Article 510: Measures to improve the employment situation in certain regions, economic sectors or groups of companies .....	380	250
(new) Article 511: Measures to help handicapped persons not eligible to receive aid under Article 4 .....	<u>50</u>	<u>30</u>
TOTAL .....	<u>430</u>	<u>280</u>

*(d) Postulated breakdown of the changes in appropriations proposed by the Committee on Budgets*

Since no provision is made in either the preliminary draft or the draft budget for a breakdown of appropriations into five articles (for Chapter 50) and two articles (for Chapter 51) — and since no provision is made either for commitment appropriations for 1976, one can only postulate the possible breakdown of the changes in appropriations proposed by the Committee on Budgets. This breakdown could be as follows:

**President**

	Preliminary draft budget		Draft budget		Amended draft budget	
	CA <sup>1</sup> (Post. breakd.)	PA <sup>2</sup> (General Introd.)	CA <sup>1</sup> (Post. breakd.)	PA <sup>2</sup> (Post. breakd.)	CA <sup>1</sup>	PA <sup>2</sup>
<i>Chap. 50</i>						
Art. 500	100	75	95	70	100	75
Art. 501	90	40	87	37	90	40
Art. 502	25	20	24	19	25	20
Art. 503	35	25	34	24	35	25
Art. 504	90	60	—	—	60	30
<b>Total</b>	<b>340</b>	<b>220</b>	<b>240</b>	<b>150</b>	<b>310</b>	<b>190</b>
<i>Chap. 51</i>						
Art. 510	380	250	345	220	380	250
Art. 511	50	30	40	30	50	30
<b>Total</b>	<b>430</b>	<b>280</b>	<b>385</b>	<b>250</b>	<b>430</b>	<b>280</b>

## Draft amendment No 63

(A) *Expenditure*

Article 501 — (new article): Measures to aid young workers

Enter the following appropriations:

	1976 appropriations (million u.a.)	
	commitment	payment
Article 501 .....	90	40

(B) *Revenue*

Increase revenue accordingly.

JUSTIFICATION<sup>3</sup>

## Draft amendment No 69

(A) *Expenditure*

Article 502 — (new article): Measures to aid handicapped workers

Enter the following appropriations:

	1976 appropriations (million u.a.)	
	commitment	payment
Article 502 .....	25	20

(B) *Revenue*

Increase revenue accordingly.

JUSTIFICATION<sup>3</sup><sup>1</sup> Commitment appropriations.<sup>2</sup> Payment appropriations.<sup>3</sup> See justification of draft Amendment No 62/PdA.

**President**

Draft amendment No 70

**(A) Expenditure**

Article 503 — (new article): Measures to aid migrant workers

Enter the following appropriations:

	1976 appropriations (million u.a.)	
	commitment	payment
Article 503 .....	35	25

**(B) Revenue**

Increase revenue accordingly.

**JUSTIFICATION<sup>1</sup>**

Draft amendment No 71

**(A) Expenditure**

Article 504 — (new article): Measures to aid sectors and regions hit by the crisis

Enter following appropriations:

	1976 appropriations (million u.a.)	
	commitment	payment
Article 504 .....	60	30

**(B) Revenue**

Increase revenue accordingly.

**JUSTIFICATION<sup>1</sup>**

I call Mr Yeats.

**Mr Yeats.** — Mr President, on behalf of my group I wish to withdraw Amendment No 85.

**President.** — Amendment No 85 is accordingly withdrawn.

What is the rapporteur's view?

**Mr Cointat.** — (F) Discussion of this series of amendments is a little difficult. In fact, there are two problems: the problems of payment appropriations and the problem of commitment appropriations. Some amendments propose an increase in payment appropriations of 70 million u.a., others an increase of only 40 million. Consequently, the Committee on Budgets proposes rejecting the increase of 70 million and approving an increase of only 40 million.

That having been said, the committee proposes concentrating on the commitment appropriations and increasing their total to 310 million.

If, as the committee proposes, the Parliament rejects the 70 million u.a. and approves the 40 million u.a., Amendments Nos 62, 63, 69, 70 and 71 will be approved, for these merely concern the distribution of this sum among the various articles which we have just established.

I think, Mr President, we should begin by voting on the amendments that depart farthest from the budget—that is to say, Amendments Nos 17 and 31, which are identical and have both been turned down by the Committee on Budgets—and then on Amendments Nos 62, 63, 69, 70 and 71, which carry the increase of 40 million u.a. distributed among the various articles. Here, I think, we could have a single vote on the five amendments put down by the Committee on Budgets, since in fact they are all concerned with the same thing.

**President.** — We shall begin by voting on draft Amendment No 17. If this is adopted, Amendments Nos 31, 62, 63, 69, 70 and 71 will become void. If it is rejected, we can put the amend-

<sup>1</sup> See justification of draft Amendment No 62/PdA.

**President**

ments tabled by the Committee on Budgets to a single vote, as the rapporteur has just suggested.

I put draft Amendment No 17 to the vote.

Draft Amendment No 17 is rejected by 101 votes to 23, with 7 abstentions. Draft Amendment No 31 accordingly becomes void.

Since they are concerned with the distribution of appropriations among the five articles which

you have just decided to establish, I can put the five draft amendments tabled by the Committee on Budgets to a single vote.

Draft Amendments Nos 62, 63, 69, 70 and 71 are adopted by 124 votes to 0, with 1 abstention.

On Chapter 51: 'New Social Fund expenditure under Article 5 of the Council Decision of 1 February 1971', I have draft Amendment No 60, tabled by Mr Cointat on behalf of the Committee on Budgets:

**(A) Expenditure**

Insert a 'commitment appropriations' column.

**JUSTIFICATION**

According to the financial regulation, a distinction is to be made for Social Fund expenditure between payment appropriations and commitment authorizations to enable operations which, by their very nature, take place over several years to be adequately financed. These authorizations currently figure in the 'remarks' column of the budget.

For clarity's sake, genuine *commitment appropriations* should be entered on the actual budgetary line alongside the payment appropriations.

The same system was in fact recently adopted for regional fund appropriations (Chapter 55). Thus the object of this amendment is to rationalize the procedure with regard to commitment appropriations.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) A short while ago, Parliament, in Amendment No 59, accepted the idea of commitment appropriations for Chapter 50. Here the Committee on Budgets is making exactly the same proposal with regard to Chapter 51, and the committee asks you to approve this amendment.

**(A) Expenditure**

Replace Article 510 by the following two new articles:

*Article 510* — Aid to improve the employment situation in certain regions, economic sectors or groups of companies

*Article 511* — Measures to help handicapped persons not eligible to receive aid under Article 4.

**JUSTIFICATION**

It appears that the budgetary heading under which appropriations under Article 5 of the new Social Fund are entered makes insufficient distinction between the Commission's various sectors of activity in this field.

To give the budgetary authority a clearer idea of the amount of the appropriations allocated to each of these activities, the budgetary nomenclature should be broken down into more detailed headings.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The amendment is the same as we had earlier for Chapter 50. In order to give Chapter 51 a higher degree of

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

Draft Amendment No 60 is adopted by 122 votes to 0.

Still on Chapter 51, I have draft Amendment No 8/rev.II, tabled by Mr Cointat on behalf of the Committee on Budgets:

budgetary transparency, we are proposing two articles—Nos 510 and 511—instead of one.

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



**President**

Draft Amendment No 8/rev.II is adopted by 123 votes to 0.

— draft Amendment No 18, tabled by Mr Alfred Bertrand on behalf of the Committee on Social Affairs and Employment:

On Chapter 51, I have another five draft amendments:

**(A) Expenditure**

Article 510 — Expenditure under Article 5 of the Council Decision of 1 February 1971 on the reform of the European Social Fund

Increase appropriations by: 30 000 000 u.a.

**(B) Revenue**

Increase revenue by: 30 000 000 u.a.

**JUSTIFICATION**

Apart from the different viewpoint set out in Article 5, the justification given for Article 500 applies here too.

To this it must be added that requests under Article 5 have so far invariably exceeded the available funds by a considerable amount. According to the European Social Fund's annual report, requests submitted in 1974 totalled some 350 millions u.a., that is to say, 40% more than the appropriations provided by the Council for 1976.

— draft Amendment No 32, tabled by the Group of European Progressive Democrats:

**(A) Expenditure**

Article 510 — Expenditure under Article 5 of the Council Decision of 1 February 1971 on the reform of the European Social Fund

Increase appropriations by: 30 000 000 u.a.

**(B) Revenue**

Increase revenue by: 30 000 000 u.a.

**JUSTIFICATION**

Because of the economic situation prevailing at present throughout the Community, rapid inflation, economic depression and unemployment, one wonders what the Council's logic is in cutting expenditure in this important area.

The proposed amount is well below what is required in view of the present economic and social crisis in the Community.

— draft Amendment No 33/rev., tabled by the Group of European Progressive Democrats:

**(A) Expenditure**

Article 510 — Expenditure under Article 5 of the Council Decision of 1 February 1971 on the reform of the European Social Fund

Amend the last paragraph under 'Remarks' as follows:

'Furthermore, the Commission has been authorized to enter into commitments for the two subsequent financial years, pursuant to Article 104 of the Financial Regulation of 25 April 1973, up to the following amounts:

1977:	100 000 000 u.a.
1978:	50 000 000 u.a.

**(B) Revenue**

None

**President****JUSTIFICATION**

Article 16 of the Financial Regulation of 25 April 1973, in paragraph C, states that the remarks contained in the budget are of a binding nature.

Our Assembly therefore has the power to amend these remarks partly or in their entirety.

The object of the present amendment is therefore to increase the commitment appropriations under Article 510 by 10 million u.a.

The sum of 100 million u.a. seems to be the most appropriate to the requirements of the Community's social policy and the crisis the Community is undergoing.

— draft Amendment No 72, tabled by the Committee on Budgets:

**(A) Expenditure**

Article 510 — (new article): Measures to improve the employment situation in certain regions, economic sectors or groups of companies

Enter the following appropriations:

	1976 appropriations (million u.a.)	
	commitment	payment
Article 510 .....	380	250

**(B) Revenue**

Increase revenue accordingly.

**JUSTIFICATION<sup>1</sup>**

— draft Amendment No 73, tabled by the Committee on Budgets:

**(A) Expenditure**

Article 511 — (new article): Measures to help handicapped persons not eligible to receive aid under Article 4

Enter the following appropriations:

	1976 appropriations (million u.a.)	
	commitment	payment
Article 511 .....	50	30

**(B) Revenue**

Increase revenue accordingly.

**JUSTIFICATION<sup>1</sup>**

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) Everyone is in agreement on the substance—that is, on an increase of 30 million u.a. in payment appropriations and on commitment appropriations amounting to a total of 430 million u.a. The

two draft Amendments Nos 72 and 73, put down by the Committee on Budgets, simply aim at distributing these expenditures between the two new articles; and because of this, I would ask Mr Bertrand and the Group of European Progressive Democrats to withdraw their respective draft amendments—No 18 on the one

<sup>1</sup> See justification of draft Amendment No 62/PdA.

**Cointat**

hand and Nos 32 and 33/rev. on the other—in favour of draft Amendments Nos 72 and 73.

**President.** — Mr Bertrand, do you maintain your draft amendment?

**Mr Alfred Bertrand.** — (F) No, Mr President.

**President.** — Mr Yeats, does your group maintain its draft amendments?

**Mr Yeats.** — No, Mr President.

**President.** — Draft Amendments Nos 18, 32 and 33/rev. are accordingly withdrawn.

I put to the vote the draft amendments tabled by the Committee on Budgets.

Draft Amendments Nos 72 and 73 are adopted by 126 votes to 0.

On Article 550: 'European Regional Development Fund', I call the rapporteur.

**Mr Cointat, rapporteur.** — (F) Mr President, may I say a brief word on the subject of the Regional Fund in order that there should be no misunderstandings in the House.

Draft Amendment No 37, tabled by the Group of European Progressive Democrats, has been withdrawn, but another amendment, draft Amendment No 74, has been tabled by the Committee on Budgets with regard to Chapter 98, and this will be voted on in a few minutes when we come to consider the draft amendments concerning Title 9. In this, the Committee on Budgets proposes allocating the additional appropriation of 150 million u.a. to Chapter 98.

**President.** — We pass to Title 6.

I call Lord Bruce on a point of order.

**Lord Bruce of Donington.** — Mr President, I should just like to clear up a technicality. It would seem that inadvertently we have already voted in favour of Amendment No 59. Of the 45 amendments which Mr Cointat has asked that we should vote upon, the last is No 59, and as I understand it we have already voted in favour of an Amendment No 59 earlier. Perhaps an error has been made somewhere.

**President.** — I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) May I draw Lord Bruce's attention to the fact that there are two series of 'modifications': there are the proposed modifications, which concern obligatory expend-

iture, and the draft amendments, which concern non-obligatory expenditure. Consequently, draft Amendment No 59, which has been voted upon and to which Lord Bruce refers, has nothing to do with proposed Modification No 59.

Since I have the floor, Mr President, may I say a few words before the voting on agricultural expenditure.

In my oral presentation, I acquainted the House with the results of the prolonged and, on occasion, animated discussions that has taken place in the Committee on Budgets. I described the different conceptions confronting one another. Today I think it is my duty to add the final touch to this account before we vote on the proposed modifications, because I think this voting procedure can be somewhat simplified.

We are now confronted with 52 proposed modifications reflecting different approaches. First of all, there is the technical approach adopted by the Committee on Agriculture, which is proposing five modifications, some of them aimed at reducing the appropriations allocated to a number of chapters, others at increasing the total appropriations allocated to the Guarantee Section of the EAGGF by 7 million u.a. In addition, the Committee on Agriculture proposes the transfer of 45.3 million u.a. from the Guidance to the Guarantee Section to cover premiums for building up livestock herds.

A second approach is that adopted by a number of our colleagues in presenting two proposed modifications symbolically diminishing by one unit of account the appropriations allocated to two specific chapters—concerning cereals and milk—as indication of a desire to effectuate economies in the Guarantee Section of the EAGGF.

The third approach: some of our Socialist colleagues have put down 45 proposed modifications designed to reduce the level of budgetary appropriations to that of 1975 and transfer the difference to Chapter 98 in the form of frozen appropriations. The result would be not only to transfer the sum of 1 821 000 million u.a., or 35% of the EAGGF total for 1976, to Chapter 98, but also to reduce the level of liquid appropriations below the 1975 level by 901 million u.a., or 21 %, the authors of these modifications having taken account of the increases in appropriations for 1976 in relation to 1975 but not of certain reductions that had taken place, amounting to a total of 900 million u.a.

Finally, there is a fourth approach which cannot be expressed by tabling any proposed modifications: this consists in regarding the Guarantee Section of the EAGGF as an artificial budget which scarcely bears relation to any

**Cointat**

estimates, which takes account neither of the 1976 price-review nor even of the results of the 1975 harvest, with the result that to modify it would be to make it even more artificial. The adherents of this view further bear in mind the fact that it is here a matter of obligatory expenditure, in respect of which our powers are confined to proposing modifications, and that in any case the Commission has already made proposals which the Council adopted without modifying them. Not wishing to be more Catholic than the Pope, the holders of this view see no reason for modifying the draft budget so far as the Guarantee Section of the EAGGF is concerned.

This last approach is the one that has been adopted by the Committee on Budgets, which proposes that the House approve the appropriations allocated to the Guarantee Section of the EAGGF as they stand in the draft budget presented by the Council. In this way, there would be no conflict of views between the Commission, the Council and the European Parliament.

And so, Mr President, I think the first modification due for discussion might constitute a test for all the rest: if it is rejected, as advocated by the Committee on Budgets, this would signify that the House had no desire to modify the budget as regards the Guarantee Section of the EAGGF and that one would be justified in asking the authors of the other proposed modifications to withdraw them.

To wind up, Mr President, the Committee on Budgets rejects all the proposed modifications that have been put forward and asks that a consistent stand be taken on the chapters referring to appropriations for the Guarantee Section of the EAGGF.

**President.** — I think the rapporteur has given the House a fully adequate explanation of a

proposal which is of great importance for the rest of this debate.

If the first group of proposed modifications is rejected, I shall ask the authors of the other proposed modifications whether, as the Committee on Budgets suggests, they are prepared to withdraw them.

I call Mr Lange on a point of order.

**Mr Lange.** — (D) Mr President, we must make a distinction between the modifications proposed by the Committee on Agriculture and those aimed at transferring funds from the EAGGF to Chapter 98. These are two quite different matters. Voting on the modifications proposed by the Committee on Agriculture is one thing: but if we vote on the other proposed modification and if it is rejected, then all the others become void. Perhaps we could proceed, Mr President, by voting in the way Mr Cointat has suggested: that seems to be a clearer way of going about things, and then we should know whether we should go on to deal with the other proposed modifications or not.

Mr Cointat has proposed, in accordance with a majority decision in the Committee on Budgets, that we make no changes to the EAGGF Guarantee Fund. If the House were to accept this proposal, all proposed modifications concerning the EAGGF would become void. In my view, that would be the simplest procedure.

**President.** — On Titles 6 and 7, Chapter 60, Article 600: 'Refunds on cereals', I have three proposed modifications:

— proposed Modification No 14, tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Corterier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lautenschlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff:

**(A) Expenditure****Item 6000 — Refunds**

Appropriations to be reduced by:

38 672 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980.

**JUSTIFICATION**

The Council's draft was based on estimates by the Commission which were not founded on the actual situation. It is therefore justified to enter the amount of the estimates, i.e. the difference between the 1975 budget (including amending and supplementary budget No 3) and the draft general budget for 1976, under Chapter 98 (non-allocated provisional appropriations) and thus make it necessary for the Commission also to demonstrate in detail to the European Parliament — in the framework of the consultation procedure — that the appropriations it proposes are actually used.

**President**

— proposed Modification No 15, tabled by the same authors:

**(A) Expenditure**

Item 6001 — Refunds in connection with Community measures involving the supply of food gifts under the 1976 programme

Appropriations to be reduced by: 33 860 000 u.a.

**(B) Compensation****JUSTIFICATION**

The Council's draft was based on estimates by the Commission which were not founded on the actual situation. It is therefore justified to enter the amount of the estimates, i.e. the difference between the 1975 budget (including amending and supplementary budget No 3) and the draft general budget for 1976, under Chapter 98 (non-allocated provisional appropriations) and thus make it necessary for the Commission also to demonstrate in detail to the European Parliament—in the framework of the consultation procedure—that the appropriations it proposes are actually used.

— proposed Modification No 12, tabled by Mrs Dunwoody, Mr Frehsee, Mr Hansen, Mr Hughes, Mr Laban and Lord Walston:

**(A) Expenditure**

Reduce appropriations by: 1 u.a.

**(B) Revenue**

Reduce revenue by: 1 u.a.

**JUSTIFICATION**

Expenditure in the cereals sector is increasingly sharply every year: 457 000 000 u.a. in 1974, 577 000 000 u.a. in 1975 and 715 000 000 u.a. in 1976. Refunds on cereals are an important contributory factor: 76 000 000 u.a. in 1974, 289 000 000 u.a. in 1975 and 328 000 000 u.a. in 1976.

The Council must therefore take a closer look at the effects of the policy so far pursued in this sector.

These three texts may be considered together.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets asks the House to reject these proposed modifications to the appropriations to the Guarantee Section of the EAGGF. If the attitude of the Committee on Budgets is approved—that is to say, if these proposed modifications are rejected—we can, I think, consider this vote as a test-case bearing on the rest of this debate, and you will then be enabled to ask the authors of the following proposed modifications to withdraw them.

**President.** — I call Mr Lange.

**Mr Lange.** — (D) Mr President, I must ask you to tell me precisely which proposed modifications

you want us to discuss. I proposed a moment ago that the House should decide whether it was prepared to accept the proposal adopted by a majority in the Committee on Budgets that nothing should be changed with regard to the EAGGF. If this decision on a matter of principle is adopted along the lines desired by the majority of the Committee on Budgets, all proposed modifications relating to the EAGGF can be declared void. We should be careful at this point to avoid embarking on an ambiguous course: that is why I pointed out that these are two different matters.

(Applause from various benches)

**President.** — I think, Mr Lange, that we are agreed on the essential issue, but it is precisely the vote on the first proposed modification that will provide a test of the House's attitude. I am not, in fact, in a position to put to the vote

**President**

an amendment proposing to withdraw these proposed modifications as a whole.

We shall therefore put Modification No 14 to the vote on the understanding—I give the House due notice—that we shall draw our conclusions from the result with regard to the rest of the voting.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) I wish to avoid all misunderstandings, in particular between Mr Lange, the chairman of my committee, and myself. Mr Lange and myself are agreed on the essential points, but I do not think it is possible to vote on a matter of principle as Mr Lange would wish. Here we are faced with a problem on the legal plane. Consequently, I think, Mr President, that it is correct for you to put proposed Modification No 14 to the vote, since this is the one that would normally be voted on first.

The Committee on Budgets is opposed to this proposed modification, it is opposed to any modification of the appropriations to the Guarantee Section of the EAGGF.

If this proposed modification is rejected, as recommended by the general rapporteur and by the Committee on Budgets, I think I have already said that you could ask the authors of the following proposed modifications to withdraw them. Then our procedure would be legally correct.

**President.** — I put proposed Modification No 14 to the vote.

Proposed Modification No 14 is rejected by 78 votes to 46.

As a result of this vote and of the discussion that took place immediately before, I ask the authors of the following proposed modifications if they are prepared to withdraw them and to consider the result of the vote that has just taken place as signifying that Parliament adopts Titles 6, 7 and 8 as they figure in the Council's draft budget.

Are there any objections?

I call Mr Laban.

**Mr Laban.** — (NL) Mr President, I much regret that I cannot meet your wishes in as much as I attach importance to a vote on the two proposed modifications tabled by members of our group concerning a symbolic reduction by 1 u.a. for the cereals and milk sectors. We want to draw the Council's attention specifically to the situation in these sectors, and I should like to hear from the chairman of the Committee on

Agriculture whether he would not like to have a vote on the proposed modifications tabled on behalf of the Committee on Agriculture on the denaturing premium and similar subjects.

**President.** — If the author of a proposed modification or a political group asks me to put one or another proposed modification separately to the vote, I cannot refuse.

I call Mr Lange.

**Mr Lange.** — (D) Mr President, on behalf of the group that tabled the series of proposed modifications of which No 14 was the first, I wish to state formally that all other proposed modifications tabled by this same group have now been rendered without foundation.

**President.** — Does that mean that all the proposed modifications tabled by the Socialist Group are now withdrawn?

**Mr Lange.** — (D) Mr President, proposed Modifications Nos 14 to 59 were tabled by a particular group of Representatives, not on behalf of the Socialist Group.

**President.** — Then which proposed modifications does Mr Laban wish to be put to the vote?

**Mr Laban.** — (NL) Mr President, they are Nos 12 and 13. Mr Lange has just pointed out that the big series of proposed modifications beginning with No 14 were tabled, not by the Socialist Group, but by a part of the Socialist Group. I am not one of these, but I am co-author of proposed Modifications Nos 12 and 13 and I wish these to be put to the vote.

**President.** — In view of the result of the vote on proposed Modification No 14, we may regard as withdrawn all other proposed modifications tabled by Mr Lange and others<sup>1</sup>.

We still have to consider proposed Modifications Nos 12 and 13. What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) On this point, I should like to give the opinion of the Committee on Budgets. I said just now that three groups of proposed modifications had been tabled: a series of proposed modifications of a technical nature put down by the Committee on Agriculture; two proposed modifications tabled by Mr Laban and others; and 45 proposed modifications tabled by Mr Lange.

<sup>1</sup> See Annex.

**Cointat**

The two proposed modifications I have just mentioned are of a symbolical nature inasmuch as they would reduce the appropriations proposed by 1 u.a. only. The Parliament might well be tempted to accept this reduction, but the Committee on Budgets has rejected these proposed modifications and asks the House to reject them for political reasons: if you reduce the budget of the EAGGF Guarantee Section by 1 u.a., there is no longer any question of a blanket vote and this would mean that the discussion on the budget could be renewed at any moment. That is the reason why the Committee on Budgets asks you to reject proposed Modifications Nos 12 and 13.

**President.** — I call Mr Lange.

**Mr Lange.** — (D) Mr President, I am sorry but I must here put in a word as Chairman of the Committee on Budgets. I have the impression that Mr Cointat was a little mistaken in his explanation. After the Committee on Budgets had decided not to touch the EAGGF but to

leave it as it was, I stated that the proposed modifications tabled by the Committee on Agriculture—and at that time also by the political groups—could accordingly not be dealt with either. For this reason, no further decision of a practical nature was reached on the subject of these proposed modifications. That was the reason—not that this might lead to difficulties and prompt renewal of the whole discussion. There was no difference of opinion on that point, Mr Cointat.

**President.** — I put proposed Modification No 12 to the vote.

Proposed Modification No 12 is rejected by 70 votes to 49, with 3 abstentions.

On Article 621, Item 6214: 'Public storage and special sales-disposal procedures', I have proposed Modification No 13, tabled by Mrs Dunwoody, Mr Frehsee, Mr Hansen, Mr Hughes, Mr Laban and Lord Walston, on which, as the rapporteur has just told us, the Committee on Budgets has delivered an unfavourable opinion:

**(A) Expenditure**

Reduce appropriations by: 1 u.a.

**(B) Revenue**

Reduce revenue by: 1 u.a.

**JUSTIFICATION**

Guarantee Section expenditure on the storage and disposal of skimmed milk is expected to increase from 56 million u.a. in 1975 to 470 million u.a. in 1976. It thus accounts for over one-third of the increase in the total Community budget, which will increase from 6.2 to 7.3 thousand million u.a. from 1975 to 1976 despite severe cuts in appropriations for development aid and social and regional policy.

The Council must therefore take a closer look at the effects of the policy so far pursued in this sector.

I put proposed Modification No 13 to the vote.

Proposed Modification No 13 is rejected by 69 votes to 46, with 3 abstentions.

Titles 6, 7 and 8 are adopted.

We pass to Title 9.

First of all, I have two draft amendments.

— draft amendment No 39, tabled by the Group of European Progressive Democrats:

**(A) Expenditure**

Re-insert a new chapter with two token entries.

Chapter 90 — Financial and technical cooperation with non-associated developing countries

Article 900 — Financial cooperation with non-associated developing countries (token entry)

Article 901 — Promoting trade between the Community and the non-associated developing countries (token entry)

**(B) Revenue**

None

President

#### JUSTIFICATION

A general decision on the granting of financial and technical aid to the non-associated developing countries by the Community was contained in the Council resolution of 16 July 1974.

The Commission introduced a new chapter (Chapter 90), 'financial and technical cooperation with the non-associated developing countries', and created two new articles, *Article 900* (financial cooperation with the non-associated developing countries), with an appropriation of 100 million u.a., and *Article 901* (promoting trade between the Community and the non-associated developing countries), with an appropriation of 5 million u.a.

The Council deleted this chapter and Articles 900 and 901, taking the view that the Commission was presuming on later decisions by the Council.

In the light of the Council resolution of 16 July 1974, the inclusion of these token entries in the 1976 budget would have the advantage of confirming the Community's political resolve without prejudicing subsequent Council decisions on the subject.

— draft Amendment No 22, tabled by the Committee on Development and Cooperation:

##### (A) *Expenditure*

Insert a Chapter 90 — Financial and technical cooperation with the non-associated developing countries

Insert an Article 900 — Financial cooperation with the non-associated developing countries

Enter an appropriation of: 40 000 000 u.a.

##### (B) *Revenue*

Increase revenue by: 40 000 000 u.a.

#### JUSTIFICATION

On 22 January 1975, the Council adopted guidelines for financial cooperation with the non-associated developing countries. Proposals were submitted by the Commission on 15 March 1975. On 20 May 1975, the European Parliament requested the Council and Commission to fix as soon as possible the level of the various amounts for financial and technical aid to non-associated developing countries taking account of both the Community's resources and the needs of the non-associated developing countries.

The appropriations are intended to finance agricultural development and food production. They are also intended to promote regional cooperation between the developing countries. The countries concerned here are countries like Bangladesh, Pakistan and India, which suffer from chronic food shortages and are among the world's poorest countries.

Taking into account *inter alia* the statements made by the President-in-Office of the Council on 2 September 1975 at the Seventh Special Session of the United Nations General Assembly and the statements made on behalf of the Community at the World Food Conference held in Rome in November 1974, your committee believes that, if the Community is not to lose its image as a reliable partner, it must keep its word and commence giving the above aid at the earliest opportunity. Bearing in mind the very great need of the developing countries concerned, and above all the economic resources of the Community, your committee believes that an initial appropriation of 40 million u.a. for the above form of cooperation is well justified.

In view of the fact that I have just been informed by the Council that it is decided to insert a Chapter 90 with a single article on promoting trade with the non-associated developing countries and to enter an appropriation of 3.5m u.a., draft Amendment No 23, tabled by the Committee on Development and Cooperation, has been withdrawn.

Since they are mutually exclusive, these two draft amendments must be considered jointly.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) As regards draft Amendment No 39, I had the impression that the Group of European Progressive Democrats had withdrawn it in committee.



**Cointat**

Before going any further, I should like to have confirmation of this withdrawal, for the Group of European Progressive Democrats gave its support to Amendment No 22, which proposes, not a token entry, but an appropriation of 40m u.a. The Committee on Budgets asks the House to vote in favour of Amendment No 22, which was adopted in committee by 15 votes, with 1 abstention.

**President.** — Mr Yeats, does your group maintain its draft amendment?

**Mr Yeats.** — No, Mr President.

**President.** — Draft Amendment No 39 is accordingly withdrawn.

I put draft Amendment No 22 to the vote.

Draft Amendment No 22 is adopted by 122 votes to 0.

On Title 9, I have proposed Modification No 11, tabled by the Group of European Progressive Democrats:

**(A) Expenditure**

Insert a Chapter 91 — Financial and technical cooperation with the Maghreb countries and Malta

Insert an Article 910 — Financial and technical cooperation with the Maghreb countries and Malta (token entry)

**(B) Revenue**

None

## JUSTIFICATION

Financial and technical cooperation with the Maghreb countries and Malta represents a new project. The Commission had introduced a new Chapter (Chapter 91) for financial and technical cooperation with the Maghreb countries and Malta and a budgetary Article 910 (even given a heading) allocated 10 million u.a.

The Council deleted Chapter 91 and Article 910; however, the inclusion of these projects in the 1976 budget as a token entry would be proof of the Community's political determination to help these countries (Algeria, Tunisia, Morocco and Malta) without interfering with the subsequent development of these projects.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets is unanimously favourable.

**President.** — I put proposed Modification No 11 to the vote.

Proposed Modification No 11 is adopted by 116 votes.

On Article 920, Item 9201: 'Food aid: cereals—1976 programme', I have proposed Modification No 6, tabled by the Committee on Development and Cooperation, on which the Committee on Budgets has delivered a favourable opinion:

**(A) Expenditure**

Increase appropriations by:

48 050 000 u.a.

**(B) Revenue**

Increase revenue by the same amount.

## JUSTIFICATION

The Commission proposed an appropriation of 146 020 000 u.a. for supplies of 1 014 350 tonnes of wheat and 50 000 tonnes of rice, the minimum quantities provided for in the triennial programme for the period 1975-1977 (see memorandum on food aid policy, Doc. 37/74).

The Council has cut the appropriations for this item to 97 970 000 u.a. (corresponding to 707 850 tonnes of cereals), and the Community's share is thus increased from 50 to 55%

**President**

On 12 July 1974, the European Parliament approved the Commission's proposals on future Community policy with regard to food aid. On that occasion the European Parliament, among other things<sup>1</sup>,

- approved the overall political conception of the memorandum and supported in particular the proposals for the first indicative three-year programme (1974/1975 and 1976/77), since this was to be carried out entirely in the form of Community aid;
- requested the Commission to include in the Community budget the funds necessary for implementing the planned indicative programme in the time limit set;
- pointed out that the minimum and maximum amounts laid down in the indicative programme represented only a fraction of what was needed by the developing countries to cover food shortages and therefore appealed urgently to the Community to extend aid further in the coming years;
- took the view that increased aid also had political advantages since it would become part of a general European development and peace policy and thus enhance the Community's moral stature in the world and contribute to the fulfilment of the obligations and objectives of the second development decade.

In view of the need for food aid in the developing countries and also in view of the Community's resources (including in particular a stock of 1 million tonnes of skimmed milk powder), your committee considers it politically justified and economically possible to carry out the minimum Commission proposals on food aid for 1976. For the same reasons it also considers that the above mentioned appropriations should be entered in the 1976 budget.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) Proposed Modification No 6 and the following items concern food aid, an important subject which was dealt with during the general debate. I shall say no more about it except to state the position of the Committee on Budgets on each proposed modification.

On proposed Modification No 6, the Committee on Budgets is unanimously favourable.

**President.** — I put proposed Modification No 6 to the vote.

Proposed Modification No 6 is adopted.

On Article 921, Item 9211: '1976 programme for skimmed-milk powder', I have two proposed modifications:

- proposed Modification No 10, tabled by the Group of European Progressive Democrats:

**(A) Expenditure**

Increase appropriations by: 50 000 000 u.a.

**(B) Revenue**

Increase revenue by: 50 000 000 u.a.

**JUSTIFICATION**

The Community has more than 1 million tonnes of skimmed milk powder in stock. The absorption capacity of the world market is virtually nil, with the exception of ration demand for some 100 000 tonnes.

In any case, the sale to Russia of 100 000 to 120 000 tonnes of skimmed milk powder for a minimum price would not solve the problems raised by this enormous stock.

Instead of spending not inconsiderable amounts to obtain a minimum profit by transforming this milk powder into fodder for cattle, the Community will do better to increase its food aid programme in milk products and to distribute this powdered milk to the hungry.

<sup>1</sup> See OJ No C 93 of 7. 8. 1974.

**President**

— proposed Modification No 7, tabled by the Committee on Development and Cooperation:

**(A) Expenditure**

Increase appropriations by: 17 210 000 u.a.

**(B) Revenue**

Increase revenue by the same amount.

**JUSTIFICATION**

The Council proposes that 36 350 000 u.a. be earmarked for this item (this will buy 55 000 tonnes of skimmed milk powder). On the basis of its minimum programme, the Commission proposed an appropriation of 53 560 000 u.a. (which will buy 80 000 tonnes). Community stocks stand at about 1 million tonnes (see proposed modification to Item 9201).

Since these two proposed modifications are mutually exclusive, they must be considered jointly.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) I thought that proposed Modification No 7 had been withdrawn in favour of proposed Modification No 10. Perhaps Lord Reay would tell me whether he agrees with my interpretation.

**President.** — I call Lord Reay.

**Lord Reay.** — I think Proposed Modification No 7 should be held back until a vote has been taken on Proposed Modification No 10. If Proposed Modification No 10 is adopted, Proposed Modification No 7 can be withdrawn.

**(A) Expenditure**

Item 9221 — 1976 programme

Increase appropriations by: 1 490 000 u.a.

**(B) Revenue**

Increase revenue by the same amount.

**JUSTIFICATION**

The Council proposes an appropriation of 2 330 000 u.a. for this item (corresponding to 6 100 tonnes of sugar), whereas the Commission had proposed supplying 10 000 tonnes of sugar (estimated cost 3 820 000 u.a.) in line with its minimum programme. (See proposed modification to Item 9201.)

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets declared itself in favour of this proposed modification by 12 votes to 2, with 1 abstention.

**President.** — I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) Thank you, Lord Reay.

The Committee on Budgets is unanimously in favour of proposed Modification No 10.

**President.** — I put proposed Modification No 10 to the vote.

Proposed Modification No 10 is adopted. Proposed Modification No 7 accordingly is without foundation.

On Article 922: 'Food aid: sugar', I have proposed Modification No 8, tabled by the Committee on Development and Cooperation:

**President.** — I put proposed Modification No 8 to the vote.

Proposed Modification No 8 is adopted.

On Article 923: 'Food aid: other commodities' I have proposed Modification No 9, tabled by the Committee on Development and Cooperation:

**President****(A) Expenditure**

Enter an appropriation of: 20 000 000 u.a.

**(B) Revenue**

Increase revenue by the same amount.

## JUSTIFICATION

The Council has only a token entry for this item. Under the minimum programme, the Commission has calculated that 20 000 000 u.a. would be needed to cover expenditure for other food aid commodities (processed cereal products, dehydrated eggs, etc.) which could ensure balanced nutrition. (See proposed modification to Item 9201.)

What is the rapporteur's view?

Proposed Modification No 9 is adopted.

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets is unanimously in favour.

On Chapter 93: 'Special measures for financial and technical cooperation with the developing countries', I have draft Amendment No 24, tabled by the Committee on Development and Cooperation:

**President.** — I put proposed Modification No 9 to the vote.

**(A) Expenditure**

Insert an Article 938 — Aid for cooperation projects with the developing countries carried out by non-governmental organizations

Enter an appropriation of: 2 500 000 u.a.

**(B) Revenue**

Increase revenue by: 2 500 000 u.a.

## JUSTIFICATION

These appropriations are to help finance specific projects, principally in the social and humanitarian fields, carried out by private charitable organizations in the various Member States to help developing countries.

The projects concerned, although undeniably useful and beneficial, are generally too limited to be undertaken by public authorities. If they are undertaken by private organizations, this avoids the high administrative costs which public authorities would have to bear if they participated directly in such projects.

In its resolution of 20 May 1975, the European Parliament urged the Commission to submit proposals on this point. In its explanatory memorandum on the draft general budget for 1976, the Council states that it 'did not consider it necessary to create a budgetary item for aid for cooperation projects with the developing countries carried out by non-governmental organizations. The Commission had not, in fact, made any proposals regarding such projects.'

Although the Commission subsequently submitted proposals, the Council was unable to reach a decision on 13 October 1975. The Commission drew up its proposals after having duly consulted with 35 non-governmental organizations from the 9 Member States. Your committee believes that, in accordance with the European Parliament's resolution of May 1975, 2 500 000 u.a., i.e., half the amount proposed by the Commission, represents a minimum appropriation for such projects, the usefulness of which has been underlined on many occasions by the European Parliament.

What is the rapporteur's view?

Draft Amendment No 24 is adopted by 113 votes to 0.

**Mr Cointat, rapporteur.** — (F) The Committee on Budgets is unanimously in favour.

On Article 980: 'Non-allocated provisional appropriations', I have draft Amendment No 86, tabled by Mr Cousté on behalf of the Group of European Progressive Democrats, on which the Committee on Budgets has delivered an unfavourable opinion:

**President.** — I put draft Amendment No 24 to the vote.

**President****(A) Expenditure**

Increase appropriations by:	2 500 000 u.a.
Increase revenue by:	2 500 000 u.a.

**JUSTIFICATION**

In its resolution of 15 July 1974, the Council came out in favour of Community guidelines for policies to promote data-processing. On 5 March 1975, the Commission forwarded to the Council the first proposals for priority projects to cost 4 million u.a. In its preliminary draft budget for 1976, the Commission therefore proposed the allocation of 4 million u.a. to Item 3211 (research projects in the data-processing sector).

The Council did not accept this proposal. Instead, it made a token entry against Item 3211, and put in reserve under Chapter 98 the amount of 1.5 million u.a.

The Council's choice of Chapter 98 is acceptable, but the amount it proposes seems entirely inadequate. This is why our amendment seeks to increase by 2.5 million u.a. the appropriations proposed for this project in Chapter 98 to 4 million u.a.

What is the rapporteur's view?

Draft Amendment No 86 is rejected by 67 votes to 32.

**Mr Cointat, rapporteur.** — (F) This concerns an appropriation to promote data-processing. The Committee on Budgets asks the House to reject this amendment, as it did itself by 14 votes to 8.

Again on Article 980, I have two draft amendments:

**President.** — I put draft Amendment No 86 to the vote.

— draft Amendment No 74, tabled by the Committee on Budgets:

**(A) Expenditure***Specify:*

'Appropriations intended for Article 550: European Regional Development Fund'

Increase appropriations by:	150 000 000 u.a.
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**(B) Revenue**

Modify revenue accordingly.

**JUSTIFICATION**

The purpose of this amendment is to reinstate the appropriations requested by the Commission (450 million u.a.) for Regional Fund payments.

However, the Committee on Budgets felt that the additional 150 million u.a. thus proposed should be put in reserve — i.e. entered under Chapter 98 — to be used only if necessary and by means of the transfer of appropriations procedure; this would avoid having to submit a supplementary budget and would at the same time involve Parliament (which must be consulted on transfers from Chapter 98) in the financial operations of the Regional Fund.

— draft Amendment No 25, tabled by the Committee on Regional Policy and Transport:

**(A) Expenditure***stipulate*

'appropriations to be allocated to Article 550; European Regional Development Fund'

Increase appropriations by:	75 000 000 u.a.
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**(B) Revenue**

Increase revenue by:	75 000 000 u.a.
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## President

## JUSTIFICATION

1. The Council, in its explanatory memorandum on the European Regional Development Fund (volume 7, page 24):

- 'felt that the amount for payment authorizations proposed by the Commission for 1976 (450 million u.a.) was too high;
- 'pointed out that *no payment* had as yet been made for 1975 and considered that the rate of payments envisaged by the Commission for 1976 would not be feasible;
- 'in view of this experience, feels that the requirement for payments to be charged to the 1976 appropriations can be catered for with 300 million u.a. in payment authorizations under Article 550'.

2. The estimates by the Council and Commission had been submitted before the Fund had commenced its operations; a significant number of decisions had been taken at the first meeting of the Fund's Management Committee on 14 and 15 October 1975.

The first instalment of the aid allocated on that occasion amounted to 160.6 million u.a., of which 93.9 million u.a. constituted payment authorizations for 1975. The second instalment of aid will be decided on in December. It is therefore likely that the payment authorizations provided for in the 1975 budget (150 million u.a.) will be spent at the end of the year.

3. In the light of the applications submitted to the Fund, the Committee on Regional Policy and Transport therefore considered it advisable to correct the initial estimates by the Commission and the Council.

In the light of the *experience gained at the end of 1975*,

- the rate of payments in relation to commitments proposed by the Commission in the preliminary draft budget (60% of commitment appropriations) should be reduced.

The Commission has recognized that in 1976 a greater effort will have to be made to enable the Regional Fund to extend aid for new projects extending over several years;

- however, the percentage of commitments covered by the payment appropriations provided for by the Council will have to be increased (30% of the commitment appropriations).

In fact, contrary to the Council's estimates, the payment appropriations included in the 1975 budget will be spent and the present *slowing-down* of economic activity—which is particularly affecting the least-favoured regions of the Community, mainly because of the decline in investments—makes an immediate payment flow a necessity.

These payments, to the regions which have derived the least benefit from the economic growth resulting from the development of the Common Market, must be *substantial if they are to be effective*.

The Committee on Regional Policy and Transport therefore proposes to include the sum of 375 million u.a. in the budget for payment appropriations (i.e., 45% of the commitment appropriations).

4. In the event of the payment appropriations proving insufficient at the end of 1976, the Council has undertaken, however, to draw up a supplementary draft budget if necessary in order to cover the payments.

The European Parliament has always been opposed to the idea of drawing up supplementary budgets in the course of the financial year.

In the light of the information available, it is difficult to make an objective assessment of the Fund's financial requirements in 1976 and therefore to judge whether the sum of 375 million u.a. corresponds exactly to its needs.

The Committee on Regional Policy and Transport therefore proposes that 75 million u.a. should be included in Article 98, stipulating that these are provisional appropriations 'to be allocated to Article 550; European Regional Development Fund'.

5. With this figure of 75 million u.a., Parliament's possibilities of increasing non-compulsory expenditure, which are confined to 78 million u.a., are thus exhausted. Other sectors, such as energy, research, social affairs and development aid, are also of priority importance. It is therefore important to avoid allocating the

**President**

78 million u.a. to too many different purposes since this is prejudicial to the effectiveness of the aid.

The Committee on Regional Policy and Transport therefore suggests that the increase in the expenditure of the Regional Fund should be combined with the total increases in expenditure which will have to be negotiated between Parliament and the Council in order to fix a new rate of increase for non-compulsory expenditure.

Since these two draft amendments are mutually exclusive, they must be considered jointly.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) With regard to the Regional Fund, the Committee on Budgets voted on two separate issues.

The first was a question of principle namely, whether additional appropriations should be entered under Chapter 98. Here the majority of committee members decided that they should.

The second question was whether the increase in appropriations should amount to 75 million or 150 million units of account under Chapter 98.

**(A) Expenditure**

Insert an Article 981 — Non-allocated provisional appropriations for the EAGGF Guarantee Section

Make a token entry

**JUSTIFICATION**

To avoid having to resort regularly to the supplementary budget procedure every year to cope with the financial consequences of the review of agricultural prices, a special Article should be created for this purpose.

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — (F) The committee advises the House to adopt this amendment, which it adopted itself by 12 votes to 1, with 1 abstention.

Its purpose is to encourage the Commission to make provision in future for the review of agricultural prices.

**President.** — I put draft Amendment No 83 to the vote.

Draft Amendment No 83 is adopted by 107 votes to 2, with 1 abstention.

Section III, thus amended and qualified by proposed modifications, is adopted.

We pass to Section IV: 'Court of Justice', on which no draft amendments or proposed modifications have been tabled.

Section IV is adopted.

The Committee on Budgets recommends the House to adopt draft Amendment No 74, providing for an increase in appropriations of 150 units of account, and to reject draft Amendment No 25, which would limit this increase to 75 million units of account.

**President.** — I put draft Amendment No 74 to the vote.

Draft Amendment No 74 is adopted by 107 votes to 0, with 2 abstentions.

Amendment No 25 accordingly becomes inapplicable.

On Chapter 98: 'Non-allocated provisional appropriations', I have draft Amendment No 83, tabled by the Committee on Budgets:

We now proceed to the deferred consideration of 'Revenue'.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — (F) I merely wanted to point out to the House that the proposals of the Committee on Budgets amounted to an increase in non-obligatory expenditure of 313m u.a. and that the votes taken this morning increase this expenditure by 321m u.a.

**President.** — The revenue is adopted, on the understanding that it shall conform to the votes taken.

No proposal for a total rejection of the draft general budget has been submitted. Consequently, I put to the vote, as a whole, the draft general budget of the European Communities for the financial year 1976 as amended and qualified by proposed modifications.

**President**

The draft general budget for the financial year 1976 is adopted by 112 votes to 3, with 1 abstention.

Pursuant to the internal rules of procedure for consideration of the draft general budget, this document will be annexed to the minutes of proceedings of the present sitting and forwarded to the Council.

Ladies and gentlemen, I wish to thank you for your attention and for your hard work. I am gratified that this House once more has met its budgetary obligations so conscientiously. I am infinitely grateful to you.

*(Applause)*

We shall now proceed to vote on the motions for resolutions contained in the reports by Miss Flesch and Mr Cointat.

I put to the vote the motion for a resolution contained in the report by Miss Flesch on Section I: 'Parliament' (Doc. 366/75).

The resolution on Section I is adopted.<sup>1</sup>

I put to the vote the motion for a resolution contained in the report by Miss Flesch on Sections II: 'Council' and IV: 'Court of Justice' of the general budget (Doc. 367/75).

The resolution on Sections II and IV is adopted.<sup>1</sup>

I thank Miss Flesch and offer her my congratulations.

*(Applause)*

We shall now consider the motion for a resolution contained in the report by Mr Cointat on Section III: 'Commission'.

I call Mr Cointat.

**Mr Cointat, rapporteur.** — *(F)* Mr President, the following should be added to the preamble: 'having regard to the Council's letter of amendment to the draft budget adopted by the Council on 5 November 1975 and forwarded on 6 November 1975'.

**President.** — Subject to this insertion, I put to the vote the preamble and paragraphs 1 to 25.

The preamble and paragraphs 1 to 25 are adopted.

After paragraph 25, I have Amendment No 1, tabled by Mr Gerlach and worded as follows:

'After paragraph 25, insert a new paragraph as follows:

"25a. Nevertheless calls on the Commission to review the staff structure together with representatives of the Institutions and organs of the Communities, trade unions and the Staff Regulations Committee, in order to ensure the rational and efficient employment of staff at all levels and in all departments; also calls for efforts to be made, if necessary, to review the staff regulations in order to bring the system of remuneration and salaries into line with present and future factors and requirements;"'

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — *(F)* The Committee on Budgets is favourable to this amendment.

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

Amendment No 1 is adopted.

I put paragraphs 26 to 28 to the vote.

Paragraphs 26 to 28 are adopted.

After paragraph 28, I have Amendment No 2, tabled by Mr Cipolla and worded as follows:

'After paragraph 28, insert the following new paragraph:

"28a. Considers it advisable to charge part of the expenditure of the EAGGF Guarantee Section to the national budgets of the countries which produce agricultural surpluses in order to transfer the responsibilities to these countries and stimulate EEC policy in the other sectors;"'

What is the rapporteur's view?

**Mr Cointat, rapporteur.** — *(F)* The Committee on Budgets asks for the rejection of this amendment, which it itself rejected by 18 votes, with 2 abstentions.

**President.** — I put Amendment No 2 to the vote. Amendment No 2 is rejected.

I put paragraphs 29 to 38 to the vote.

Paragraphs 29 to 38 are adopted.

I call Mr Cipolla for an explanation of vote.

**Mr Cipolla.** — *(I)* Mr President, on behalf of the Communist Group it is my duty to state that we shall vote against the motion for a resolution as a whole. I do not wish to waste the Assembly's time, particularly since my colleague Mr Fabbri explained during the general debate the reasons that prompted us to vote against the draft budget as presented by the Commission and, even more so, against this draft as modified by the Council of Ministers.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.



## Cipolla

It is nevertheless necessary to add a few words after the votes that have taken place in the course of this sitting, particularly as regards the agricultural sector of our budget. I should like to say to Mr Cointat, who evinces a certain degree of arrogance when treating the amendments tabled by my party, that to refuse to accept even a symbolical reduction of one unit of account, as proposed by our colleagues of the Socialist Group, was a sign of profound weakness on the part of the majority of members of the Committee on Budgets and also of a majority of this House.

This is a demonstration, not of strength, but of weakness. You, Mr Cointat, who belong to a country and a political group that bear responsibility for the absurdities of the present common agricultural policy, are well aware that the day the common agricultural policy is subjected to close examination, it will have to be profoundly modified.

I would go so far as to ask, Mr Cointat, why, since, as you well know, there is no longer a single market for agricultural products, one must insist upon complete financial solidarity with regard to expenditure of the Guarantee Section and nothing else. Why must expenditure in this section be borne entirely by the Community while all other kinds of expenditure—expenditure on research, expenditure from the Guidance Section, from the Social Fund or from the Regional Fund—have to be treated differently?

Mr Cointat, your position is one of extreme weakness, as is that of the Parliament when it refuses to discuss modifications concerning the Guarantee Section, because this demonstrates that it is very far from wishing to make progress. This is a millstone round the neck of the European Community which hampers the proper development of other policies and of all other projects.

That is why, ladies and gentlemen, we confirm what has been said by our colleague Mr Fabbrini and why we shall vote against the motion presented by Mr Cointat.

**President.** — I put to the vote the motion for a resolution as a whole and as modified by the amendment that has been adopted.

The resolution, thus amended, is adopted.<sup>1</sup>

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

The House will rise.

## IN THE CHAIR: MR SPÉNALE

*President*

*(The sitting was suspended at 1.00 p.m. and resumed at 3.20 p.m.)*

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

## 7. United Nations resolution on Zionism

**President.** — In accordance with this morning's decision, a vote will now be taken on the motion for a resolution tabled by Mr Giraudon on behalf of the Political Affairs Committee, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the resolution of the General Assembly of the United Nations on Zionism (Doc. 376/75/corr.).

I would remind the House that only one representative of each Group and one non-attached Member may speak for a maximum of two minutes each.

I call Mr Giraudon to speak on behalf of the Political Affairs Committee.

**Mr Giraudon.** — (I) Mr President, I rise to speak on behalf of the Political Affairs Committee and, if I may be permitted, on behalf of the Christian-Democratic Group to state my Group's full agreement with the motion for a resolution put forward by the Political Affairs Committee, which accepted and approved it by a very large majority. This full agreement thus reflects our total condemnation of the resolution passed by the General Assembly of the United Nations.

Two minutes are not enough to express at any length the basic characteristics and the profound and obvious differences which exist between Zionism and racism. I shall only say that we in particular, the people of Europe, have—unfortunately—had direct experience of the cost in blood and tears of the tragic confrontation between Zionism and the most merciless racism. For this reason, ladies and gentlemen, I feel that any claim to equate Zionism with racism is unthinkable and completely unacceptable. We reject it utterly, in the profound belief that in so doing we are acting in a manner consistent with the efforts of this Parliament and the governments of the Community to further discussions with all the Mediterranean nations and, in keeping with other resolutions passed by the General Assembly of the United Nations, to contribute in the best possible way to the attainment of a peaceful solution for that part of the Middle East, in which we hope that the rights of all

<sup>1</sup> OJ C 280 of 8. 12. 1975.

**Giraud**

those involved, including the Palestinians, may be safeguarded and guaranteed.

It is in this spirit, Mr President, that while making known our protest and our condemnation of the United Nations' decision, we express also the desire and the hope that this event will not create a further obstacle to the swift achievement of a fair peace in the Middle East.

*(Applause)*

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

**Mr Broeks.** — *(NL)* Mr President, ladies and gentlemen, immediately following the announcement of the result of the United Nations vote on the Zionism resolution our Group issued a press release denouncing it as scandalous. We are gratified that Parliament now has the opportunity to express its condemnation of a resolution which has been justly described as incomprehensible and absurd. I am certain that there is no need in this House to explain the difference between racism and Zionism, and the two minutes allotted to us are therefore sufficient. We wholly approve of this motion for a resolution, and agree that it should be forwarded to the President of the United Nations.

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

**Mr Sandri.** — *(I)* Mr President, our Group is in decided disagreement with the resolution of the United Nations, to the extent to which Zionism is quite incomprehensibly associated with racism. Nevertheless, Mr President, we do not believe that we can support the motion for a resolution tabled by Mr Giraud because we do not feel it is correct to say that the General Assembly of the United Nations, indeed the United Nations itself, its threatened with a loss of all respect for its universal vocation in the service of world peace. We feel that this criticism, dictated solely by the fact that the United Nations has passed a resolution which is displeasing to us, is without foundation or justification, and is based on ulterior motives. In our opinion it would be much more useful to react to the United Nations' resolution, of which we also disapprove, by expressing again the hope that the problem of the Middle East may be solved on the basis of the right of Israel and of the Palestinian people to have each their own state and their own homeland.

For these reasons, and since we cannot accept the arguments underlying the motion for a resolution tabled by Mr Giraud, the Communist Group will abstain from voting.

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

**Mr Terrenoire.** — *(F)* Mr President, honourable Members, the Group of European Progressive Democrats wishes to express its severe condemnation of and grave concern at the United Nations resolution equating Zionism with racism. This resolution is all the more regrettable in that it will do nothing to promote, indeed quite the contrary, a peaceful settlement of the Middle East question.

Our Group has no qualms in condemning this resolution, for in the past it has always made clear its desire to see the swift implementation of the United Nations Resolutions 242 and 338, which were adopted after the wars of 1967 and 1973.

It is our view that peace in the Middle East will only be attained by an agreement among all the parties, by the liberation of the occupied territories, and by taking into account the legitimate rights of the Palestinian people. For this reason we consider that this resolution is in conflict not only with the sentiments one must naturally feel for a people which has suffered persecution, but also with the need for agreement and peace.

*(Applause)*

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

**Mr Scott-Hopkins.** — Mr President, my group supports the resolution moved by Mr Giraud on behalf of the Political Affairs Committee. We condemn the stupid action which in our view has been taken by the General Assembly, and I would like to underline that what is happening in the General Assembly is bringing the United Nations into disrepute. The United Nations was originally intended to bring peace and settle matters at international level, and we believe that what has happened recently has not enhanced its reputation in any way whatever. We wish to point out quite clearly that such actions do nothing to further the cause of peace, and while we must also bear in mind that we in this House must take account of both sides of all arguments, in this particular case we support the motion for a resolution tabled by the Political Affairs Committee and condemn the action of the United Nations General Assembly.

*(Applause)*

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

**Mr Hougardy.** — (F) Mr President, I have little to add to what has just been said, except to say that we, too, deplore the resolution in question, which is indeed incredible. It is a terrible burden for those who experienced what happened before the war and who fought against racism in the reasonable hope that such a thing would never recur to have to fight yet again for the same cause. The UN resolution must be condemned, and for this reason the Liberal and Allies Group will support the present motion submitted on behalf of the Political Affairs Committee.

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Mr President, may I just add my voice and say that I, too, will support this resolution. I do not think that it is appropriate for organizations such as the United Nations, which is meant to be of assistance in solving problems, to be too free in throwing out words that are based on hatred. It is my observation that when one such word is used by one organization, it is very often followed by more of the very thing it is seeking to prevent, and it seems to me that if words such as 'racism' are bandied about there will be less hope of reaching peace in the Middle East. It also appears to me that some of the countries who cast their votes for the United Nations resolution have aspects of their own national law and their own internal affairs that might merit condemnation if one were to start issuing condemnations. Some even have vestiges of racist policies of their own. I think that the degree of selectivity that was shown by the United Nations is really insulting to our intelligence. I certainly do not equate Zionism with racism, and I wonder a little if there is not an overtone of anti-Semitism on the part of some of those who cast their votes as they did. So I shall have no hesitation for my own part in voting for this resolution.

(Applause)

**President.** — This item is closed.

I put the motion for a resolution to the vote.

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

I call Mr Prescott on a question of procedure.

**Mr Prescott.** — Mr President, I am informed that the Rules of Procedure of this House permit Members to give an explanation of vote. I appreciate that this could be abused, but I feel strongly about the point in view of the fact that one or two Members have abstained and I

believe an explanation of vote is called for. Can you tell me whether that is in order?

**President.** — Mr Prescott, this morning, when these items were added to the agenda to be dealt with by urgent procedure, the House unanimously decided to allow the Group spokesmen to speak for two minutes each and to take the vote immediately afterwards.

**Mr Prescott.** — Just for the record, you gave me permission to go back to the United Kingdom yesterday, which is why I was not here this morning. I apologize, but I was an hour late for the vote. You tell me, then, that the Members of this House are not entitled in any way to claim what I thought was their right to give an explanation of vote. Whether political group chairmen agree on that or not is somewhat irrelevant to the rights of individual Members of this House. If I am wrong about the individual right of Members, namely to give an explanation of vote—and you suggest this is not allowed in this case—then I do not feel I can proceed. But is it absolutely true to say that the procedure of this House does not accord the right to give explanations of vote, which clearly must come after a vote and not before it, I would have thought?

**President.** — You are certainly aware, Mr Prescott, that Parliament is at all times sovereign in its own affairs. You were not here this morning; that cannot alter a decision adopted unanimously.

This morning we decided that we could only include these questions on the agenda on condition that only one speaker per Group should be allowed to speak for two minutes. We are now merely making sure that our own decision is adhered to.

#### 8. Resolution on Nobel Peace Prize for Sakharov

**President.** — The next item is the motion for a resolution tabled by Mr Jean Durieux on behalf of the Political Affairs Committee, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the award of the Nobel Peace Prize to Andrei Sakharov (Doc. 377/75).

I would remind the House that only one representative of each Group may speak for a maximum of five minutes each.

I call Mr Alfred Bertrand, deputizing for Mr Durieux, rapporteur.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**Mr Alfred Bertrand.** — (NL) Mr President, Mr Durieux has asked me to take his place as he has had to leave early. I should point out that when the Political Affairs Committee gave its approval yesterday afternoon to the motion for a resolution published under No PE 42.615 it was not aware of the decision which had just been taken by the Soviet authorities to forbid Mr Sakharov to go to Oslo in December to receive his prize. In view of this new development, and following agreement with the chairmen of five of the groups, the Political Affairs Committee has tabled an amendment to the motion for a resolution which it approved yesterday.

I would therefore draw your attention to the fact that under this amendment the text of paragraph 1, which reads: 'express the hope that Andrei Sakharov should be enabled to accept the Nobel Peace Prize in person' should be replaced by two new paragraphs, the text of which has been distributed in all languages and reads as follows: 'Condemns the refusal of the Soviet authorities to grant Mr Andrei Sakharov a visa enabling him to go to Oslo to receive the Nobel Peace Prize in person; considers that this refusal is manifestly at variance with the undertaking resulting from the final act of the Helsinki Conference on Security and Cooperation in Europe.'

This is the amended motion which we now submit to Parliament for approval. There is no need for me to add any comments to this; the text speaks for itself. It puts forward two opinions: firstly, it condemns the lack of respect for human rights by a government towards one of its subjects and secondly it notes that, as we feared from the outset, the third basket of the final act of the Helsinki Conference is a dead letter for the Soviet authorities, and they do not intend to live up to it, despite their calls for *détente* and cooperation. When it comes to complying with something which is not to their taste they just do not do it. That is what this motion for a resolution is about. I urge the House to adopt it.

(Applause)

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

**Mr Hamilton.** — It gives me little pleasure, but it is a very great honour to have to speak to such a motion officially on behalf of the Socialist Group, and I think it a duty to do so. It is our duty to condemn the Soviet Government for the action it has now taken in defiance of the basic principles of human rights and to speak out fearlessly and unequivocally in favour of the maintenance of these rights throughout the

world. We now know, as Mr Bertrand says, that the USSR has decided to refuse Mr Sakharov permission to go to Norway next month to receive his Nobel Peace Prize. For a long period, Mr Sakharov's actions and words have been watched and read with admiration by all those who value the basic right of men to speak freely, even to criticize their own governments, without fear of punishment of any kind. Any society which denies those rights must be condemned by all free men. The Government of the Soviet Union, by this action against Mr Sakharov, has defied those principles and has made a mockery of both the letter and the spirit of the Helsinki agreements.

The USSR bases its decision on specious arguments: one, that Mr Sakharov has in his knowledge state secrets resulting from his work as a nuclear scientist, and the other, that criticism such as is being made in this Assembly today is tantamount to an interference in the internal affairs of the Soviet Union, and therefore in itself violates the spirit of the Helsinki agreements. I believe that this Assembly should reject these arguments as spurious and specious.

Ever since the award was announced, Mr Sakharov has been attacked in the Soviet press as a reactionary, paid hack and a traitor to his native country. Any government attacking one of its citizens in this way must, by definition, be weak and fearful of even the mildest of criticism of itself.

This European Parliament is an exciting experiment in the practice of international cooperation, tolerance and, above all, freedom of speech. The Soviet Union, by its action, has spat in the face of all that we stand for here. On any grounds its action is reprehensible and indefensible. All free men must express loudly and clearly their sense of outrage, and I hope that the unanimous condemnation by this Assembly of this recent action of the Soviet Union will be forthcoming very soon.

(Applause)

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

**Mr Bertrand.** — (NL) Mr President, the Christian-Democratic Group is deeply shocked and disappointed by the refusal to grant a visa to Mr Sakharov, the Nobel Peace Prize winner, especially in view of the reason given by the authorities that 'state security' is at stake! This will be seen as sheer hypocrisy by anyone who is at all familiar with the situation of the Nobel Prize winner in his country; is it not common knowledge that he has not been admitted to scientific research centres since 1968? He has

**Bertrand**

been barred from them since that time because he opposed the invasion of Czechoslovakia. For over seven years he has had no further access to scientific documents and top secrets in scientific research in the Soviet Union, so it is really quite impossible for him to jeopardize state security. We are deeply concerned at this contravention of human rights, particularly at a time when we hoped that the Soviet Union, after taking such pains to bring the Conference on Security and Cooperation in Helsinki to a successful conclusion, and after solemnly signing the final act, would be making great efforts to promote freedom of movement, and freedom of expression and contacts. We are, however, compelled to observe that its government and authorities have no respect for their own signature and have no intention of living up to it. This is of such enormous importance for us that we as Christian-Democrats also venture to express the hope that the nine Member States will take due note of this development and will, at an appropriate time, draw the necessary conclusions from the facts observed.

At the same time I express the hope, on behalf of the Christian-Democratic Group, that our Communist colleagues in this House will prove to us today that they are free men who can also criticize things which are not consistent with certain principles to which they seem so attached. If they cannot do this today, I shall infer that they are no more than robots jumping to the commands of a foreign state, and we should be very disappointed to learn that, seeing that they claim to be willing to cooperate with us in this House for the construction of Europe.

Finally, Mr President, we as Christian-Democrats hope that the nine member governments will react unanimously to this violation of the Helsinki agreement, especially at the Council session on political cooperation to be held in Rome on 1 and 2 December, and that in view of these events they will continue to monitor developments in East-West relations very closely and draw the necessary conclusions from them.

The Christian-Democrats therefore wholeheartedly support this motion for a resolution.

*(Applause)*

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

**Mr Hougardy.** — *(F)* Mr President, there can be no doubt that the Helsinki Conference, which was the subject of such long and careful preparation, had raised great hopes among all those who hoped that bringing the peoples of the world closer together would ensure the defence of human rights and freedom of expression. In

deciding to forbid Mr Sakharov, who is after all a leading citizen of his country and a great scientist, to go and receive his Nobel Prize the Soviet Union has profoundly disappointed and shocked all democrats who believed that the Helsinki agreements would prove to be of real significance.

All those democrats, all those who desire freedom of expression to be respected throughout the world, irrespective of political, philosophical or religious beliefs, all those who believed in the sincerity of the signatories at Helsinki must now question the value of the agreements. Mr President, for the Liberal and Allies Group this attitude defies description but we hope, like Mr Bertrand, that the motion submitted to you will be adopted unanimously, thereby showing that the Members of this House are all free men who fervently desire peace and the reconciliation of men.

*(Applause)*

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

**Mr Scott-Hopkins.** — Mr President, not a great deal remains to be said, except that my group fully supports the amendment to the original resolution tabled by Mr Bertrand. We are equally shocked by the decision of the Soviet Union. When I first saw the initial resolution, I wondered whether it was worth debating in this House, whether it would in fact help Mr Sakharov, but that is all in the past, because the Soviet Government has quite arbitrarily decided to refuse him permission to go and receive his prize. And the grounds, as the member of the Socialist Group has said, are absolutely spurious. Lord Bethell, who happens to be a friend of Mrs Sakharov, spoke to her on the telephone this morning, and she assured him that there was absolutely no basis at all for the claim that Mr Sakharov had access to secret information of a scientific nature. He had not had access to such information since 1968. I therefore entirely agree with the words used by Mr Hamilton in condemning that particular ground on which the Soviet Government has refused Mr Sakharov permission to go and accept his well deserved reward.

I think little else remains to be said, Mr President, on behalf of myself and my group, other than that we support the amendment which Mr Bertrand has tabled and I sincerely hope this House will give it its wholehearted support.

*(Applause)*

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

**Mr Bordu.** — (F) Mr President, ladies and gentlemen, I should like to inform you of the views of the Communist Group on the problem under discussion. I would remind the House that on 21 October of this year the Bureau of the European Parliament rejected a proposal urging the liberation of Luis Corvalan and 9 other Chilean political leaders. I would also remind you that the majority of the Members of this House refused to adopt an opinion on the serious violation of civil liberties implied in the barring of certain persons from particular occupations in West Germany; that communists and progressives are rotting away in prisons throughout the world without the European Parliament ever making much of a protest, and that Parliament's information office has remained open in Santiago de Chile.

We are obliged to confess that all this casts doubt on the sincerity of this unilateral initiative in the Sakharov affair. It seems all the more dubious to us, Mr Hougardy, in that Mr Achenbach is a member of the Liberal Group which bears a share of the responsibility for this motion...

I can say all these things with a perfectly clear conscience since everyone knows—if he takes the trouble to find out—that our views on freedom of expression, movement and opinion are totally unequivocal. As I have said before, we regard these freedoms as indivisible.

Communists are indeed free, Mr Bertrand, and with this in mind they will not fail to dissociate themselves from groups or representatives whose intention here is to exploit this political event, irrespective of the opinion they may have on the matter.

(Laughter)

Let us be honest about this: for months now there has been one resolution after another defending a one-way kind of freedom, with the same people attacking the same targets. Today, with the last resolution, they have gone even further, condemning the United Nations and thus ignoring the real problem of peace and the rights of the Palestinian people.

I think one can detect a political thread in these attitudes, to which we have tried to draw your attention. That is our opinion on the matter. It naturally means that we shall refuse to vote in favour of this unilateral resolution.

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

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1 I have Amendment No 1, tabled by Mr Durieux on behalf of the Liberal and Allies Group, Mr Alfred Bertrand on behalf of the Christian-Democratic Group, Mr de la Malène on behalf of the Group of European Progressive Democrats, Mr Scott-Hopkins on behalf of the European Conservative Group and Mr Fellermaier on behalf of the Socialist Group:

'Delete paragraph 1 of the motion for a resolution and replace it by the following new paragraphs 1 and 2:

- "1. condemns the refusal of the Soviet authorities to grant Mr Andrei Sakharov a visa enabling him to go to Oslo to receive the Nobel Prize in person;
2. Considers that this refusal is manifestly at variance with the undertakings resulting from the final act of the Helsinki Conference on Security and Cooperation in Europe;"'

I call Mr Alfred Bertrand.

**Mr Alfred Bertrand.** — (NL) Mr President, I have already explained these paragraphs in my introduction. I do not think that I need add anything more. They are clear, and so an immediate vote can be taken.

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

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

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

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

#### 9. Regulation on the extension of trade union rights

**President.** — The next item is the 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 regulation amending Regulation (EEC) No 1612/68 on the extension of trade union rights to workers moving within the Community (Doc. 354/75).

I call Mr Dondelinger.

<sup>1</sup> OJ C 280 of 8. 12. 1975.

**Mr Dondelinger, rapporteur.** — (F) Mr President, ladies and gentlemen, I am very pleased. Instead of being considered last night at the end of the agenda, this report is now the first report of the day. I am reminded of a certain book which says that the last shall be first.

Article 8 of the Council Regulation of 15 October 1968 on freedom of movement for workers within the Community contains the following very important provision: 'A worker who is a national of a Member State and who is employed in the territory of another Member State shall enjoy equality of treatment as regards membership of trade unions and the exercise of rights attaching thereto, including the right to vote; he may be excluded from taking part in the management of bodies governed by public law and from holding an office governed by public law.' A little further on, the Regulation states: 'This Article shall be reviewed by the Council on the basis of a proposal from the Commission which shall be submitted within not more than two years.'

But this amendment was not proposed within the promised time limit. In fact, it was not until 15 September 1975 that the Commission submitted to the Council the proposal for a regulation. The Council, for its part, decided to consult this House a week later, namely on 22 September 1975.

But what a surprise there was for the Committee on Social Affairs and Employment when we came to consider the proposal. You will recall, ladies and gentlemen, that in September at the last part-session held in Luxembourg, this Parliament unanimously approved a directive concerning an action programme in favour of migrant workers, which was presented by Mr Albers.

In this directive the rights of migrant workers are well defined, including that of eligibility for bodies governed wholly or in part by public law.

But the Commission's proposal, although it dates from the same month of September, disregards this right of eligibility. Firstly, it considers only workers from the Member States; and then in the second paragraph it states, 'The exercise of trade union rights under the same conditions as those of national workers does not, however, automatically entitle him to take part in the management of a body governed by public law or to hold an office governed by public law.'

It was at this point that the Social Affairs Committee gave Mr Albers and myself the task of pointing out the omission and asking the Commission to consider its own proposal for an action programme in favour of migrant workers.

The text which you can find under paragraph 2 of the motion for a resolution was unanimously adopted by all the members of the Committee on Social Affairs and Employment present at a meeting attended by members of all the political groups.

In fact, in our view, it is unacceptable for the Commission in Brussels not to go so far in this proposal for a regulation as it does in its directives. The result is a lack of consistency in the social sector which is damaging in more ways than one.

Having said this, I should nevertheless like to add that during the same meeting of our Committee on Social Affairs and Employment, we met representatives of the European Trade Union Confederation, and I may say that we found they were in unanimous agreement on the very point which we are discussing here and now. They congratulated us on the step we were taking, expressing unequivocal support for equal trade union rights for nationals, Community migrants and third-country migrants.

The Economic and Social Council took a similar point of view so that if this resolution, and in particular paragraphs 2 and 3, is adopted, Parliament will be acting in harmony with its earlier thinking and voting.

As regards the application of this regulation in the nine Member States, it appears that it should meet with no great difficulties in eight states and that only France will have to amend its relevant social legislation.

Mr President, ladies and gentlemen, my Group, the Socialist Group, has asked me to say that it will vote in favour of the motion for a resolution, with particular emphasis on paragraphs 2 and 3.

(Applause)

#### IN THE CHAIR: MR BORDU

*Vice-President*

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

**Mr Santer.** — (F) Mr President, I have little to add on behalf of the Christian-Democratic Group to Mr Dondelinger's detailed and thorough report on this proposal for a rather limited regulation.

The regulation is limited, firstly, because it is simply a legal sanction for a situation which already exists. Consequently it is of a more or less formal nature. Indeed, the formal recogni-

**Santer**

tion, in Article 8 of Regulation No 1612/68 on freedom of movement for workers within the Community, of the right of workers from a Member State employed in the territory of another Member State to take part in the management and administration of trade unions, represents the essential and logical complement to the right, recognized since 1968, of such workers to join a trade union and to exercise their union rights, including the right to vote.

Further, this proposal which is really a confirmation by the Community of the existing situation in the Member States, is not merely in line with the provisions of Article 48 of the Treaty. It in fact implements the provision on the freedom of movement of workers, which provides for the immediate abolition of all discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of work and employment. The Commission itself recognizes the formal nature of its proposal by saying in the explanatory statement: 'despite the fact that Article 48 of the Treaty has been adjudged to be directly applicable, steps should be taken, in order to assure legal certainty for those persons affected, to consolidate at Community level what Member States have already acknowledged and to amend Article 8 of Regulation 1612/68 by putting an end to the ambiguous situation resulting from its present wording.' So much for the formal nature of the regulation.

Moreover, the content of the proposal is limited owing to the fact that in two respects it falls short of the social action programme outlined in the Council Resolution of 21 January 1974.

First of all, the proposal relates only to Community workers and takes no account of non-Community wage earners, although the resolution clearly called for measures 'to achieve equality of treatment for Community and non-Community workers and members of their families in respect of living and working conditions'. In our view the present proposal continues the discrimination against non-Community wage earners.

Further, I should like to point out that the problem of eligibility for posts in the management and administration of trade unions has been separated from that of the participation of foreign workers in the management of public law bodies and in the exercise of public law office. Now, the action programme in favour of migrant workers, which we recently discussed in this House, provides for the elimination of 'obstacles that still exist in certain Member States with regard to the exercise of trade union rights, including the right to participation as a trade union representative in the manage-

ment of public law bodies and to the exercise of public law office'.

On this point then, the proposal also falls short of the social action programme proposed by the Commission. We consider that the aims of the action programme, as well as those relating to the exercise of civil and political rights, must reach practical realization as quickly as possible in formal proposals from the Commission to the Council.

Mr President, having given our opinion, we welcome the proposal for a regulation and support the motion for a resolution submitted by the Committee on Social Affairs and Employment.

*(Applause)*

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

**Mr Liogier.** — *(F)* Mr President, ladies and gentlemen, the Group of European Progressive Democrats feels duty bound to contribute to the discussion prompted by Mr Dondelinger's excellent report. Our position on this subject is, in fact, slightly different from that of the rapporteur.

Naturally, we are in favour of the proposal, which will permit a harmonization at Community level of the opportunities for migrant workers—no matter where they come from—to attain positions of responsibility in trade unions. As these opportunities are already offered by each of our Member States, it goes without saying that the relevant provisions may be incorporated in Community law. However, we cannot share the rapporteur's opinion as regards paragraph 3 of the proposal for a resolution. He calls upon the Commission, in fact, to include the right of migrants who are union members, to participate in the management of public bodies and to hold office in such bodies.

I should like to point out to this House that under present French legislation—I do not know how the law stands in the other Member States—trade unions are legally represented in official bodies. If we accept the rapporteur's report, we shall be allowing foreigners to sit on the Economic and Social Council, the Planning Committee, the National Budget Committee, on the boards of public undertakings and who knows what else!

But French law demands that only workers of French nationality may be admitted to these posts. Our Group has no quarrel with the fundamental principle. It is simply pointing out



**Llogier**

that in paragraph 3 the resolution is not in line with French law. Many years will undoubtedly be needed before it can be changed in this respect.

In addition, we believe that the task we have before us of constructing a European community suggests and indeed implies the existence of a European spirit. How can we expect migrants who do not necessarily share the same cultural values to share this spirit right away?

The Group of European Progressive Democrats will consequently abstain as far as paragraph 3 is concerned, but will vote in favour of the other paragraphs of the motion for a resolution. *(Applause)*

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

**Mr Normanton.** — Mr President, the European Conservative Group certainly welcomes the Commission's proposals to extend to all workers, regardless of where they come from, the right to vote and hold office in any trade union based in the Community. We see this as an essential accompaniment to the measures which will be brought forward progressively under the migrant worker action programme.

But there is, we feel, an inconsistency in this proposal. In bringing it forward, the Commission is admitting that it is undesirable to bar Community migrant workers from holding trade-union office. But surely this judgment applies equally, if not more so, to migrants from third countries—a point, incidentally, which Mr Santer made just two speeches ago. We therefore support Mr Dondelinger in his request that the Commission should bring forward a proposal to cover third-country migrants. It may be that the Commission is unable to accept this proposal. I hope they will accept it, and try and produce the right sort of answer to this appeal. If they don't, we shall certainly want to know their reasons.

All the Community schemes to help migrant workers are surely each forming part of a major comprehensive approach to the problem. Migrant workers will thus only be able to take a full part in trade-union activities if they can speak the language of the host country. Similarly, it will be true in some places that they can only hope to become elected as officers of the union if they can win the full acceptance of their fellow workers regardless of their ethnic origins. Otherwise, they are bound to be subject to a feeling that they are outcasts, a different and, indeed, inferior category of worker. The migrant workers' action programme aims to

improve living and working conditions of all migrants regardless of where they come from, and it includes schemes to provide linguistic and vocational training. Certainly we feel that the Commission is asking for trouble if it is then prepared to allow the situation to exist in which a Greek or a Turkish migrant, say, in Germany, cannot hold trade-union office there, while an Italian migrant worker can.

The draft regulations and the Dondelinger report both refer without naming names to a Member State where in 1968 a migrant worker even from another Member State was not allowed to hold trade-union office. It then notes that this state has since changed its legislation on the subject. Now I understand that a few years ago this was the situation in France, where in the late 1960's immigrants could not join trade-unions and faced active official discouragement if they wished to organize their own unions. Frankly, Mr President, I am sure, indeed I know, my group would regard any move which stimulated the establishment of migrant-worker unions independent and separate from the established unions in any Member State as being highly undesirable and indeed the surest way of building up long-term antipathies and social and industrial problems. I should be grateful if the Commissioner, when he comes to reply, could tell us whether he is waiting upon changes in French law to be able to introduce this particular new regulation; if so, whether migrant-workers have now gained acceptance within French unions as officials and, if this is the case, on what scale.

Clearly, it is of great advantage to migrants from all countries to be elected to trade-union office, because this puts them in a much better position to cultivate good relations with indigenous workers. But surely they should not be, in my judgement, entitled to election solely and exclusively by virtue of their ethnic origin. It is as members of a working community playing a rôle in that community that they should eventually and, one hopes, at an early date win the cooperation and support of workers of the host country. These situations can lead to great disruption and unhappiness, and the presence of migrant-workers amongst union officials, we believe, would go a long way to resolving the dangers which may well lie ahead.

We shall certainly give our full support to the Dondelinger report and hope that the Commissioner will respond in the manner which is recommended in that report and has been indicated on the floor of the House this afternoon. *(Applause)*

**President.** — I call Mr Bermani.

**Mr Bermani.** — (I) Mr President, honourable Members, I am speaking in a personal capacity since I wish to repeat some comments, or rather criticisms, which I have already made in the Social Affairs Committee. I add, of course, my congratulations to those which have been offered to my friend, Mr Dondelinger. It is impossible not to support a motion calling for the abolition of a significant discrimination, as in the case of trade union rights, in the treatment of workers moving within the Community. The same may be said of the request to the Commission to extend equality of union rights to workers from third countries, or to amend the proposal for a Council regulation so that it also covers the right to participate as a trade union representative in the management of public bodies, or to hold public office.

One can only agree with this. Public opinion, as well as this House, is now so aware of these problems that their incorporation in a Commission proposal for a regulation is reason enough for satisfaction, even if one's first reaction is one of relief that something has finally been done. Indeed, as has unfortunately been the case with many other proposals on social policy within the Community, this draft regulation has been submitted only after considerable and regrettable delays.

It is difficult to understand how such delays can be possible in a Europe to which the Paris Summit gave the epithet 'social', delays which occur precisely in the sphere of social policy and which, moreover, appear to be becoming almost chronic.

This morning, during the approval of the budget, it took considerable effort to reinstate, at least in part, the cuts made in the social budget. We were told that we are going through a period of crisis and that the necessary units of account are not available. I can understand the present financial difficulties, but as far as the problem we are now discussing is concerned—I address my remarks also to the Members of the Commission—no units of account are required, just as none were required in previous years. Consequently, as Mr Dondelinger pointed out, it is incomprehensible that the proposal should have been submitted fully five years after the limit laid down in the 1968 regulation, which envisaged 1970 as the latest date for submission.

Ladies and gentlemen, in the part of Italy where I was born and still live, there was once a famous tram, which we called 'Wooden Leg', because it travelled slowly, like a person who has had the misfortune to have a leg amputated. Today, of course, that tram is no longer there. However, it would be very distressing to see it back again here in the form of our social

policy, trundling along at a snail's pace, at a time when we should be trying to eliminate everything which moves slowly, and to get our social policy moving faster. No one, of course, is asking for supersonic speeds, but we expect at least the pace of an ordinary train. In future, we must be adamant on this point.

Having said this, and in spite of the delay, I too welcome the proposal for a regulation which has been submitted. I hope that the next time I shall not have to precede my vote in favour with a song of woe, as I have had to do this evening.

(Applause)

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, ladies and gentlemen, the Commission joins with you in describing the present situation as unsatisfactory with regard both to participation in the management of public undertakings and to the exercise of trade union rights. It would be desirable if there were no differences in Europe between workers from the Member States and other workers. The difficulty is that we have legal provisions which limit the change which both we and you want to see.

The aims which we set ourselves with the draft regulation are the same as yours.

They are the following:

Firstly, we want to abolish discrimination with regard to eligibility for administrative posts.

Secondly, we should like to see the rights laid down by national legislation rooted in Community law so that they apply to everyone.

Thirdly, we should like to remove the uncertainty with regard to the possibility of invoking Community law, and in so doing establish the legal position applicable to everyone.

How can we make progress? We have proposed a regulation which must be based on Community law, on Articles 48 and 49. Legally, we are unable at present to go beyond this. But what can we do? We can try to overcome this unsatisfactory state of affairs in the process of European Union. Have we done this? Yes. We have incorporated the aims which you yourselves have defined into the Commission's action programme. Thus we have stipulated in the action programme that migrant workers and their families are to have the same rights as workers from Member States of the Community. In this way we hope to be able to arrive step by step at the state of affairs you want to see.

**Brunner**

We have also included in the action programme a passage—based on Article 235 of the Treaty—to the effect that we are striving to achieve equality of treatment for all migrant workers in respect of living and working conditions, as well as in respect of the attainment of trade union rights.

Is there more we can do? Is it right to adopt a recommendation which would be adopted together with the Council's regulation? The Commission believes not, for three reasons.

Firstly, we are afraid it will cause delay.

Secondly, we are of the opinion that such a recommendation would not be equally binding in all Member States. This would bring about an unsatisfactory state of affairs: for workers from the Member States a regulation, that is to say a ruling of high legal status, and for the others only a non-binding recommendation. We feel this is wrong.

Thirdly, we are of the opinion that migrant workers' participation rights might possibly be blocked at a later date if we adopted this recommendation at the same time.

They might be blocked because it would be argued that we do not need a new regulation similar to that for workers from Member States, since this recommendation already exists. There are thus also tactical considerations. If we want to help these workers, and of course we do, then we must avoid mistakes.

The Commission's opinion is therefore: let us continue along the road indicated by the action programme, let us expedite the regulation, which will bring considerable improvement, and then do what is necessary to ensure that migrant workers are really given the same legal status as Community workers.

(Applause)

**President.** — I call Mr Dondelinger.

**Mr Dondelinger, rapporteur.** — (F) Mr President, ladies and gentlemen, first of all I should like to thank all the Members of this House who have taken part in the debate.

I must confess, Mr Liogier, that I do not quite follow your reasoning just as I do not quite understand the point of view of Commissioner Brunner.

In my earlier speech I drew attention to the lack of consistency which may exist between the directive on migrant workers, which we adopted unanimously in this House two months ago, and the regulation which is now before us. I fully appreciate that there is a difference between

a directive and a regulation, but our Committee on Social Affairs and Employment has also studied the problem carefully and reached the unanimous conclusion that the Commission should at least endeavour to avoid any lack of consistency between this directive and the regulation which we are considering.

I therefore invite you, on behalf of the Committee, to approve this proposal for a regulation and to adopt at the same time paragraphs 2 and 3 of the motion for a resolution.

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

I put the motion for a resolution to the vote.

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

#### 10. Annual report on the economic situation in the Community

**President.** — The next item is the debate on the report drawn up by Mr Artzinger on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission of the European Communities to the Council concerning the annual report on the economic situation in the Community (Doc. 362/75).

I call Mr Artzinger.

**Mr Artzinger, rapporteur.** — (D) Mr President, ladies and gentlemen, is it not my function as rapporteur for the Economic and Monetary Affairs Committee to repeat the details of the annual report. However, I should like to reiterate the praise I expressed for the report in committee, as I consider it to be an extremely worthwhile document and a concise and cogent statement on a very complex set of circumstances.

Nevertheless, I should like to request the Commission, and more particularly Mr Haferkamp, to present the annual report on the economic situation sufficiently early next year for it to be taken into account, for instance, in the budget debates in the Netherlands. Although we accepted the position this year, you are aware of the provisos that were made.

Mr President, I consider it the task of the rapporteur to comment on the motion for a resolution submitted to the House by the Economic and Monetary Affairs Committee. We are in full agreement with the Commission's presentation of the unsatisfactory economic trend for 1975. The Commission describes it as the severest recession since the war.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**Artzinger**

We also agree with the cautious forecast that the turning point for the overall economic development will probably come at the beginning of next year. The Commission sees the realization of this forecast as dependent on two preconditions: firstly, that the interaction of the economic pump-priming measures in the Member States, the spontaneous expansionary factors and the recovery in external demand will have a mutually strengthening effect and, secondly, that there will be a speedy restoration of the confidence of industry and consumers in the future of the economy.

Against this background, both the general and the specific guidelines proposed by the Commission for the individual Member States appear logical, and we approve them. I should like to point out at this juncture that the German wording of paragraph 3 of the motion for a resolution, contains the word '*abgebaut*' which is open to possible misinterpretation. It could be understood to mean that the budgetary deficits would be wiped out, whereas what is intended is that they could be reduced. I should like to make this clear in order to avoid any misunderstandings.

The motion for a resolution then refers to a previous resolution of this House, viz. of March of this year, on the economic situation and reiterates the general objectives of that resolution. In this respect there is no need for us to change our position. This list of general objectives does not constitute an order of priority, but exemplifies the well-known magic polygon of economic policy. I should personally like to place great emphasis on combatting inflation. Although at present I accord top priority to reducing unemployment, this must not be done by inflationary means.

In this context I should like to quote from an interim report of the study group set up by the Commission under the chairmanship of the Belgian Commissioner for Planning, Mr Maldaque, as reported in a VWD communiqué: 'States and governments become involved in inflation as a way of escaping from a deteriorating situation, since it obscures specific structural problems and temporarily reduces certain tensions, which will, however, eventually result in a greater social and political crisis'. I am grateful for this clear statement that the political authorities also have a hand in inflation and would add that to adopt the line of least resistance, to ride the crest of the wave of inflation, is the wrong policy, precisely because in the long run it creates more problems than it solves.

In paragraph 5 the committee criticises the Council for responding to the onset of the recession with less, rather than more willingness to

take Community action. Although each government stated that no effective remedies were any longer possible at national level, there was only faltering progress towards concerted action. It ought to have been clear from the outset that an imported recession could only be countered by Community action.

In paragraphs 6 and 7 the motion for a resolution refers to the importance of the medium-term aspects, particularly as regards the alleviation of the present difficulties. The prevailing opinion is that economic policy is confronted with difficulties of a structural as well as of a purely cyclical nature. In the committee's view the time has now come to say what these structural weaknesses are, to identify them clearly and to find ways of surmounting them. You yourself, Mr Haferkamp, have occasionally drawn back the veil from the future a little. You have, for instance, pointed out the non-monetary consequences of the increased price of oil which the return flow of petrodollars onto the European money market has not been able to eliminate, consequences which by way of a deterioration in the terms of trade lead to a reduction in the surplus available for distribution. You have stated that we must accept lower growth rates, that a greater proportion of this reduced growth than hitherto must go to investment, that although it may not perhaps be necessary to cut consumption we will have to manage with reduced growth rates. You concluded from this, quite rightly, that agreement between the two sides of industry would become increasingly important. We simply cannot afford an intensification of the struggle for bigger slices of the cake if the present living standard of Europeans is to be maintained, let alone further improved.

The Economic and Monetary Affairs Committee feels that these comments of yours have been very valuable, Mr Vice-President, and we should like to urge you to go on and be even more specific. For instance, we look forward to hearing in the foreseeable future the results of the discussions concerning the 'Europe + 30' project. These are, however, long-term considerations. Although the committee has not yet been able to discuss the question, I personally am in favour of the proposal for a Commission regulation on the establishment of an economic analysis and research institute. The committee's intention in paragraphs 6 and 7 is to ensure that medium-term Community objectives are worked out in good time, i.e. that there is a plan for lean years. The sooner these are worked out and accepted by Europeans, the better, since uncertainty and uneasiness about the future remain, despite developing hopes of a renewed upturn in the economy. The reluctance of entre-

**Artzinger**

preneurs in the private sector to invest is a striking symptom of this. Private investment is, however, essential if we are to overcome unemployment, which is not only a pressing social question but also an acute economic problem. Millions of unemployed constitute an enormous wastage of limited resources.

Finally, in the final paragraphs of the motion for a resolution the committee stresses the responsibility of the European Communities with regard to world monetary and economic matters and urges the need for Community action in this field also. By way of comment on this I should like to single out one point relating to the world monetary system. A fortnight ago Mr Witteveen, the Managing Director of the International Monetary Fund, stated in Frankfurt: 'In the three years between 1970 and 1972 the total world money supply increased by approximately 38%. This excessive monetary expansion was probably one of the contributing factors in the subsequent world-wide surge of economic activity and the inflationary explosion'. This led him to conclude, and again I quote: 'It is high time to put on the agenda for discussion the regulation of the growth of the international money supply and to seek seriously to find solutions to this pressing problem'. It is indeed high time, and the European representatives on the Interim Committee, who are to have their next meeting in January, should give their full support to Mr Witteveen in these endeavours, since all European efforts to stabilize the value of money could be swamped by world-wide trends.

Mr President, I hope I have explained the Economic and Monetary Affairs Committee's intentions in submitting this motion for a resolution, and move its adoption.

*(Applause)*

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

**Mr Leenhardt.** — *(F)* Mr President, ladies and gentlemen, I should like to preface my remarks by expressing to our rapporteur, Mr Artzinger, our high opinion of the quality of his report and the suggestions which are the fruit of his wide experience and which were accepted by our committee.

As he stated, the European Commission has been cautious in its assessment of the economic data and the prospects of recovery. It estimates for next year an increase of 3.5% in the gross domestic product against a reduction this year of approximately 2.5%, and a 5% increase in the volume of international trade which this year, for the first time since the war, showed

a clear drop. However, the Commission has emphasized that its forecast depends on the co-ordination of reflationary policies, a recovery in external demand and spontaneous expansionary factors.

What does the Commission mean by 'spontaneous expansionary factors'? Does it mean the rebuilding of stocks which have fallen to a hitherto unprecedented level, a change in the attitude of investors who are reluctant to purchase equipment or of households which, faced with future uncertainty, are primarily concerned with saving? Whatever the case may be, the Commission has aptly stressed the fact that the crisis has traumatized the various economic groups—plunging them into a state of gloom—and that recovery depends on restoring the confidence of industry and consumers in the future of the economy. It was appropriate to emphasize the psychological aspect of the crisis since this is all too often neglected by our governments.

It must be recognized that although the Commission has been cautious in its analysis, it has been courageous in defining the broad guidelines of economic policy. Having established that some success had been achieved in combatting inflation and in absorbing the balance of payments deficits, and furthermore that the Community had passed the lowest point of the recession, the European Commission did not hesitate to encourage Member States to use budgetary policy to support economic activity and to follow an expansionary monetary policy. It has thus aptly given priority to reflation, i.e. to combatting the recession and unemployment. As emphasized in the motion for a resolution submitted by Mr Artzinger, such a course of action goes hand in hand with the recommendation to reduce budgetary deficits in the event of an appreciable economic improvement and to avoid an excessive increase in the money supply.

The Member States do not seem to have waited for the Commission's recommendations, since it is clear from Table 5 appended to the report that this year the budgets of all the Member States without exception show a deficit.

The situation is less clear with regard to the trend of the monetary situation described in Table 6. The European Commission should be thanked for having appended to its report seven tables which are all extremely interesting. The most striking of these is undoubtedly the table which sets out the figures for the Member States with regard to the drop in industrial production, figures which we hope never to see again. Only one of these tables, Table 2, sets out the Member States' forecasts of the gross domestic product consumer prices, unemploy-

**Leenhardt**

ment rates and the percentage of the gross domestic product for the coming year. This very interesting table sets out forecasts that in some points diverge considerably from those supplied by our own governments.

There are those who will say that the European Commission has looked at things through rose-tinted spectacles and that its report is too optimistic. This would be an unfair criticism, since the Commission has openly stated on Page 11 that as the recovery of expansion will initially entail 'an increase in the number of hours worked per person employed with less part-time working, (...) the number of persons unemployed in the Community could well increase by half a million compared with the average for 1975'. The Commission has also affirmed that the balances of payments should begin to worsen once again in 1976. If we really wish to pull out of the recession we shall have to resign ourselves to this.

Finally, on Page 10, the Commission has noted that 'with so many firms running below or well below capacity, there is little chance that private investment will substantially boost demand in the months ahead'. The report adds that 'the reluctance of managements to implement investment programmes will probably be overcome only when there is definite evidence of a recovery in final demand'. I wish to draw attention to this statement in passing. There is no shortage of European experts who share the Socialists' view that reflation will always be effected through the medium of consumption followed by investment and not vice versa.

Up to this point, Mr Vice-President, I have paid you a great many compliments and would have liked to continue on this note to the end of my speech. There are two reasons why I am unable to do so. Firstly, if we refer to Page 1, we find in the foreword to the report that it is stipulated that the Council of the European Communities shall set guidelines to be followed by each Member State. However, by 15 October, which is the publication date of your report, the governments of all the Member States had already decided on their budgetary guidelines. As a result of your delay your report loses its point. In order to have any effect on the guidelines of Member States it would have had to be available by 1 September. You may answer, that, despite the delay, your guidelines may induce Member States to take specific measures, but can you assure us that pressure will be exercised in bilateral discussions between the Commission and a particular Member State to ensure that your guidelines are observed?

The second reason is that the report disregards the problems posed by growth at the present

time. It refers solely to growth rates. The Commission is, of course, aware that the era of growth at all costs is past and the problem now is to guide growth towards improving the quality of life. Each Member State is faced with this problem and cannot decide in isolation to alter the course of its economy. Can the European Commission stand aloof from this great problem?

Despite these reservations, the Socialist Group will vote in favour of the motion for a resolution submitted by Mr Artzinger.

(Applause)

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

**Mr Notenboom.** — (NL) Mr President, the annual report on the economic situation in the Community is a gloomy one this year. Not only are external factors, such as the growth of world trade, uncertain; so are the reactions of the various economic groups, so are the political opportunities and courage of the governments—although they are not the only bodies with a power of decision in the social and economic sector; the peoples and in particular the organizations representing them must also cooperate. Many passages of this annual report indicate that there is often only a choice between two evils, and that one has to steer a careful course between two extremes which both present dangers. In this respect I agree with Mr Artzinger who in his most valuable introduction said that the Commission's annual reports were generally extremely well-presented and thought-out, but laid rather too much emphasis on the short-term economic situation and too little on medium and long-term prospects.

An expansionist budgetary policy, such as is widely advocated, can lead, for example, to a temporary increase in expenditure but also to an increase in structural expenditure, and this kind of expenditure cannot be cut back later, except with tremendous difficulty. This may be what is meant by 'flexible budgetary policy', but I find the term very vague.

I think the following statement hits the nail right on the head: 'Any over-stimulation of domestic demand or excessive monetary financing might well produce a new bout of inflation which would cut short a nascent recovery.' This is a highly accurate description of the unstable situation in which we find ourselves. We must not forget that even before the oil crisis we had a severe inflation problem which led to our making greater demands on our national products than they were able to bear. The tremendous increase in the price of oil can

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be regarded as an adaptation of oil prices to the inflation affecting the West, including the European Community. And it does not look as if we have since altered the behaviour which gave rise to that inflation. My Group therefore wholeheartedly supports paragraph 7 of Mr Artzinger's motion for a resolution, in which he calls for solutions for the structural components of the recession. These structural components include inflation. The motion states extremely cautiously that in order to combat this inflation, which is to a great extent considered in conjunction with the fight against structural unemployment, it will be necessary to make sacrifices and accept a lower level of annual increase in individual incomes and public expenditure than has been customary in the Community in recent years. It will cost great efforts to achieve or regain reasonable growth rates, which will provide us again with the funds required for certain necessary improvements—which may well be much more modest than before. The development aid policy too—and probably our environment policy—imply that our economic growth must be smaller. But it will not be easy to get people to accept such sacrifices in a democracy.

It will be necessary, for the purposes of economic recovery, to improve the average profitability of undertakings. How can this be done unless the trend in wages and related trends in other private income contribute significantly to this lower level of increase? And some degree of solidarity is required, because the rich must bear a heavier share of these sacrifices than the poor. Mr Haferkamp has often referred to the solidarity which is necessary to make the reduction in the demands on the national product really acceptable. Mr Artzinger has already mentioned it today and we fully share the Commissioner's views on this. But we also feel that the citizens of Europe will be better off when they are told the plain truth about the causes of the evil and where the main cause of inflation and consequently of unemployment lies.

At the beginning of this month an award was made in the Netherlands by the Minister for Economic Affairs. It was the two-yearly prize of the Netherlands Centre for Directors, for aid to enterprises in difficulty. A Dutch newspaper asked Mr Veenstra, the recipient of the award, what message he had for Dutch industry in these difficult times. And Mr Veenstra made a statement which he said was directed at those responsible for the growing pessimism in our country. I shall quote a part of this message because I think it is relevant to the European situation. Mr Veenstra wrote:

'Governments and parties still think they can manipulate the people, but the latter no longer react to catchwords—they have become apathetic.

How can their confidence be won back? The answer is by telling them the truth. That's all they want to hear. Compare the situation in industry. You know that I have been very active in the reorganizing of companies. It is a wretched business this, climbing aboard a train which has come off the rails. The staff have given up hope; there is a complete lack of confidence. A company, after all, is not a building full of machinery, it is an organism consisting mainly of human beings. An organization cannot function without confidence, yet here you have the staff watching sceptically from the sidelines to see what this latest smart alec's got to say for himself. What you have to do then is restore their confidence in the company by laying your cards on the table. As soon as they know how things stand and what has to be done they come off the sidelines, roll up their sleeves and get down to helping you get things straightened out. They begin to enjoy their work again and regain their self-respect. Politicians should confront our citizens with the unvarnished truth in the same way, without worrying about their followings or their jobs. Perhaps then we shall be able to halt the slump and continue the work of building up our industry. Then we shall be able to make serious attempts to achieve a fair distribution of our prosperity.'

Mr President, these words were spoken by a man who has received an important award. The question of the distribution of wealth must really not be left untackled until growth has returned to satisfactory proportions. Subsequent reports and guidelines from the Commission should in our view indicate what is wrong in rather less veiled language. More restraint does not necessarily imply less human happiness, though the word can easily be misunderstood. I know that I come from a country in which the average citizen is better off than those living in certain other Member States and these differences must be reduced. In this connection we also regret that the issue of Community loans, as an expression of financial solidarity, has not yet proved possible this year.

Mr President, my Group will support the motion for a resolution introduced so competently by Mr Artzinger. Finally I should like to express the hope that the Council will not, for reasons of mutual political solidarity among the ministers, further adapt the guidelines, in which too many things are already glossed over, to the policy actually being conducted or planned by the Member States.

*(Applause)*

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

**Mr Berkhouwer.** — *(NL)* Mr President, my Group has asked me to take part in this debate at the last moment, so I shall have to speak off the cuff, without having the advantage, or disadvantage, of being an economist. This is not necessarily a bad thing since at the moment the



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world seems to be in a situation in which even the economists are at a loss. Mr Notenboom is shaking his head but there are people who say this. Apparently neither the teaching of Marx nor that of a great economist like Keynes can find adherents any more.

There are people with heavy political responsibilities in Europe who have said that our present position can be compared with the situation in the thirties.

I do not, however, accept this comparison. Thank God I don't need to! Millions of people were out of work then and, to put it bluntly, people were dying like flies. This time there are some people without work and that is a terrible thing, but thank God people are not dying and that is the big difference between today and that period.

Perhaps we have reached a turning point. Perhaps getting rich, making money by the sweat of one's brow is no longer regarded as the only goal in life. Perhaps we shall now all start working less and have more time to devote to the things which make life worth living.

Perhaps this is one of the challenges facing us. We do not know how many challenges are facing us at the moment. Not so long ago a number of people, whose goodwill I do not doubt, argued in favour of zero growth. But what do those people think now? Now we are all worried that there will be no more growth. I do not think that the world can do without growth, but we must use part of this growth to combat its adverse side-effects. If there is a lesson to be drawn from our current situation it is that we cannot do without growth, if only because of all that remains for us to do for those people in this world who are less favoured than ourselves. In the third world and in the backward areas of our own Community there is a crying need for growth and expansion.

Recently there has been widespread criticism of the multinationals, sometimes couched in emotional language. Now let me say clearly that I do not identify myself with any multinational concern. Nor am I saying that the multinationals are perfect. What is perfect in this life? But is there not perhaps nowadays a tendency to political envy against the multinationals because they have made greater progress in the technological and organizational sphere than we have at the political level? Is it not surprising to hear from time to time in certain countries that the multinationals should be combated on a national scale? It is not possible to fight the multinationals in this way at national level. Inasmuch as there are European multinationals, they can only be controlled at a European level. I am not in favour of any power in the world remaining

uncontrolled: that is one of the articles of my liberal faith. If we want to have any impact on the multinationals we can only do so at European level because the national set-ups are too small for this purpose.

I have already mentioned the unemployed, the five million unemployed which we shall soon have in the Community. This situation is a challenge to our resourcefulness in finding solutions of which we were not aware before. Recently we lost two great Europeans, Saint-John Perse, the man who gave Briand the idea of the Kellogg pact and was behind the proposal Briand made in Geneva in 1930, and the great philosopher and scholar Arnold Toynbee. He said that civilization is doomed if it can no longer face up to the great challenges with which it is confronted at any given moment. I think that at this moment we are not just faced with an economic crisis; our whole Western civilization is being challenged.

At the moment this challenge consists of inflation, unemployment and the energy problem. I am not a pessimist; I think that we are capable of accepting this challenge.

A number of fundamental issues are therefore involved and I have spoken as a politician rather than as an economist. The founding fathers of the European Community worked on the assumption that if we pooled certain things at the economic level this would automatically lead to political cohesion. We must perhaps now admit that this is not the case and that on the contrary it is precisely the wide range of political interests which thwarts economic integration. For what is happening now? Although the current situation is not the same as in the thirties, the same methods as were applied then are unfortunately being applied in some areas now! I say unfortunately because to escape from the present crisis we are again resorting to nationalism and protectionism.

Here and there frontiers are being closed. Here and there we can observe certain trends going in a completely wrong direction. I am thinking for example of the 'Buy British' drive and certain import controls. My British friends know that I hold them in esteem. We all fought to get the United Kingdom into the Community. But such developments, which are incidentally not confined to the United Kingdom, are, I repeat, ruinous.

We can think of the Community as a row of nine shops, all dependent on one another. If I have understood the situation correctly, 80% of the articles from each of the nine shops go to the other eight. Thus if we close each other's shops we harm our own shop. That is the point



**Berkhouwer**

and that is why we must not resort again to the methods of the 1930s. You know what they led to. God forbid that the same should happen again! Hence we must oppose the closing of national shops and avoid falling back into national protectionism.

It is also apparent that various separate clubs are growing up in Europe. There is an energy club, to which eight of the nine Member States belong. The ninth does not belong to it. Some people have got high on oil. They have a kind of OPEC mentality. They want separate representation in discussions on energy problems. But imagine us Dutchmen with our enormous gas reserves saying that we want separate status in discussions on energy problems. God forbid that I should ever advocate that, for I speak here not as a Dutchman but as a liberal European.

Did we not score our first successes in the ECSC in the fifties by pooling certain raw materials. Are we now only a community for apples, pears and figs? I do not mention wine because *'in vino veritas'* does not apply any longer. Are not the three great challenges, inflation, unemployment and the energy problem a challenge to us as a Community? Is it not true that we can only accept it by acting together?

At the end of this week a meeting is apparently going to be held in Rambouillet. In today's 'Figaro' I read that this meeting will be the 'economic summit of the Six, as seen by Tokyo'. Just imagine: Rambouillet-Tokyo! A meeting of the 'Big Six'. Who are these six? To begin with, France, the Federal Republic of Germany and the United Kingdom. Apparently Canada applied to participate but is not being admitted. Then there are America and Japan and finally another, sixth country. Which country? Italy no less! We asked what Italy is doing there! If you did not already know: Italy currently holds the Presidency of the Council of the summits and so on and so forth. We then asked whether Italy would be speaking on behalf of the Community. No, was the reply given by Mr Rumor or Mr Moro, we are going there because ours is an important country. And monetary problems are on the agenda of the Rambouillet meeting. If I understand correctly, each of the big 'Six' will be responsible for a particular subject, Mr Giscard d'Estaing for one, the Japanese Prime Minister for another and so on.

If this continues it is the beginning of the end of the European Economic Community! Who after all are conspicuous by their absence at Rambouillet. Where is the Benelux, where are the Netherlands, Belgium and Luxembourg, where is Ireland, where is Denmark? What deci-

sions can be taken there which will be binding on the countries not represented at Rambouillet? Must we not as the representatives of the European peoples take the opportunity provided by this economic debate to speak out against this kind of thing. I shall conclude by observing that not a single decision taken at Rambouillet can be binding on us, that there can be no follow-up to this and that the Community cannot be put in an awkward situation in respect of any matter whatsoever. In particular nothing can be decided at this meeting which will harm relations between the Community and GATT. Let us therefore simply assume that Rambouillet will be no more than a fireside chat. Let us hope in particular that the Japanese wish that 'co-operation between the Six should be given a regular character in future' will not come true. There must be no question of the 'economic summit' being repeated. This must not happen, because the European Community does not consist of big and small countries.

Which of Europe's countries is still big when considered on its own? There are, of course, still a few countries which cannot forget the glory of the past, but the aim of the European Community is precisely that these countries should forget such past glory! And that we should build a new glorious era together.

Mr President, I fully support the motion for a resolution submitted to us by Mr Artzinger and protest strongly against the so-called 'economic summit of the Six at Rambouillet', because the European Community does not consist of first and second class passengers. We are all travelling economy class!

(Applause)

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

**Mr Nyborg.** — (DK) Mr President, my colleague Mr Cousté is unfortunately unable to be here this afternoon, and I have been asked instead to present my Group's contribution to this debate.

This year we are a month late in discussing the annual report on the economic situation in the Community.

While regretting the belated arrival of the economic guidelines, we nevertheless appreciate the difficulties of assembling the latest data on the economic situation. But in a difficult period like the present, we should not lose sight of the need for joint economic action in both the long and medium term.

## Nyborg

Right from the start, we were surprised at the unblinking resolution with which the Commission selected a growth rate of 3 to 3.5%.

With so many wrong forecasts in the past one must question the need and, in particular, the value of such precise forecasts which may well prove to be mere guesses. Actually one should be rather cautious about giving a figure and a date for the expected upswing in view of the many imponderables such as developments in world trade, the spontaneous upturn factors and the more general restoration of confidence.

More specifically, we must admit that activity in the European Community as a whole still shows no real evidence of an upturn. Investment is still hesitant, and the falling demand still shows no sign of recovery—this will probably not happen until the latter part of the year. On the other hand, the upward trends in the United States and Japan are not enough to dispel the prevailing atmosphere of uncertainty. In any case, any economic upswing in those countries can only have a very slight direct effect on the Community trend. The recession which started in 1974, and which the Commission expected to disappear during 1975, is thus still a feature of the economy, and no one can say when it will end.

Obviously, we would very much like to see an upswing in 1976 such as the Commission envisages. Here again, however, we are surprised at one of the Commission's statements on the most important problem of all—that of employment. The Commission states that the employment situation will not improve until the second half of 1976, thereby assuming that the reaction of the labour market to the economic trend will be delayed. This means that unemployment will continue to rise for some months, reaching a peak next spring. No politician can accept this, knowing that the unemployment figure in Europe has now passed five million. It must be pointed out that such a trend is at variance with the Commission's general analysis, which is based on a normalization of private demand.

Not to beat about the bush—and as can be seen from the Commission's annual report and from Mr Artzinger's report—the situation in the Community will still be vulnerable in 1976. It will be vulnerable because inflation will still be running at an alarming level—strenuous efforts will be needed even to keep the average rate of inflation in the Community down to 10%, vulnerable with a balance of trade situation in which the improvement is intermittent due to rising imports and falling exports, and with a vulnerable balance of payments situation because of the unfavourable trend in the terms of trade, with the improvement coming to a

halt in the summer because of increases in import prices resulting from a rise in the dollar and a boom in certain raw materials—and, finally, vulnerable because of our public finances, when we see public expenditure increasing everywhere, as are the deficits in the budgets of most of the Member States. The programmes introduced in most member countries to stimulate the economy only serve to aggravate this trend.

How does the Commission propose to remedy this situation? First and foremost by providing some very general guidelines. Mr Haferkamp stated recently that the Community's economic policy aimed at supporting the trend towards an economic upswing and creating the conditions for lasting growth and an improvement in the employment situation without creating new risks of inflation. A fine declaration of intent! Let it be said straightaway, however, that although we were surprised at the Commission's boldness in making a precise forecast of the growth rate, in view of the extremely low increase in activity in 1976, the 3% rate forecast by the Commission will only enable us to get back to the average level for 1974! This is far too little, since if industry is to be able to take on more workers again, production must exceed the 1974 level. This means there can be no real improvement in the employment situation unless production is 7 to 8% up on the average for 1975. The 3 or 3.5% growth in 1976 is thus tantamount to continuing unemployment and continuing inflation.

To deal with this situation the Commission proposes, in a second phase, a number of measures for each individual country. These are in fact—and this is something we have often criticized—nothing more than a repetition of the decisions on economic policy recently taken by the Member States themselves.

Of France's monetary policy, for instance, the Commission says:

'Monetary policy has not been restrictive during the recession. Ceilings on bank lending have not been reached. The money supply in 1975 has risen at a higher rate than GDP in value terms. Interest rates have tended to fall substantially. In 1976 developments in the monetary aggregates should be watched closely to avoid any appearance of inflationary pressures later in the year.'

We are aware that the Commission only has limited powers in this field, but we repeat that these guidelines should be more systematic and based on an economic logic which has unfortunately not been in evidence for some time. Some maintain that the Commission's reports are always dictated by circumstances. But, in fact, the estimates have proved to be quite wrong, since they frequently consist only of

**Nyborg**

simple, short-term extrapolations and take no account of the medium and long-term problems.

We also get the impression that this report completely sidesteps the question of guidelines for an international monetary policy. However, only last month we pointed out in this House that we cannot allow a monetary free-for-all since the regulating mechanisms would become disarrayed and ultimately lead to the complete destruction of the economic and social order. We are now dangerously close to this situation, and may simply not realize that, in the long run, inflation is so far from contributing to economic growth or ensuring full employment, that it carried the seeds of an economic crisis.

We therefore hope that the monetary summit to be held in Paris will not only do all it can to spell out a new economic order, but will put the world economy in order so that monetary and economic problems are no longer tackled separately.

Once the international framework has been laid down—this is something we have already discussed, and we regret that it is not expressed more clearly in the report—we must try to finance the economic upswing, not inflation. Progress towards this will require strict discipline as well as resources commensurate with the measures needed to restore confidence.

There must also be plenty of cooperation on economic policy—there seems to be no lack of this in Europe at the moment. This is one positive aspect, and although I would say in conclusion that it may be possible to adapt the guidelines in this report to meet the requirements of economic development, we rely implicitly on the Commission and Council's ability to carry out their job.

*(Applause)*

**President.** — I call Sir Brandon Rhys Williams to speak on behalf of the European Conservative Group.

**Sir Brandon Rhys Williams.** — Mr President, the debate this afternoon on the economic situation in the Community has been remarkably unanimous and I think that we owe it to our rapporteur to congratulate him on listing in his excellent report all the points which really have to be made. He makes the point in the first paragraph of his motion for a resolution that we are suffering the severest recession since the war. I would like particularly to refer to his paragraph 6, where he points to the lack of medium-term economic policy objectives; and to his paragraph 10, where he calls on the Community to act increasingly as a single entity.

I have the feeling that economic historians, looking back at the way in which the Community has handled its economic affairs in the 1970's, will blame us, just as we look back and blame the monetary and economic authorities of the 1930's for the way in which Europe conducted its affairs then. Some things have not gone too badly: I believe that the transition from fixed rates to floating rates has in fact gone better than might have been expected. But much has been handled far worse than it should have been, and many mistakes are still being made. Obviously, the relationship between the cluster of European Community currencies and the dollar has been dangerously unstable, and this has damaged confidence in trade in recent months. Then we have allowed increasing suspicion between the two sides of industry as unemployment has worsened and the outlook has become grimmer. Political intervention has not always been wise. In general, speaking of the Community as a whole, we have failed to maintain production and investment just at the very time when they were most desperately needed. And as we have so many times reflected, we are allowing inflation to race almost out of control, and seem to have no clear idea of the remedies that ought to be applied.

What will be said of the European Community in retrospect is that we did not act together at the very time when unity was most needed. We failed to clarify our long-term objectives and we allowed short-term considerations to override the consistent pursuit of a rational and profitable purpose. I am not speaking here of the danger that Britain may be on the verge of introducing import controls, to which Mr Berkhouwer referred. I would have hoped that the currency adjustment of recent months was sufficient to make that unnecessary.

As we look at the economic situation of the 1970's, what do we see? The continuing world population explosion: two hundred thousand more people in the world every day, all of them requiring the very goods and services which the European Community can provide; a rise in oil revenues which is still leading to enormous accumulations of unspent funds in the hands of people who also desperately need the goods that we can provide: and, of course, at home the continuing revolution of rising expectations as our own population within the Community accustoms itself to a higher standard of living and demands that it should be spread throughout the Community. All these things require a rapid rise in production and a shift from consumption into investment; but what in fact have we achieved? A general loss of momentum, lower production, lower employment, lower investment, and social unrest. And

**Rhys Williams**

all of these things are the consequences of national governments attempting to apply orthodox economic remedies to the present state of affairs. We are wasting our resources in the European Community, and above all we are wasting time. Time is running out.

We have to see our problems not only as economic problems but in the light of the world political situation as well. I wonder what would have happened if we had achieved an economic and monetary union in the Community by, let us say, the end of the 1960's, before the Nixon shock of 1971 and before the rapid rise in commodity prices of the early 1970's, in particular the rise in the price of oil. There would have been the same flow of funds from the industrial countries to the Middle East; but I believe the Community's trade would not have been too seriously out of balance, taking the countries that are still in surplus and the countries that are in deficit. Taking the trade situation of the Community overall, had we had an economic and monetary union, we might have avoided the need for the bitter conventional remedies for balance-of-payments deficits, the induced deflation, the unemployment, the stagnation in the majority of Member States, and the tragic loss of confidence which we are in fact witnessing. I believe that the structural weaknesses of European industry would have become obvious sooner. Perhaps we might have begun sooner to apply the remedies which are going to be inevitable in the end. And of course had we begun the 1970's as an economic and monetary union, the regional inequalities would have become more glaringly obvious even than they are at the present time. The need to increase investment and employment opportunities would have been most obvious in precisely those countries—I am thinking of Britain and Italy, of course—which are now required to cut back most severely as independent national economies.

I believe too that with an economic and monetary union we should have had the necessary central authorities to guide the Community confidently through this crisis, which indeed, at the present time, we have not. All of us feel the lack of confident central guidance.

We shall not achieve Community solidarity overnight, but we can draw some lessons from considering what might have been achieved by the Community as a genuine economic and monetary union. One lesson is the urgent need for a single Community monetary unit which can be trusted and accepted universally as a store of value and as a standard of value. Such a currency is desperately needed, so that management in industry and finance can hope

to take decisions which prove right. Our present monetary instability is not just a cause of social disaster, but is one of the major contributory factors to the loss of confidence in industry which is holding back investment.

Then, I think, a lesson which would have become obvious is the need to establish a permanent relationship of trust with the oil-exporters of the Middle East. When I spoke at our plenary session in Strasbourg I made a reference to an idea that we should try to encourage the Arab countries, in particular the oil-exporting countries, to join the Snake. I want to repeat that and elaborate it very briefly. For the most part, the oil-exporting countries of the Middle East formerly belonged to the sterling area—to their immense benefit—and it certainly would suit these countries now to belong to a world economic system in which they could have absolute confidence. It would also suit the European Community if they did, because it would enable us to encourage the return of funds, not just for ultra-short-term investment, which is what we are suffering at the moment, but for long-term investment in Community assets. I look forward to the time when we create Community medium-term and long-term debt as a practical means of recycling the funds which have left the Community for the Middle East and which have to come back to be made fruitful again. Now, having withdrawn, as you might say, or drawn apart from the sterling area, the OPEC countries have the choice of belonging either to the dollar area or to the Community. And I do not think that the United States offers the same advantages to them as the European Community if we set out to give them what they need. It is America's policy to become self-sufficient in energy, and also under Mr Simon we know that the idea of continuity and stability in the exchange-rate is taking second place. This situation presents the Commission and the European Community as a whole with a special challenge, and we must lose no more time. We must seek to build the Euro-Arab dialogue into a continuing, confident economic relationship.

Now, Mr President, in all the gloom, the Annual Report from the Commission is one of caution, indecision and restraint. I think that inevitably it has to be so. Because we have not made the most of our opportunities in the past, we cannot now rise to the challenges of the present. We have no choice but to battle on, suffering the muddles and miseries and waste of the long, unnecessary depression. But what of the future? Surely it must be clear that the small nation-state is no longer the appropriate form in which to organize the production and distribution of

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wealth. If we were in any doubt before, surely we know the truth now. The remedies for our present economic difficulties can only be found in structural change, and that may be a slow process; but we shall not find remedies in monetary devices or stop-gap measures or freakish subsidy schemes or in import controls. We must build an economic and monetary union while we still can, or face political instability within the Community and a painful, unnecessary economic decline. The more time we waste, the higher the price of our eventual recovery.

*(Applause)*

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

**Mr Leonardi.** — *(I)* Mr President, ladies and gentlemen. After reports which raised hopes of an economic recovery within a fairly short time, the Commission, in its latest annual report, finally acknowledges the seriousness of the present crisis, describing it as the severest since the war, and on page 27 it admits that the Community should not count too much on a boost to economic activity from third countries, since its weight in international trade forces it to contribute directly to the recovery in the world economic situation. I feel this is a step forward in assuming responsibility.

In spite of the gloomy figures given in the Commission's report—the familiar 5 million unemployed and still rising, the continuing serious rise in prices, low investment, low utilization of capacity, savers cheated by inflation and yet forced to save because of the uncertainty of the situation, so that one may well ask oneself how long they can put up with this sisyphian task—I think that this is a more realistic and more detailed analysis than in the past. However, neither in the Commission's report nor in Mr Artzinger's motion for a resolution is there any recognition of what we feel is an essential point—that we are facing not just the most serious recession since the war, but a recession profoundly different from the previous ones. To put it differently, this is not a quantitative but a qualitative question. We have reached a turning point in the history of our countries and of the Community as a whole.

For the first time, the percentage increase in intra-Community trade has fallen compared with the increase in trade with third countries. This means that the Member States are increasing the percentage of their trade with third countries, instead of with the other Community countries, and this is something which has never happened before in the history of our

Community. We know the reasons for it, but it is nevertheless a fact.

The trend towards a divergence between the economic situations—already very strong—has become even more pronounced, and is continuing to do so, because of the great disparities in the rates of inflation—which, as you know, range from 6% to 23%. These differences in the rates of inflation affect not only the formation of income, but also its distribution—and hence the social situation in the various countries, whose structures are being transformed through increasing public intervention, which functions in a different way and for different purposes in each country. The result of this is that, structurally, our countries are becoming increasingly different from each other.

Outside the Community, there is a fundamental change in attitude towards the raw materials producing countries. This has different effects in the different countries and aggravates the trend towards differentiation between the Member States. We need only look at what is happening in those countries which have domestic sources of energy, compared with what is happening in those which have none at all. Yesterday, we spoke about the fundamental changes which are taking place in relations with the United States. In the course of only a few years, the United States has managed to reverse its position, and in the first nine months of this year its balance of payments surplus on current account was the highest ever, whereas the opposite has happened in the Community. Here again, we cannot speak of the Community as a whole, since there are wide variations within the Community. In monetary and energy policy, and in other fields as well, the individual Member States have different positions with regard to the United States.

Neither the Commission nor Mr Artzinger seem to be aware of these qualitative changes, which involve a transformation of the basic assumptions upon which this Community has been built and under which we are accustomed to working. We must get used to working on a new and different basis, and we must make a serious effort to do this if we are to avoid disaster.

In the trade, monetary and credit policies, we have nothing but the same old recommendations, except for a belated recognition of the fact that the proposals have not been followed and that the situation has developed differently from what had been forecast. There is, however, no commitment to common policies which, while they obviously require political and economic obligations and the transfer of substantial resources within the Community, nevertheless

**Leonardi**

represent the only chance to give consistency to the Community and to ensure its outward identity.

One thing I have learnt in my several years in this Parliament is that there is an increasing discrepancy between forecasts and facts.

The motion for a resolution calls for cooperation between all the economic groups, as this is a decisive factor if confidence in the future of the economy is to be restored, but it does not go into the reasons why this cooperation has been lacking before or why it is essential now. What guarantee is there that the sacrifices demanded of the workers will be transformed into investments aimed at creating more employment and improving the quality of life?

Paragraph 5 of the motion for a resolution notes with regret that the Community economic policy instruments have not been adequately utilized, but the reasons for this are not given. I have repeatedly asked the Commission to state what new instruments it possesses, and why these new instruments have not been used, but it has remained silent up till now. In paragraph 7 the solution is sought in the development of medium-term economic objectives. However, either these objectives are the result of political decisions, in which case there must be institutions for drawing them up and instruments for implementing them—in our case, as I said before, this would require an ability to work out common policies by democratic means and to make adequate funds available for implementing these policies—or else these medium-term objectives are combinations of trends governed by internal and external forces beyond our control, as at present, in which case they are hardly likely to get us out of our present difficulties.

To sum up, we feel that neither the Commission report nor the motion for a resolution goes beyond recognizing the seriousness of the situation, that they do not investigate the reasons for this and, above all, that they do not acknowledge the qualitative difference from past situations. They propose no instruments or commitments which would be adequate to overcome the difficulties, and for this reason we shall vote against Mr Artzinger's motion for a resolution.

**President.** — I call Mr Schwörer.

**Mr Schwörer.** — (D) Mr President, ladies and gentlemen, I should like to thank Mr Artzinger for his excellent report and make one or two supplementary points.

First of all it seems to me an undisputed fact that inflation is mainly to blame for the severest recession since the war, but chiefly because this inflation was tackled too late and with insufficient seriousness. That is why the counter-measures had to be so drastic that they inevitably led to new difficulties. Above all a dangerous decline in investments further exacerbated structural weaknesses in our economy.

In my opinion the most important aim, apart from efforts to achieve economic recovery, is to avoid the recurrence of the difficulties from which we are suffering today and which, if they were to recur, might possibly lead to even worse troubles. I know that it is no easy task on the one hand to promote economic activity while on the other hand avoiding these new dangers to stability. I feel, therefore, that in the first place further price rises must be avoided. This applies particularly to the public sector, whether administrative costs or state contributions are concerned. Secondly, we must see to it that wage settlements remain as far as possible within the range of productivity growth. Concerted action and improved channels of communication ought to be of help in achieving this.

I feel that in this connection the plans for worker participation in the formation of assets should also be revived. This could reduce tension in the conflict over the distribution of wealth and promote cooperation between all who work in an undertaking. This seems to me to be a far better thing for everyone than any quarrelling.

Thirdly, entrepreneurs must exercise restraint in price formation. They must refrain from imposing in every case the maximum price increase authorized, and I feel that in this the State, in those areas in which it functions as an entrepreneur, must set a good example.

Fourthly, confidence in healthy economic development must be restored. To achieve this, State deficits must be reduced—not through tax increases but by cutting expenditure.

There must be no doubt that in future, when economic recovery has been achieved, the economy will be unmistakably set on an anti-inflation course.

The prime objective is—obviously—to get rid of unemployment, but then—and that must be equally obvious—the course must be directed towards stability. That means there must be a medium-term programme to eliminate structural weaknesses.

Greater efforts must be made in the fields of research, development and innovation, new mar-

**Schwörer**

kets must be opened up, above all through increased aid to developing countries. In this way healthy economic growth must be restored and should also be supported in the national economies by tax measures. Opportunities for long-term credits must be created, and in this the Commission should, in my opinion, act as coordinator to see to it that these measures run approximately parallel in the various Member States.

Ladies and gentlemen, these are medium and long-term prospects which should be realized under the Commission's guidance. They can contribute to the return of the European economy towards a state of healthy growth unhampered by inflation. Then we shall be able to achieve again the most important aim of the moment, namely full employment, and give it long-term security.

(Applause)

**President.** — I call Mr Normanton.

**Mr Normanton.** — Mr President, I certainly have no wish to extend this debate unduly, but the interest shown and the comments made in contributions to this debate make it very clear to me that the House regards it as an extremely important one.

There are just a few points I would like to make, perhaps by way of underlining, perhaps by way of repeating what I have said and what has been said consistently in the past. The economy of Europe has been unhealthy for a very long time. It is not a case of Europe's suddenly waking up in September 1973 to a highly dangerous situation. Europe economically has been in a grievous state for a very long time. The difference is that today the situation can only be described as critical. At best, I venture to suggest, this situation may continue in its present critical state for some time to come before there is any visible evidence of the traditional upturn of the economy which we have been familiar with in the past. But at worst, I would also suggest, the economy of Europe may well slide still further down the slippery slope on which we, all the Member States, are hanging most perilously. If we do slide further down the slope then it must be, as Sir Brandon Rhys Williams himself said a moment ago, because Europe remains divided. We are divided. This is a fact, a dangerously grievous fact, which we must all face. We are divided on the diagnosis of the troubles which have caused the state of the European economy today. And since we are divided on the diagnosis, it is quite logical and inevitable that we shall be divided on the cure which ought to be applied. Inflation and unemployment are symp-

toms of the trouble, not the causes. I must say that I took very much to heart two comments made by Mr Notenboom, who put his finger right on the real political truth, that is, that the peoples of Europe have either become immune to the truth, have been conditioned not to recognize it, or worst of all, if they do, they are unwilling to face it. That is indeed a political danger, a fault for which we may well pay a grievous price. But the responsibility for that condition lies not just with the people *en masse*; it lies with the politicians, with the leaders of political action and thought in this House and in all the Member States' parliaments. And this I regard as a damning indictment of those politicians who do not have the courage of their convictions and the tenacity of purpose to do something positively and urgently about it.

Mr Berkhouwer apologized for not being an expert, a great economist, or a highly experienced theoretician. Quite frankly, he need not make any apology by presenting himself with all these caveats. You do not need to be an expert. What you need to be is a realist. I believe that politicians should be aware of what every single housewife of necessity knows—the very simple, fundamental fact that the cause of our domestic, of our national, of our European economic problems is our failure to cut our coat according to our cloth. We have been spending money we do not have on objectives we cannot afford. To achieve this, we have been doing one of two things: either we have been deflecting money from capital account into consumer account, eating tomorrow's corn that is tastier today, leaving tomorrow to take care of itself, or—and this is far worse—we have been printing money. And though it is recognized increasingly by Member States and by economists and by political leaders, this behaviour and this practice still lingers on.

As to the cure which we ought, and indeed must, apply today, I again state that I think it is quite simple. But simple things are sometimes unpalatable and sometimes extremely painful to recognize: we should pool our resources. Of that there can be no doubt. We must measure the cloth we still have left and cut our coat according to it. If we continue to go it alone, may I suggest that—picking up the analogy of European fashions—the fashions would range from the well-heeled, full-cut, fur-trimmed luxury suits, which may well be worn by some Member States, to the barest of bikinis indecently and inadequately covering up our political nakedness. There is no substitute, Mr President, for a Community approach to Community problems. The longer each or any Member State attempts to go it alone, the worse the situation will be for each and every Member State. No nation



**Normanton**

can ever hope to insulate itself from the hard economic realities of the world at large. A Community approach means pooling resources. It also means pooling responsibilities, not drawing out more than one has put in, and it is the lamentable lack of a due sense of public responsibility displayed in some Member States more than in others which is helping to perpetuate the critical economic condition Europe is facing.

The great and growing danger for the future, I see as other honourable Members have seen in the course of this debate, is isolationism and protectionism. We referred to this when we debated the item on the agenda relating to the United States yesterday. But far worse, far more serious, far more indictable in my judgement, would be a situation where Member States, individually or collectively, introduced physical controls in restraint of trade. Such measures can only serve the purpose of a drug, a drug which leaves the patient happy today and in a deeper and more lasting state of gloom tomorrow.

To conclude, may I add my support for the Commission's report on the economy, because I think it is a modest, very modest, but painful presentation of some of the truths. To Mr Artzinger, I offer my congratulations and compliments on his clear, forthright and consistent recognition of the truths and presentation of them to this House.

*(Applause)*

**President.** — I call Mr Lange.

**Mr Lange.** — *(D)* Mr President, I should first like to apologize for a speech which would not really have been necessary if I had been able to attend the discussions of the Committee on Economic and Monetary Affairs. However, my responsibilities in connection with the Committee on Budgets made this impossible. This apology is therefore directed to the Chairman of the Committee on Economic and Monetary Affairs and to the rapporteur.

In connection with paragraph 3, I should like to ask the rapporteur whether he could not amend in accordance with his interpretation the phrase he referred to in his introductory remarks, viz. 'in the event of an appreciable economic improvement the budgetary deficits could be reduced in 1976', to read: 'in the event of an appreciable economic improvement it would be possible to start reducing the budgetary deficits in 1976'. If the text were left unamended, this would imply that 1976 would witness an economic upswing unprecedented

even at the previous peak periods of activity, as well as an inflationary spurt of unimaginable proportions.

For these reasons, I feel we cannot let the present wording stand, as it is still open to misinterpretation, despite the rapporteur's explanatory comments.

I should also like to add an observation in connection with paragraph 5. The resolution assumes that we will refrain as far as possible from constantly repeating comments that have already been made frequently in the past. For the *n*th time, however, reference is made in this point to the Council's unwillingness to take the required decisions. At this precise juncture I should like to have the attention of the Vice-President and of the Chairman of the Committee on Economic and Monetary Affairs for a few moments.

The recurring use of the phrase 'the Council's unwillingness to take the required decisions' may lead to the creation of an alibi for the other institutions of the Community. I am perfectly aware that Vice-President Haferkamp has no need of any such alibi. In this context, however, I should like to make a recommendation. We have already discussed several times in the past how rarely the governments of Member States have abided by the decisions of their own representatives on the Council.

We know that such matters, such decisions are not readily actionable and, Mr President—I beg your pardon, Mr Vice-President, I was promoting you prematurely, as you of course still have a President above you—I feel you should consider whether it might not be advantageous to make full use of every available personal contact between the competent persons in the Commission, the governments of the Member States and indeed also the representatives on the Council. After all, the most important thing is surely to advance matters by means of other contacts and opportunities for discussion apart from the official contacts at institutional level. Such activity is not prohibited by the Treaty, it is permitted; not, it is true, in so many words, but since it is not expressly ruled out by the Treaty, every such avenue of possible activity should be explored.

I should therefore appreciate it, Mr Vice-President, if you could comment on this point and particularly on the possibility of making use of personal contacts between the responsible and competent persons in order to further developments in the field in question.

I should like to add another comment. Speakers have, as it were, been bemoaning delays of



**Lange**

various kinds. It has been stated that the measures taken were not the correct ones, but no indication was given of what would have constituted the correct measures in specific circumstances. I am unimpressed by hindsight and lamentations of this type. On the other hand, however, I am pleased that some people, who are also responsible for such matters in the Member States, took independent initiatives on the fringe of the Helsinki Conference. I am also pleased that attempts are being made, with regard to these world-wide problems, to induce the industrial nations to adopt common approaches—this is the crux of the matter.

If the Americans, the Japanese and also the Canadians can be persuaded to adopt an approach similar to the European one, then there is no call to deplore the fact that this or that particular Community Member is involved in such discussions. The important thing—and I must emphasize this expressly—in this context is that the Community must not suffer any mishaps in the process. This is vital and I am convinced that we can all cooperate to ensure that this does not occur.

I wish to stress that while I was away, during the September sitting of this House, attending the Atlantic Assembly in Copenhagen in my capacity as General Rapporteur for that assembly's Economic Committee, I spoke out in favour of the extension of these contacts to include Japan, etc. Since most of the members of our Community are also members of this North Atlantic Treaty Organization, there can, in my view, be no objection to such attempts, provided, as already said, the Community as a whole is kept in the discussions.

I should like to make one last comment in this connection. In the light of paragraph 9 of the motion, we must be prepared to take further action on our own initiative. This paragraph, in effect, states quite simply that everything should be done—how was it put—to ensure that Europe makes a major contribution to the reorganization of the world monetary and economic system. First of all, of course, we must have a clear idea of what we understand by reorganization of the world economic system.

True, we have the United Nations Charter, which was adopted by a majority decision, just as was the declaration on Zionism; of course, the majority in favour of the economic rights and responsibilities of states looks somewhat different. At all events, this charter is on first sight a document concerned with the distribution of poverty. This cannot be the intention of the industrialized nations, the European Communities or their constituent elements.

In other words, we must first try to discover what the actual objective of the initiators is. Since we know how long it takes for such international exchanges to produce clear answers, I dare say in the circumstances that as regards the world economy and economic policy, and indeed world politics, we shall remain on completely uncertain ground for some years to come.

It is in fact impossible for us to anticipate how the countries of the third and fourth world will act in this context. We must all, and that includes this Parliament, make a concerted effort to discover this; and the Parliament must develop some ideas of its own that go beyond a mere instruction to the Commission.

This Parliament has issued a variety of opinions on the world monetary system, and the different positions are clearly known. However, I cannot at present envisage how this concept of a 'new world economic system' is to be given practical form.

If we are to avoid the risk of aiding and abetting those powers which in actual fact wish to distribute poverty and which do not wish the poor nations to emerge from poverty to a state of modest but increasing prosperity, then I feel we must also advocate a completely free world economy which must not be subject to the control of syndicates or cartels. This also applies, of course, to the national context, and we must therefore reject any measure whatsoever which, in the event of economic difficulties of any kind arising in the limited area to which it applies, might result in social problems and consequently in protectionism.

Discussions between the competent persons should, in my view, ensure that protectionist measures of a type that we will not permit the Americans to adopt are not taken by sections of the Communities.

In discussing the economic rights and duties of states with the third and fourth world we can retain our credibility only if we reject such measures—measures which the others are, in effect, eager to use.

The others, thus, are disposed to repeat the mistakes made by Europeans over several decades during their industrialization. But these mistakes must simply not be repeated. On the basis of our own very painful experiences, we must therefore do what we can to prevent this.

We should also take particular care to see that positions of great strength are not exploited or abused; on the other hand, as regards the final customer, we must ensure that our policy objectives are directed towards the creation of a buyers' market, rather than towards preserving

**Lange**

a sellers' market for consumer goods and durables in all important sectors. This applies at all three levels, national, European and international.

Ladies and gentlemen, my intention in contributing these thoughts was to point out that we are confronted by a number of problems which must be solved through cooperation with others if economic policy is to be restored to a sound basis in three or five years' time.

(Applause)

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (D) Mr President, ladies and gentlemen, I should first like to thank the rapporteur, Mr Artzinger, and the other members who have taken part in the debate. I am afraid I must admit that since the eight-hour debate we held on the same topic in Strasbourg in October I have not discovered any new miracle cure for our ills and have no patent medicine to offer you this evening. Nor is it likely that we shall find one by holding the same debate every four weeks, however useful it may be.

I should like to mention something which has already been referred to here and which is somewhat more positive than many of the experiences to which we are otherwise accustomed. In the last 12 to 18 months we have in fact enjoyed some successes. I do not wish to go over the currency question again, but I would just draw your attention to two significant trends: the improvement in our balance of payments situation and the decrease in the rate of inflation in certain countries. This is not to say that what we have achieved in these areas is adequate. But if we are honest, we must recognize that as far as these two items are concerned the situation in our Member States is better than it was a year ago and that Community measures and coordination have had some effect.

I should like to repeat a point which I have mentioned here in many debates on the economic situation and in committee and which has already been raised by several speakers in today's debate, namely that it is of vital importance for proper preparation for the future and for finding a way out of the crisis that confidence should be restored. We refer to this on two occasions in our report, firstly in connection with the confidence of consumers and secondly that of investors. I am referring here to cyclical difficulties. I shall deal with the other matters later.

We note that in recent years saving ratios have increased steadily in all countries. For example, in comparison with the preceding year we can expect the saving ratio to increase to 16% in Denmark, 16% in Germany, 12% in France, 19% in Ireland, 20% in Italy, 8% in the Netherlands, 18% in Belgium and 11% in the United Kingdom; if the saving ratio in the four largest Community countries, the Federal Republic of Germany, France, Italy and the United Kingdom, had not deviated this year from the average for the last three years, private consumption in these four countries would have been 7 500 million dollars greater this year than it actually was. That is more than 1% of total private consumption. These figures show how important it is for confidence to be restored in this area. It will doubtless be necessary to hold a special debate to determine what the causes of this situation are and what should be done. But the order of magnitude of the problem should not be overlooked. To quote just one more figure in this connection, in the Federal Republic of Germany the higher saving ratio for 1975 represents a drop in consumption of approximately DM 12 500 million, i.e. 1.2% of the gross domestic product. That means that the tax relief which came into force at the beginning of the year has been almost entirely cancelled out by the trend in the savings of consumers.

Another reason for my commenting on these points is that in the debate on ways of overcoming this crisis voices are heard here and there—and we shall hear more of them in the near future—in favour of increasing consumption so as to release a huge spate of demand. I should like to sound a strong warning against this fallacious theory, which will have only two results. It will increase the saving ratios and will also give a further boost to inflation. It is a solution which I adamantly reject, and I would like to say to those who infer from such figures and such trends that a policy of that type would be the solution to our problem, that they either do not understand the situation or do not want to understand it.

My second point concerns investors. How can investments revive when such trends prevail and when there is such universal instability as regards other factors bound up with world trade and cost trends in individual countries? In paragraph 4 on pages 14 and 15 of our report we state unequivocally that it is necessary for both sides of industry to show self-discipline and devote their efforts to analysing our difficulties and devising ways of overcoming them together. I shall not go over this again now, you can read it for yourselves. We have tried to find a balanced solution; this implies that manufact-

**Haferkamp**

urers must show self-discipline in their price fixing, that the unions must show equal restraint in their wage demands and that we can no longer demand more than the economy has to give.

An important point which I should like to stress is that if the confidence to which I referred is to be restored, it is particularly important that there should be cooperation between both sides of industry and the state. If we achieve that we shall probably inspire more confidence among consumers and investors than is at present the case.

I know that this is very difficult since all those involved are being asked to some extent to alter attitudes which over the years have practically become a way of life, which for years have borne the stamp of tradition and which often have their roots in unfortunate experiences with the other partner, or in less than complete trust by one or both partners in the promises and actions of the State. But it will not help to cling to the mistrust of the past. We must escape from it and we can only do so if we initiate a new era of confidence and co-operation.

This is a time of important opportunities for this Community. Next Tuesday the first tripartite conference on economic and social questions will be held. I hope that this will mark the start of joint action by the Community and that the delegates at this conference will not spend their time in mutual recrimination and be content to pass resolutions, as has so often happened at summit conferences, but that they will make practical decisions and practical contributions with the intention, of course, of implementing them jointly. It is in my view of the utmost importance that this should be achieved. There is also something I should like to be quite frank about and it relates to a point raised by Mr Leonardi. He asks: how can we expect people to make sacrifices, what guarantees are there? Well, we must work together to find these guarantees. Over a year ago I said in this House that the rise in the price of oil and other events would mean a loss of real wealth, which would have to be compensated in terms of goods and services, and that the growth rates of the past, including those in living standards, were over, that sacrifices would have to be made which could only be derived if every member of our society felt that they were being apportioned fairly and equally. This is surely something which we all acknowledge. But even here nobody has a cut-and-dried solution as to how this fairness and equality can be guaranteed right down to the last inch, to the last cent, to the last lira or to the last pfennig. Nevertheless, we have to start

looking for these solutions and we have to look for them together.

We at the Commission have tried to make a series of proposals to this effect and yesterday even took a decision concerning a particularly important document. This document is intended to stimulate wide-ranging discussions about worker participation in the Community and we hope that a political consensus will be reached and that practical decisions will also be taken in the near future. We feel that such discussion and progress with regard to general information and participation, ranging from simple cooperation to co-determination, are absolutely essential, because the people who will have to make sacrifices in the coming years need to be sure that they are not being deceived. They all need to be sure that they have been given the facts and must be able to infer from those facts that things are going smoothly and that the national authorities are taking steps to create order and justice by means of appropriate fiscal, social and employment policies. All these processes involve far more than economies in the narrow sense.

I should like to emphasize a third, also very important point which has been raised here today and was also mentioned yesterday in a different context, namely, that we must at all costs shun any temptation to take the perilous road to protectionism, both within and outside the Community. We cannot afford to make blunders of this kind. If we isolate ourselves, we shall only be doing one another harm and those who think they can afford to isolate themselves will do themselves the most harm. Even if they feel nothing straightaway, they will do so very quickly when they have set in motion the spiral of counter-measures. I sound the same warning against protectionism that I sounded before this House in January 1974, when I explained the emergency measures which the Commission had proposed at that time.

I am very glad that in the past two years we have avoided these dangers. We should do every thing in our power to continue to avoid them.

It has been said that in this annual report on the economic situation we have not taken sufficient account of medium and long-term prospects. That, however, is not the purpose of this report. We shall, I hope, soon be submitting to you the fourth medium-term programme.

We have on many occasions debated problems in this House which are relevant in the present context, but I must again confess to you that we do not have the solutions to them.

**Haferkamp**

Mr Leonardi has just said that the situation confronting us at the moment has a new look about it. He is right. The solutions cannot therefore be found in cut-and-dried form in textbooks. There is no precedent for this situation. All we can do at the moment is to observe certain trends, monitor them very closely and draw the relevant conclusions.

Everywhere, at international gatherings and in other quarters, there is talk of the need to reorganize the world economic system. But I have never met anyone who was able to put into concrete terms what he meant by that. Everyone wants everything at the same time. We must combat the recession, but we must simultaneously combat inflation. We must earn more to offset the higher oil prices we are having to pay. We must spend more on energy, investment, alternative jobs. We must do all this. And at the same time we are told that we must stimulate demand in order to boost economic activity. This is something I have already mentioned. At the same time, though, we have responsibilities towards the developing countries. All these things must be done at the same time and are equally important! Everyone is shouting: I want this or I want that, but it does not occur to anyone that they are demanding 20% or 50% more than we can produce. In reply to individual demands of this type I am inclined to ask in each case: are you not asking us to give more than the 100% we all earn? And I also ask to be told what the solutions are. I hope this will also contribute to bringing about more joint consultation. I repeat, we have no option but to engage in joint consultation, with you, at the tripartite conference and at all other times and places, in order to find solutions to our current problems.

However, this is something which cannot be done overnight. It will probably keep us busy for years. But we can do it if we do it together. Mr Lange asked me my opinion on the value of personal contacts. All I can say is that the personal contacts which I helped to establish over a year ago in connection with sessions of the Council of Finance Ministers have in my view produced extremely positive results. I have already had the opportunity of reporting on this to you. But I have the impression that Mr Lange's question relates to a higher level. In that case I could like to make the general comment that I think it is a good thing for those who hold posts of responsibility to engage more frequently in joint discussion and consultation. Surely no one will contest that and I think Mr Berkhouwer, who was the first to raise this point explicitly, will agree too. The vital thing—and here I take up something that Mr Lange said—is that developments in this area

should not contravene the rules of the Community or weaken it, and it would be a good thing if both before and after such consultation full information were supplied to those who, perhaps for purely practical reasons, are not able to take part, by those who do participate, though this is perhaps something which is often done without our being aware of it in each individual case.

I have been asked many questions arising from certain doubts about our hypotheses, our figures and our forecasts. Well, we all have this problem; it is easy for mere mortals to be wise after the event, but not before. And I would add that there is no such thing as experts on the future and there are very few experts even on the past. So we do not claim to provide all the answers to all the questions.

With your permission, Mr President, I should at this point like to quote a few sentences relating to structural problems.

'The maintenance of adequate growth depends on structural changes in the Member States' economies, supported or indeed launched by active measures of structural policy.

It would be wrong if structural change was impeded in the interest of keeping low-productivity sectors or enterprises going. Restructuring will necessitate substantial investment in the fields with a future.

This investment must at the same time enable workers rendered redundant in the other sectors to be reabsorbed here. I must be in line with the new demand arising out of the change in relative energy prices. It must make possible the development of new forms of energy production. It must meet the new outside demand. The problems which must be faced by the Community are the more serious and their solution the more difficult owing to the previous existence of serious internal disequilibria. The persistence of inflationary trends has brought a distortion in the distribution of income and wealth, thus provoking a climate of social friction. At the same time, investment has often been badly directed and marginal enterprises or sectors artificially maintained in existence. Despite their seriousness, the problems facing the Community and the Member States are soluble, but require closer solidarity between social groups within countries, between the Member States within the Community and also between the Community and the rest of the world.'

The catchword 'solidarity' is as relevant today as it was the day we submitted this document to the Community's institutions. I mention it because that was exactly one year ago tomorrow. (Applause)

**President.** — I call Mr Artzinger.

**Mr Artzinger, rapporteur.** — (D) Mr President, it is very tempting for me to use my notes to

**Artzinger**

answer the Members who have spoken. But in view of the late hour I shall refrain from doing so. I should just like to thank those who praised my report and also those who did not praise it; perhaps they will do next time.

Mr Lange asked me a specific question about the new world economic system and I am all the more willing to answer this question since Vice-President Haferkamp declared, to my great surprise, that he did not know and had not yet been able to discover what the new world economic system is. Mr Haferkamp, on 3 May last year the United Nations passed a resolution on the new world economic system. This is a list of demands and wishes addressed by the world to the industrialized countries. That is the origin of the expression and that is how I should like paragraph 9 of the motion for a resolution to be understood. I fully realize, Mr Lange, that we shall have many negative things to say about it since the Charter of the Economic Rights and Duties of States which you quoted goes in much the same direction. However, I believe that we should not be content with saying no to this, but that we have a positive contribution to make on behalf of Europe in the dialogue with the third world. And I think we agree that we should discuss the clarification of the European point of view in the Committee on Economic Affairs too and perhaps also in other committees. I hope too that it will be possible to hold this dialogue with the Commission, since the Commission has certainly examined this matter in much greater detail than we ourselves. In short, Mr Lange, I would ask you to be sympathetic on this point.

You also asked me about the drafting of paragraph 3. I have since been informed by colleagues of other languages that in their languages the text does not give the same impression as the German version. I therefore hope you will understand, Mr Lange, if I only amend the German text, in the manner you propose. That I am quite willing to do.

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

I put the motion for a resolution to the vote.

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

11. *Regulation on a system of bracket tariffs for the carriage of goods*

**President.** — The next item is the vote without debate on the motion for a resolution contained in the report drawn up by Mr Schwabe on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission

of the European Communities to the Council for a regulation amending Council Regulation (EEC) No 3255/74 of 19 December 1974 extending and amending Council Regulation (EEC) No 1174/68 of 30 July 1968 on the introduction of a system of bracket tariffs for the carriage of goods by road between Member States (Doc. 349/75).

I put the motion for a resolution to the vote.

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

12. *Regulation on the Community quota for the carriage of goods*

**President.** — The next item is the debate on the report drawn up by Mr Giraud on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a regulation on the Community quota for the carriage of goods by road between Member States (Doc. 350/75).

I call Mr Albers.

**Mr Albers, deputy rapporteur.** — (NL) Mr President, ladies and gentlemen, I was asked this afternoon by Mr Giraud, who is unable to be present, if I would introduce his report. I do so with great pleasure, particularly as it contains a proposal relating to the common traffic and transport policy, which is a matter of no small significance for the European Community. The agenda for this part-session includes a number of proposals relating to this common transport policy, such as that dealt with in the report by Mr Schwabe on extending the period of application for bracket tariffs. Tomorrow we will discuss Mr Gerlach's report on reciprocal recognition of navigation licences for inland waterway vessels, and now we are about to discuss the report by Mr Giraud on behalf of the Committee on Regional Policy and Transport. The report I am about to introduce deals therefore with one of a number of minor proposals made by the Commission. This report is scheduled for submission to the Council in December so that the necessary decisions may be taken.

The Committee on Regional Policy and Transport is pleased at these developments since they mean that the exceptional efforts made by Mr Seefeld and Mr Mursch in the Committee for Regional Policy and Transport to get things moving in the common traffic and transport policy have met with a modicum of success. Although we are still dealing with small matters, the scope of which is by no means commensurate with the overall concept of the

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**Albers**

Committee for Regional Policy and Transport regarding a common policy in this field, they are nevertheless small steps in the right direction. Mr Giraud's report deals with goods transport and Community authorizations. It contains a table showing the way in which the Community quotas have been allocated since 1939 together with the proposals for 1976. I must add a few words shortly regarding these figures, since they contain some errors. This apart, the figures give reason for optimism, but we must understand that this only represents 6% of the total carriage of goods over the borders—i.e. a small proportion—which will be considerably increased now that it will be possible to double the number of authorizations issued. The Commission proposes to do this in two sections, firstly by means of an across-the-board 50% increase of the number of authorizations issued in 1975, and secondly by allocating further authorizations on the basis of the rate of use of those issued in 1973. This method is open to debate. However, although other methods leading to different results are possible, this system is nevertheless one which the Committee on Regional Policy and Transport can approve, since it takes account of past performance, and the extent to which advantage was taken of the possibilities offered. We cannot ignore performance—which is why our Committee reached agreement on this system.

In order to avoid any misunderstanding, I should like to explain the corrections which should be made to the table contained in the report. It is stated that the number of authorizations is to be doubled, but the table shows that 4 726 authorizations are to be allocated for 1976 as against 2 285 for 1975. That is more than double. The Secretariat will, however, distribute the following corrections; for Belgium, 1975, read 265 authorizations; the figure of 169 for Denmark is correct; the figure for Germany should be 427; for France 403; the figure of 50 for Ireland is correct; for Italy 319; for Luxembourg 70; for the Netherlands 382; and for the United Kingdom the figure of 272 is correct. If we add these figures up we come to 2 363, which is in fact half of the proposed twofold increase for 1976. As I said before, therefore, the system of allocation is naturally open to discussion, but after some consideration our Committee decided that it could give its support to the Commission's proposals.

Mr President, our committee also agrees to the proposal for an automatic annual increase of 20% from 1978 onwards if the Council fails to reach a decision in good time. We welcome this proposal since it would in effect gradually lead to complete liberalization. When the number of

authorizations exceeds the demand, complete liberalization will have been achieved, and then there will automatically be an end of all the existing agreements which contain nothing but restrictions.

One small point in conclusion. Our committee regards the abolition of record sheets for cross-frontier transport operations as a reduction of bureaucratic obstacles and the business sector will no doubt welcome this move for the same reason. Therefore although these are merely small steps, Mr President, our committee, for which I have been acting as spokesman on behalf of Mr Giraud, can give its support to the Commission's proposals. I hope, therefore, that Parliament will adopt the motion for a resolution contained in this report.

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

**Mr Nyborg.** — (DK) Mr President, I should first like to take the opportunity of thanking the rapporteur, Mr Giraud, for the work he has put into preparing this report on the Community quota for the carriage of goods by road between Member States, and hope that, in his absence, Mr Albers will convey these thanks to him.

The aim of the report and the Commission's proposal is a commendable one: complete liberalization of the Community road haulage industry with the doubling of the number of authorizations as the first step. I am therefore able to give my warmest support to the Commission's efforts in this direction.

However, I must add one or two critical comments to the debate on this report in Parliament. At the last meeting of the Committee on Regional Policy and Transport I was unable to obtain satisfactory information from the Commission with regard to the allocation of the authorizations to the different countries. It is therefore necessary to take this matter up now for further discussion and examination. Even with the Community quota covering at present only 6% of road transport within the Community—a figure which it is hoped to increase to 12%—difficulties have often arisen in connection with the allocation of the authorizations.

It would therefore be profitable to unravel some of the entangled strands of this situation.

The present proposal of the Commission concerning the allocation of authorizations for 1976 falls into two parts: 50% of the increase is to be allocated between the Member States on an across-the-board basis and the remaining 50% is to be allocated according to the rate of the

**Nyborg**

use of the Community authorizations issued in 1973. Mark the date 1973. The Commission's proposal uses these two distinct criteria to derive the allocation of the quota for 1976 shown in the report. The latter criterion, which is based on the degree of use, should be rejected. It is derived from the number of transport operations and consequently does not take into account that the countries on the geographical periphery of the Community, e.g. Ireland, where the speed of operations is slow and where therefore a lot of time is lost, cannot perform as many transport operations per authorization as the more centrally situated Member States. In this connection it must also be borne in mind that the weight of the goods carried is not always comparable because of the great variations in volume. This is particularly evident with regard to the carriage of agricultural and similar produce which occupies a disproportionately large area for its weight.

A further example of the unsuitability of this criterion is the selection of 1973 as the base year for calculating the degree of use, since that was the year in which the United Kingdom, Ireland and Denmark joined the Community. Consequently, it was impossible for these countries to attain as high a degree of use of the authorizations as the original Member States, since, as might be expected, a large part of the allocations in actual fact only came into effect during the first half of 1973.

Finally, the new Member States should be accorded a certain introductory period which would, *inter alia*, provide the opportunity for them to familiarize themselves with the system and to develop the necessary contacts with the new market on the Continent.

A further criterion ignored by the Commission is that of basing the calculation of the 1976 figures on the tonnage transported per kilometer. Such a criterion might be considered more relevant than that used by the Commission.

The only valid comment that can be made about these different criteria is that the statistical material is too unreliable and was not sufficiently reliably processed. It is therefore inadvisable to take it as the basis for the allocation of the authorizations, since such an allocation will be unrealistic and imperfect. To avoid a lopsided allocation of the Community quota, one should therefore start by assuming that the Member States have completely exhausted their quota; this would facilitate allocation on an across-the-board basis, so that all the Member States would receive twice the 1975 figures.

This motion for a resolution would therefore have to be amended accordingly by inserting in

the motion a clause to the effect that the 1976 allocation should be on an across-the-board basis. On behalf of the Group of European Progressive Democrats, I should like to recommend that honourable Members support the present motion with this amendment, since the increase in the Community quota must be seen as a major step along the road to a freer organization of the transport market.

I would merely like to state in conclusion that it is vital for the decisions to be taken before the end of the year, as otherwise development in this field will be held up.

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

**Mr Osborn.** — Mr President, I should like to add to the comments made by Mr Nyborg, with particular reference to the amendment which we have before us. When Britain, Denmark and Ireland entered the Community nearly three years ago, Conservative ministers, and particularly the Rt. Honourable John Peyton, made it quite clear that they hoped we would move away from the quota system and towards freer competition. Reference is made to this in Mr Giraud's report and in the Commission's report. The industry, not only in Britain, Ireland and Denmark, but in the other Member States as well, welcomes this increased liberalization. That the Commission's report and Mr Giraud's report refer to this is therefore welcomed by the industry, because it should not be held back by restrictions which are hard to impose, and a quantitative licensing system should be replaced by a qualitative system. This is being pressed on the Commission from all sides, and we in Parliament should reflect that view.

Mr Giraud's report is an excellent one. Unfortunately, owing to air transport troubles, I was unable to attend the committee meeting at which this was discussed, but I welcomed the first two proposals, that is, paragraph 3 of the motion, which concerns a programme for achieving free competition in the carriage of goods by road between Member States—and my group readily agrees that carriers should no longer be required to keep record sheets for transport operations—and paragraph 7, which refers to a significant improvement in the functioning of the transport market within the Community. As a representative of Britain and the road haulage industry there and the other newer countries, I welcome these proposals and this resolution.

In the explanatory statement, as has already been said in this debate, reference is made to the systematic increase in the Community quota



**Osborn**

going hand in hand with a reduction in bilateral quotas. I also recognize that the increase in the general or multilateral quota is only from 6 to 12% of the whole. When I checked the figures given to me by the road associations—and I am glad that it has been referred to—I found that the figures for 1975 were incorrect, and I am very glad that the deputy rapporteur has felt inclined to concede that we had some false figures. But even in these false figures, the unfortunate feature is that the newer countries—Denmark, Ireland and the United Kingdom—have far less than double and some of the older countries of the Community have far more than double. That is why we tabled an amendment asking for a doubling for each country. I very much hope that the Socialist Group will support this, because it is reasonable and fair for the new countries, who have obviously got to adjust themselves to this new method of quota licences, to continue with a trial period, as Mr Nyborg has mentioned. There are customs problems, but of course in the case of Denmark, Ireland and the United Kingdom, operators are further from the centre of Europe and should therefore be given every encouragement. I believe that the Commission and the Ministers have persuaded the British Government to go along with this original recommendation, but I also believe that Members from the newer countries should ensure that when a rapporteur says doubling, he gets his figures right—and I thank the honourable Member for getting the figures right—and that they should be doubled fairly for all three countries. I therefore hope that the Members of this Assembly will agree to a linear doubling for each country, and therefore agree to this amendment, and that we can have the figures corrected in the rapporteur's report before this goes to the Council of Ministers. I very much hope therefore that honourable Members will support this amendment, so ably moved by Mr Nyborg.

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

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (1) Mr President, ladies and gentlemen, last year the Commission undertook to submit proposals relating to the organization of the transport markets before the end of 1975. This it succeeded in doing despite considerable difficulties: in October it submitted eight proposals and these are now being examined by the European Parliament. Two of these proposals were urgent: the one which has been approved without debate, and the other which is the subject of Mr Giraud's report, which has been presented by Mr Albers as deputy rapporteur.

I feel it my duty, Mr President, to thank the European Parliament and, in particular, the chairman of the Committee on Regional Policy and Transport for understanding the delicacy of the situation and examining so promptly the two items which are being debated today. This has made possible not only today's vote, but also the examination which the Council will undertake at its meeting on 10 and 11 December.

Having said this, I should like to thank Mr Giraud for preparing his report and Mr Albers who deputized for him today, and also Mr Nyborg and Mr Osborn, although I disagree with the approach of the latter two Members on this issue.

As we are currently in a transitional period we feel that, until Community traffic is liberalized, it should take into account the needs of the carriers of the nine Member States. This is why we thought of doubling the number of authorizations, but not on a linear or across-the-board basis as requested in an amendment now before Parliament, because if we issue authorizations to all who apply for them, we shall in effect be penalizing the better applicants vis-à-vis the poorer ones.

In fact, if all the carriers applied, they would all have to be treated alike, but it seemed more useful to us to divide this new quota into equal parts so that half would be granted on a linear basis, i.e. to everyone, while the other half would be granted on the basis of assessment of the authorizations, as was the case in the past.

This would avoid the risk of authorizations perhaps remaining partly unused or—and this is even more serious—favouring those whose performance in the past was poor.

Although I appreciate Mr Nyborg and Mr Osborn's arguments, I must oppose the two amendments which have been tabled. The first affirms the need for a linear method and more or less contradicts paragraph 6 of the same motion for a resolution; as for the second, I doubt whether Parliament can adopt a resolution subject to reservations.

Therefore, Mr President, grateful as I am to Parliament and the parliamentary committee for their good work and for their collaboration with the Commission, and although I undertake to submit the other proposals necessary for establishing the organization of the transport market, when the time is right, I oppose the two amendments because they are in conflict both with the spirit of this motion for a resolution and with the aims which the Commission is pursuing by means of these proposals.



**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, I am sorry, but I did not fully understand the Commission's remark about penalizing the better applicants vis-à-vis the poorer ones. In my view it is totally irrelevant in the present context.

Perhaps I might just be allowed to recap a little. I won't bore you by repeating everything I said in my previous speech, but will limit myself to pointing out that, if one uses the allocation figures proposed by the Commission for the different Member States, this will be to the detriment of the new Member States, and I have therefore tabled two amendments, in conjunction with Mr Osborn and Mr Corrie of the European Conservative Group and Mr Yeats of the Group of European Progressive Democrats.

In rejecting the Commission's proposal it is not the intention of the proposed amendments to establish the principle of linear increases in the Community quota for all time, but only for 1976. Consequently, we have tabled Amendment No 1, which states that the increase in the quotas for 1976 should be on a linear basis, for insertion following paragraph 2 of the present motion for a resolution. This also entails replacing the word 'accordingly' by 'subject to these reservations' in paragraph 8 of the motion for a resolution. In order to achieve a reasonable allocation of the Community quota for 1976 which is not to the detriment of any particular country, I therefore urge you as joint signatory to vote in favour of this amendment.

**President.** — I call Mr Albers.

**Mr Albers, deputy rapporteur.** — (NL) Mr President, the Committee for Regional Policy and Transport has discussed this question. It is, of course, regrettable that the available figures were not completely accurate. One should not, however, conclude from this that the corrected figures for 1975 provide an argument against acting in accordance with the Commission's proposals and for accepting the proposals contained in the amendments. That would be completely misguided. It is without question unfortunate that the figures were incorrect, but the new, correct figures only mean that the 1975 situation has become more acceptable. It can be seen from the new figures that the number of authorizations allocated to the new Member States has not increased. The figures shown in the original table were correct in the case of the new Member States. However, the number of authorizations allocated to the other six Member States in 1975 was in fact higher. The difference between 1975 and 1976 has

merely been found to be smaller, and therefore more acceptable. We should not forget either that the efforts mentioned in the explanation to paragraphs 7 and 8 cannot be left out of account, since it would hardly be acceptable to the business sector if those who made less use of the possibilities offered in the past were put in a better position than those who did make efforts to use these possibilities. This, therefore, is why the Committee on Regional Policy and Transport unanimously, with two abstentions, supported the resolution and explanatory statement, thereby declaring itself in favour of the system proposed by the Commission.

I therefore propose that the two amendments be rejected.

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

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.

After paragraph 2 I have Amendment No 1 tabled by Mr Nyborg, Mr Osborn, Mr Corrie and Mr Yeats:

'Paragraph 2a (new)

Insert the following new paragraph:

"2a. Requests that for 1976 the increase in quotas should be on a linear basis;"

This amendment has been moved by Mr Nyborg.

I would remind the House that the rapporteur rejected it.

I put this amendment to the vote.

Amendment No 1 is rejected.

I put paragraphs 3 to 7 to the vote.

Paragraphs 3 to 7 are adopted.

On paragraph 8 I had Amendment No 2 tabled by Mr Nyborg, Mr Osborn, Mr Corrie and Mr Yeats:

'Paragraph 8

Replace

"accordingly"

with

"subject to these reservations".'

However, since Amendment No 1 has been rejected, this amendment becomes void.

**President**

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

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

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

13. *Directive on the education of migrant children*

**President.** — The next item is the report drawn up by Mrs Carettoni Romagnoli on behalf of the Committee on Cultural Affairs and Youth on the proposal from the Commission of the European Communities to the Council for a directive on the education of the children of migrant workers (Doc. 375/75).

I call Mrs Carettoni Romagnoli.

**Mrs Carettoni Romagnoli, rapporteur.** — (I) Mr President, before beginning my introduction, I should like to ask honourable Members, especially those who intend to speak, to bear two things in mind.

The first is this: we have here a Commission document, which, although of great significance, is still very general in its approach. Any attempt, therefore, to read too much into it and to find many details in it is doomed to failure, because this is a document which permits us for the first time—and with our full agreement, as I shall shortly explain—to make a choice of principle; we are asked, that is, to decide how we wish to tackle the problem of educating the children of migrant workers and the European citizens of tomorrow.

The second recommendation that I would make to those who intend to speak is that they should also consider, along with the report which I have the honour of presenting on behalf of the Committee on Cultural Affairs and Youth, the opinion drawn up on behalf of the Social Affairs Committee by Mr Albers, I say this because I feel that the two documents must be considered as two parts of the same general report. It will be seen, in fact, that some parts of Mr Albers' report are incorporated in the motion for a resolution.

What, then, are the basic points of this document, and what are the aspects of particular importance which lead us to give it our full approval?

Firstly, there is a fundamental fact which we cannot ignore. Until now very little has been done in this Community for these young people. The experiments which have been carried out have been few, and unfortunately have not always given positive results. The data—Mr Albers mentioned this also—are still unreliable, so unreliable that even the number of children to be educated is widely disputed. We have various figures: a million, or one million two hundred thousand, more or less, —we are still not sure. We must also recognize the fact that opening the schools to the children of migrant workers has done little to ensure that they receive a full education. And as Mr Pisoni has pointed out on a number of occasions, irregular school attendance is still a major problem in the Community.

The Commission commendably faces up to this unsatisfactory situation by presenting a fundamental choice to which I believe Parliament must give its full support. The Commission urges us to reject the type of school which will place the children of migrant workers on the fringes of society, and emphasizes the need to avoid at all costs the risk of establishing a ghetto in the host country and possibly of creating further feelings among these children of not belonging when they return to their native country. As I said, the Commission offers us a choice of principle, and if we wished to sum it up simply, ladies and gentlemen, we should have to say that we are dealing with the quintessentially cultural problem of safeguarding the cultural identity of these children, even as we encourage their integration into other countries. You will agree that this is a question of vital importance which engages us not only politically but also culturally.

Thirdly, the Commission invites us to consider two eventualities: either the young person remains in the host country or he has to return to his native land. This problem is all the more important at the present time because we are passing through a period in which we have not only seen and are seeing, but indeed may unfortunately continue to see even more children of school age returning to their home countries. And here, in my opinion, we have the crux of the problem. Workers' migration is a feature of the European Community, and is the result of a certain type of development which we have created. We may approve or disapprove; nevertheless, it cannot be denied. But this does not alter the fact, Members of the Commission, that the European citizen has in fact been born. And so we must provide for this European citizen, the child of foreign parents who is born or arrives very young in the host country, and we

<sup>1</sup> OJ No C 260 of 8. 12. 1975.

**Carettoni Romagnoli**

must try to derive a beneficial result from his difficult situation, which has undoubtedly meant much pain and sacrifice.

In my opinion, this beneficial result can be the setting up of a type of bilingual school which will thus tend to become increasingly bicultural. This requirement, set out in paragraph 8 of the motion for a resolution, was extensively discussed in committee, and is essentially an expression of our duty to find a solution for this tremendous economic and social problem.

We are agreed therefore that we must work towards a type of school which will be open to all the citizens of Europe, whether they are the children of migrant workers or not, and which furthermore will occupy its proper place within the European Schools system. It must not be solely a temporary stop-gap; it must become part of a more general system. I should like to remind certain honourable Members who share many of our views but whose experience of Europe is perhaps less, that if we build a new Europe all our European structures must inevitably change; nothing can remain as it is. As we steadily move forward, things are bound to change; and so we must examine this pluricultural society which is developing and shape it not only for today's needs—for practical solutions to some of our present problems are still lacking—but also and especially for the needs of tomorrow.

We do not wish, at the present time, to impose a specific type of school on anyone. Neither we nor the Commission can do this. Nevertheless, we must not forget that if we wish to provide the society of the future with a viable cultural response, we must create the structures for a pluricultural type of school now.

I fully agree, Mr Albers, with a comment in your report on the very great difficulties involved in this task. It may seem strange to you that a Member on this side of the House should also point out to the Commission the extremely complex nature of the undertaking. And yet I agree entirely with you on this point. Indeed, if we consider carefully, we cannot ignore the seriousness of these problems, not must we underestimate the difficulties. Otherwise we run the risk of making fine speeches and achieving nothing.

For example, Mr President, I confess quite openly that we are faced with one very awkward problem: although it is not too difficult to conceive of a school for the children of migrant workers from the nine countries of the Community, since we already have examples in Denmark and the Netherlands, we find ourselves

in a very difficult situation—and why should we not admit it?—when we consider the children of immigrants from third countries.

We must not ignore these problems. This is true, but as someone asked during the discussion in committee, must we then think of a pluricultural, bilingual school for two Japanese as soon as they appear in a European city? The answer is obviously 'no'; these are things which have to be done slowly. To start with we have this nucleus of the European Schools; after that we shall see what can be done for the extreme cases.

It is for this reason that the Committee on Cultural Affairs and Youth, although in agreement with the Commission, specifically asks for the setting up of an educational institute because, quite frankly, it is not possible to imagine solutions to this problem without a strong pedagogical and scientific back-up. There are problems concerning the children of Turkish and Greek workers, but tomorrow they will be followed by the Spaniards and the Tunisians, who will bring with them a new series of problems which we cannot solve without a strong cultural back-up.

But even now our committee, along with the Social Affairs Committee, has something to say on the educational aspects. We can say, for example, that this type of teaching process must begin in the nursery; we can say that the teaching of the mother tongue must not be a minor part of the curriculum, regarded as just another subject for the children. Furthermore, our committee is already able to make specific recommendations on the recruiting and training of teachers and on the need to define their legal status. We also stress the fact that the participation of parents in this type of school should be viewed not only as desirable in itself, but also as a factor making for greater democracy and a closer link with society. These were the general criteria which guided our committee in the preparation of its report.

I should like at this point to consider briefly a number of paragraphs in the motion for a resolution.

As I said before, paragraph 5 of the motion was lifted bodily from Mr Albers' report, and raises the problem of the urgent adoption of special measures for the children of migrant workers. We have to have recourse to Article 235, which once again highlights the limitations of the Treaty.

The other basic need is to approve Community provisions for immigrant children without distinction, although we realize that such an

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approach will involve problems of a technical nature. But I hope that after suitable initiatives by Parliament more accurate data will become available to help us solve these problems. We hope to have information on reception classes, the length of time spent in them, the criteria for acceptance, the status of the teachers, and so on.

Finally, we state that it is essential to accept the children of migrant workers in the European Schools, even if—and we say this again—the European Schools will not solve all their problems. But it is not right that these should be privileged schools not open to all citizens of the Community.

In paragraphs 9 and 10 we stress the points I mentioned earlier: commencement at the nursery stage, efforts to make sure that all migrant children attend school and complete their secondary education and that education in their own country is recognized by the host country. But this raises the problem of the recognition of certificates.

These are the basic points which we feel this debate should deal with. Among other things, we wished to stress the need to establish equality of opportunity as regards scholarships.

Ladies and gentlemen, with its proposal for a directive, the Commission has set both itself and us here an extremely important and delicate task. Frankly, if we are realistic, we must admit that we are today still far from realizing such aims. But if we really wish to set this programme in motion, we should first of all stress the need for an increased budget. And it must be fully adequate, for otherwise—even if we draw on the Social Fund—we shall not be able to go through with the programme.

I do not know if all the Members of this House realize the significance of this document, its ideological importance—if I may be allowed to describe it thus—and the tremendous tasks, financial, organizational, and of cultural inquiry, which follow from it. For these reasons, if we vote in favour of this proposal, as I hope we shall, we must know also that we are taking on, as a Community and as an institution of the Community, an enormous task; and we cannot disappoint the hopes of so many families with children of school age who find themselves in a foreign country and who have the right—I repeat, the right—not to be outcasts of society but to be citizens like everyone else.

For these reasons I urge the House to approve this proposal for a directive from the Commission.

*(Applause)*

**IN THE CHAIR: MR BORDU***Vice-President***14. Change in the agenda**

**President.** — I call Mr Fellermaier for a procedural motion.

**Mr Fellermaier.** — *(D)* Mr President, yesterday the House decided to close today's sitting at 8.30 p.m. Since there are seven speakers listed for this report—and it is worth debating—and since the two reports by Mr Mitterdorfer and Mr Cointat are also down for consideration on today's agenda, I feel that the House must decide whether it wants to close the sitting at 8.30 p.m. regardless of how much parliamentary business has been dealt with, whether items are to be postponed till tomorrow's sitting or whether today's sitting should be prolonged. I am raising this matter because I know that a number of colleagues have engagements this evening and will be in difficulties if they do not know now whether the remaining items on the agenda are to be dealt with this evening or tomorrow morning. I should therefore be grateful, Mr President, if you could settle this question now.

**President.** — I call Mr Mitterdorfer.

**Mr Mitterdorfer.** — *(D)* Mr President, I should just like to tell you that I unfortunately cannot be present tomorrow morning. I would ask you to take this into consideration when deciding which items are to be dealt with this evening.

**President.** — In fact the House decided on Monday to close today's sitting at 8.30 p.m.

In view of the comments made by Mr Fellermaier and Mr Mitterdorfer, I consult the House as to whether it wishes to uphold its decision, it being understood that it would in any case finish considering the item on which the debate has just started.

I take note of the fact that the House is in favour of closing the proceedings this evening after the vote on the report by Mrs Carettoni Romagnoli.

**15. Directive on the education of migrant children***(Resumption)*

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

**Mr Albers.** — (NL) Mr President, I am extremely glad that it is possible to discuss this vital report this evening in spite of the restrictions to which we are subject. I should like to say on behalf of my Group that we attach the greatest importance to this draft directive and the report relating to it.

I should also like to thank Mrs Caretoni Romagnoli for having devoted so much attention in her report to the work done by the Committee on Social Affairs and Employment. The fact that the Committee has devoted so much attention to this problem is of course connected with the fact that it is such a short time since we were working on the action programme for migrant workers and their families. We are extremely pleased that the Commission has not been content just to talk about the problem, but has made proposals which will make possible some implementation of this action programme.

The present proposal must be regarded as being of exceptional importance, since it concerns the future of children of groups of people in the European Community who have particular difficulties to face. It directly affects the living conditions of millions of migrant workers. As we have clearly pointed out in the past, a concomitant of our economic development must be an increase in the efforts we make for these people.

It is indeed true that certain groups of migrant workers have been forced by unemployment to return home, but the numbers of migrants have in fact increased, considerably in some cases, over the last few years. This is because more families have entered the Community. For some years the population of migrant workers has shown substantial increases, and after some initial hesitation, the tendency to allow the families to come too has been steadily increasing. Thanks to child allowances, these migrant workers are frequently better off economically if they have their children with them in the country in which they are working than if they leave them behind in their country of origin.

The present directive is also completely in keeping with the arguments put forward at a conference organized by the Council of Europe in November 1974 and the recommendations of the Joint Parliamentary Committee of the Association with Turkey.

I agree with the rapporteur that this proposal is based on the results of rather limited research. In the Commission's explanatory statement figures obtained from research institutes are quoted which appear to show that only 30% of the children concerned complete a course of elementary education. This is an appalling figure.

And as if it were not appalling enough in itself, there is even doubt as to whether it is correct or not! The real figure might be even worse. The problem is made all the more serious by the fact that if these people do not complete their elementary education, it is simply not possible for them to go on to vocational training, at lower or intermediate levels. This must be regarded as a particularly grave problem, since it is these children, whose parents are working in our Community, in our trade and industry, who are most in need of opportunities for training, so that they will be able to get good jobs within the European Community or return to their country of origin equipped with the knowledge they have acquired and play a significant role in the future development of economic life in that country, which is something of which we are strongly in favour.

This all begins of course with elementary education, and the Committee on Social Affairs and Employment has stressed that training really starts even earlier, i.e. in reception classes or even in the kindergartens. The earlier children are given the opportunity of overcoming language difficulties the better, since it is these difficulties which represent the greatest obstacle on the road to development. But that is not the end of the story. It must be obvious that if the children are given the opportunity of receiving instruction, and they are taught in the language of the country in which they are living, there is a risk that to a certain extent they will become alienated from their parents, even if they also receive instruction in the language of their country of origin. This is a risk which only expert social guidance will be able to prevent. My Group, therefore, is particularly pleased that the directive provides for the gradual adaptation of education and social activities with a view to maintaining the linguistic and cultural links with the mother country, by means of free reception facilities, intensive instruction in the languages of the host country, free instruction in the mother tongue and the culture of the mother country during the period of compulsory education and, in particular, a study of the training of teachers, including some from outside the host country. We regard these as significant steps in the right direction.

We regret, however, that certain other objectives mentioned in the action programme for migrant workers and their families, which have been discussed here in Parliament and received firm support, have not been included in this directive. I know there are specific reasons for this. The directive deals with the possible, and it has been designed with a view to avoiding delays. I should like, however, to urge the Commission to keep this matter in mind and, in consultation

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with the representatives of the Member States, to endeavour to develop channels for the exchange of information and teaching aids as part of research and pilot projects on teaching methods. Extra-curricular guidance should be provided by social workers. We should work towards eliminating discrimination between the children of migrant workers and those of nationals in the provision of study grants and other subsidies. These matters were mentioned in the action programme, but there are few traces of them, if any, in the draft directive. The Socialist Group can, of course, see the reasons for this, but nevertheless urgently requests that these items be maintained and that work continue in this direction. Effective solutions, particularly to the question of social guidance, must be found as quickly as possible. We attach particular importance to that. We also find the procedure chosen, i.e. a directive based on Articles 49 and 235 of the Treaty, an excellent solution. By virtue of Article 49, we must do everything possible to ensure that workers of other Member States enjoy, as far as possible, equal opportunities and rights, while Article 235 enables us to provide equal opportunities for workers from third countries, i.e. the Turks, the people from the countries around the Mediterranean, the Greeks, Algerians and Moroccans, all of whom are playing a part in the economic life of our countries and should, therefore, have equal opportunities.

However, if we are to achieve this aim, there must be a more fundamental study as a basis for future directives. This is why it is so remarkable that the appropriation under item 98 in 1975, i.e. 400 000 u.a., half of which was specially earmarked for this purpose, has been excluded from this year's budget. I should therefore like to draw particular attention once more to the fact that the vast majority of this Parliament voted in favour of 800 000 u.a. for item 98 next year. I urge the Commission to give its closest attention to this point, since it clearly holds the key to the future solution of these problems.

I should be grateful for your attention on one more point. My Group is wondering about the possibilities of legal problems being encountered in the implementation of this directive in the Member States, since, according to the directive, all children have the right to bicultural education, and this means that a single child from a tiny state must have this right too. How can this be achieved in practice? In addition, of course, it must be borne in mind that in some situations instruction is given in special schools, such as denominational schools, which are independent. To what extent could a directive of this kind be enforced in such cases? What are the Commission's views on this subject, and is

it prepared to allow for a certain degree of flexibility in the application of the directive so as to prevent unnecessary difficulties leading to further obstacles, and hence delays, when the Council discusses and takes decisions on this matter. I am not saying this because the Socialist Group has any criticisms to make about the substance of the directive or wishes to introduce restrictions on the education of children of migrant workers. I am merely saying it because this is a matter about which we feel greatly concerned, since we hope some progress will be made and because any time lost is particularly unfortunate in view of the seriousness of these problems.

*(Applause)*

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

**Mr Meintz.** — *(F)* Mr President, ladies and gentlemen, after congratulating Mrs Caretoni Romagnoli on her report and expressing the support of my Group for the motion for a resolution, which is of capital importance, I should like to emphasize a few points, sound some warnings and refute the suggestion that little has been done in this field up to now.

First of all, however, let me say how gratifying it is to see Community action in the field of education at all levels: this shows clearly that the Community has to take a hand in tackling problems concerning education and cannot leave them solely to initiatives on the social front.

As regards the proposal for a directive as such, I would first like to express my regret that there has been no comprehensive study on the situation as it stands in our respective countries to give us a more solid basis for proposing effective measures.

In June 1975, for example, the Statistical Office of the European Communities did not even have full statistics for the year 1972/73 on the migrant children in our respective countries.

Moreover, the introductory part of the directive, somewhat pompously entitled: 'Memorandum on the education of migrant children', contains a large number of brief statements which, made in this form, are quite inaccurate.

Let me quote just two examples. Firstly, it is stated that 'in the Federal Republic of Germany and in Denmark, the mother tongue of migrant children is taught at primary and secondary levels'. What does this statement mean? Does this apply to all classes in all *Länder*, or merely to a few fortunate classes?

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Secondly, it is stated that reception classes are currently being introduced in France, the Netherlands and Luxembourg. Let me tell you that these have been in existence in Luxembourg for at least ten years.

It would therefore be in the interests of all concerned—as has indeed just been requested—to have precise data on what has already been achieved, instead of hearing only about what needs to be done. A first step in this direction has been taken by the Committee on Cultural Affairs and Youth in the Annex to the report by Mrs Caretoni Romagnoli. The first measure proposed by the Commission in the directive concerns the preparation of a reception service. I have no need to stress how important the child's first contact with his new cultural environment is, and I think that it is here that the most rapid progress can be made. But, as the various explanatory texts and the various statements which we have heard tend to give the impression that little has been done up to now, I would like to give an example by quoting an extract from a ministerial text of my own country. It is dated May 1968 and is therefore already more than seven years old. It states quite categorically that: 'a reception class for pupils of foreign nationality is imperative in all large localities in which foreign pupils live'. And, in Luxembourg, when we speak of large localities, we mean those having more than 3 000 inhabitants.

The reception class is governed by a few very simple rules. Firstly, the number of pupils must be small and exceed 15 only under exceptional circumstances.

Secondly, teaching must, as far as possible, be on an individual basis and be adapted to the intellectual level and capacity to assimilate of each pupil.

Thirdly, with certain exceptions, no pupil should remain in the reception class for more than one year. At the end of this period, the pupil should be in a position to follow teaching in a normal class suited to his age and educational level.

Fourthly, the reception class is aimed only at enabling the pupils to understand one of the languages used in our schools—either French or German—and to express himself intelligibly in that language.

In order to accelerate progress, ample use is made of audio-visual aids in the reception classes. Moreover, since 1971 there have been special courses for migrant children isolated in a small commune. All this does not mean that we have a ready-made solution, but that a variety of experience has, after all, already been obtained in a number of countries.

The second measure envisaged by the directive is the inclusion in the school curriculum of tuition in the mother tongue and culture of the country of origin.

Although we recognize that this is the goal to be reached, there are, nevertheless, a number of problems which have to be taken into account. In post-primary teaching, this inclusion is relatively easy to achieve by means of an optional language course, but this is not the case in the primary and nursery school. Obviously, the aspects of the problem vary from country to country and in accordance with the number of children of migrant workers.

But I would like to refer to a concrete example, that of my own country, where there is hardly a primary or nursery class which does not contain foreign children. 22% of our schoolchildren are foreign, and if we add the pupils of the European School and the other international schools, this proportion rises to over 25%, which means that one in every four schoolchildren is foreign. This obviously makes the problem a very important one. In some classes, up to 80% of the children are non-Luxembourgers. For example, nine out of the 15 children in one nursery class in my own *commune* are foreign and represent six nationalities. Yet this nursery class runs successfully and presents no major problem.

Incidentally, I would like to welcome the fact that the Community's aim in this directive, too, is to provide equal treatment for Community and non-Community workers and their children.

If we bear in mind that there are thirty or so nationalities present in the country, then it is clear that the problem is not merely financial, as the report tends to suggest, but an actual pedagogical problem which has yet to be solved in our countries.

We should, for instance, know whether tuition in the language and culture of the country of origin is in fact included in the normal school curriculum and how many lessons this tuition involves. These are all issues which have not yet been solved or even broached.

The concept of bicultural education, which has so often been referred to, also remains to be defined. In fact, there are countries in our Community whose normal school organization is already bicultural. Once, again, I quote the example of my own country, where children learn both French and German as soon as they start school. This makes it difficult to introduce yet a third cultural environment without risking—in the medical sense of the word—a schizophrenic reaction, unless it is done by means of

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supplementary courses which should be completely optional.

I agree with the Economic and Social Council which states in its opinion on the action to be taken in the field of education in the European Community that we must ensure that special provisions for migrant children have no adverse effects on the progress of the children of the host country.

I also have some reservations about the third measure proposed, which concerns teacher training, and am concerned about the difficulties facing the European School if, as recommended here, it opens its doors to a larger number of children of migrant workers. Its present structure could not cope with this and needs to be reorganized.

But I do not want to take up any more of your time or give the impression that I oppose this directive on too many points. Far from it.

My intention, Mr President, ladies and gentlemen, was merely to illustrate that a legitimate desire to improve the educational opportunities of migrant children can only be fulfilled if it takes account of the facts of educational life and that we must therefore follow educational problems closely if we want to avoid working in the dark.

*(Applause)*

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

**Mr Nolan.** — Mr President, I should like to take this opportunity of complimenting the rapporteur on this report and also on the contribution she has made here this evening. Possibly, her interest and mine, from an individual point of view, is that we come from two countries in the Community that have had an emigration problem in the past.

Publication of the report should be seen as an extremely constructive step, since it cannot be said that problems relating to the education of migrant workers' children have in the past been given serious consideration. In the past, as far as I am aware, the Member States felt that they had done enough if they allowed the children of migrant workers to attend their state schools. This, however, is not sufficient, because statistically and in other ways it has been proved that these children suffered from an educational point of view. Coming, as I said, from a country that has had a problem of emigration in the past, I often think of migrant workers who have been educated in their country of origin, have received a technical or university education, remain in

their home countries possibly for as little as one year, get married and then emigrate. The children then grow up in the country they have emigrated to. Their country of origin, poor as it may have been, has educated these people to make their technical and educational qualifications and their labour available to the states where they have now made their home, and for this reason I think it is the duty of Member States of the Community, indeed of any state in the world—I come from a country from which people have emigrated to America, to Canada, to Australia—it is the duty of any country in that situation to provide a specialist education for the children of migrant workers in return for these people's labour.

The procedure followed so far is too slow. In its resolution of 21 January 1974, the Council stated that the education of migrant workers' children should have priority in its action programme to promote the free movement of workers.

The children of migrant workers are at a disadvantage when compared with the children of citizens of the host country, mainly because of their families' social and economic situation. Surely this needs no explanation to this House, so far as Italians or Spaniards are concerned, if only because of the language difficulty. In the case, for example, of Irish people who emigrate to England, there is no language barrier but there is a cultural barrier, and therefore the Community must do everything in its power to ensure that something is done so that these children will preserve their cultural background. In time, this would mean sending teachers from the country of origin and—to go even further—during holiday-time when some parents may not be in a financial position to offer their children holidays in the country of origin, providing them with the means to do so. This would enable them to give their children a cultural education by arranging visits to their country of origin as well as employing teachers from the country of origin. Because whilst we are a Community, and we want to develop as a Community, I know that every nation of the Nine wants to preserve its own culture. We even may go as far as to say that we want a common defence policy when we have the Europe that we desire, but above all, we want to preserve our own culture. And we can only do that if our children, even though they have to emigrate, are educated in the culture of their own country.

Mr President, you have asked us to be brief. I therefore will be brief; I have no hesitation in saying that the Group of European Progressive Democrats firmly supports the proposals of the rapporteur.



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

**Mrs Kellett-Bowman.** — Mr President, on behalf of the European Conservative Group I should like to give a qualified welcome to the proposal which has been submitted by the Commission, at least to the spirit in which it has been brought forward, if not to the attention which the Commission has paid to the details involved. This is a point which has been raised by virtually every speaker.

Education, we are all agreed, is a vital part of the process of fully integrating the migrant workers whom we have within the Community into the life of the country where they live and work, either for a limited period or, as is almost always the case in my country, permanently. I should like to start by referring to the amendment which is being proposed to Article 3 of the directive. This is in fact a very mild amendment, as the House will be aware, which takes from page 4 of the Commission's explanatory statement virtually word for word the provision that the parents or guardians of a migrant child should be regarded as responsible for the decision as to whether or not that child should be educated in the language and culture of his country of origin. I am extremely glad that the committee agreed by a substantial majority to this amendment, after changing it slightly to take account of the views expressed by Socialist colleagues on the committee. I believe that with its inclusion the directive would take into account those cases where the parents are migrants but may wish that their child should achieve as soon as possible complete integration into the host country by concentrating entirely at school on learning the language and the culture of the host country. It is particularly the case in the United Kingdom that our migrants may not want, even if they were able, to return to their country of origin, to India, to Pakistan or to Bangladesh. The parents of such migrant children will want their children to do as well as possible at school, and this means that they may positively reject the idea that their children should compulsorily spend part of their school time learning the language and culture of their country of origin.

I agree very strongly with Mr Nolan that it would be sad if the children of parents who come to the United Kingdom from a Commonwealth country were brought up without knowing anything of their original country and its culture. But I wonder how many people here realize that the people of Pakistan, for example, engage and train their own priests to give their children a very full education in the language and culture of their native land on Sundays, so

that this in no way detracts from the time devoted to their general education, on which they are extremely keen and exert a tremendous amount of effort. I bear very much in mind, too, the remarks made in the Committee on Cultural Affairs and Youth by Mr Stewart, of the Socialist Group, who was a trifle critical of the categorical and compulsory nature of this directive. He said that a good teacher should be able to teach such migrant children about their country of origin in a way which would be interesting to English children as well as to immigrant children, and I know that in many English schools this kind of teaching is already taking place. Clearly, however, a quite different situation will arise where an Italian migrant family is living temporarily in, for example, Luxembourg or Germany, where they are obviously very well served, with the full intention of returning to their home country, perhaps at fairly frequent intervals. In such cases, parents may well be extremely desirous that their children should receive tuition in the Italian language and culture. They should therefore be able to opt for this on behalf of their children, and this amendment provides sufficient flexibility to meet all situations of all migrant families.

I now come to some criticism of the motion for a resolution. With regard to paragraph 3, I feel that the rapporteur may be over-enthusiastic about the Commission's proposals. We in the European Conservative Group approve in principle the idea that there should be a directive on the education of migrant children. But we feel that the directive is lacking in detail about the size of the problem, which in our view, and as other speakers have said, is vast. The directive is also a little vague about the resources needed to tackle it—and the resolution is even more vague—and about where those resources will come from. As Mr Albers puts it in his opinion, on page 3, there is already a very wide gap between legal entitlement and reality. In fact, he goes on to say on page 4 that the matter would be absurd if we tried to have a completely equal education in both languages. Although the Social Fund finances half the expenditure to facilitate the basic and advanced training of social workers and teachers who are responsible for teaching immigrant children, the fund has been slashed in the current budget, so one wonders where exactly the money is going to come from, since all national exchequers are equally strained.

The directive is also silent about the problems which may arise in the individual education systems and individual Member States, a problem to which Mr Laban drew attention in the committee on a number of occasions. It is

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not, for example, stated whether a minimum number of migrant children is to be required for the provision of bicultural education. The rapporteur dismissed this matter, I thought, rather lightly, but if this directive becomes law, then we cannot afford to dismiss it quite so lightly. If a small Belgian town, for example, has a small number of Turkish, Greek, Italian and Yugoslav migrants, does that mean that that town would, under this directive, have to provide bicultural facilities for those children in all the languages and all the cultures? How much tuition does the Commission regard as desirable in the mother tongue and culture of the country of origin of immigrant children? This, again, is left very vague. If it is to be more than a generalized course available from time to time in European schools, the the teacher resources needed for it will be very large indeed. The background information to this directive states, on page 5 of Annex II, that none of the Member States at present has at its disposal enough teachers capable of teaching the language and culture of origin of all the migrants. It may therefore be necessary to have recourse to foreign teachers, who in their turn must be initiated into the language, educational system and teaching methods of the host country.

This raises three very important problems. In the first place, the Community's migrant population is inevitably fluctuating. Yet a teacher-training programme may take years to develop itself fully. Unless this directive is interpreted flexibly, Member States will find themselves involved in a teacher-training programme and recruitment programme for migrant children who may or may not exist by the time the teachers reach the schools. They will, in other words, be trying to board a bus that has already left the bus-stop.

Secondly, we must bear in mind that the teachers' organizations in our Member States guard very closely their professional qualifications, and it would be necessary, if foreign teachers were to be imported, to implement bicultural education in order to ensure that the standard of teaching in our schools did not deteriorate. Indeed, it is interesting to note that in my country immigrant teachers who qualify to teach in the United Kingdom—and this very often entails obtaining further qualifications—do not choose to go to those areas where there is a high concentration of people of their own race and culture, and problems might well arise in this respect also.

Thirdly, of course, and I think this is extremely important, the migrant's country of origin would be deprived of scarce and much-needed teacher

resources. This was referred to obliquely by my friend Mr Nolan.

The proposed directive is also inadequate in any figures that it gives for the number of migrant children in question. This may be because up-to-date figures are not available in any Member State, and Members have had reason on many subjects and on many occasions to criticize the inadequacies of our Statistics Office. I have received from the United Kingdom Department of Education and Science a letter stating that the last published figures for the number of migrant children in the United Kingdom's schools were for January 1972, when the total was 280 000 children, of whom 12 000 were from Italy, 6 000 from other European countries, including Poland and Spain, and one wonders where the other 262 000 came from. No more specific details for EEC member countries are apparently available. I suspect that the same sort of situation prevails in many Member States, and certainly the figures given in Annex I of the proposed directive do not attempt to break down the figures for the Member States into countries of origin. Those figures which were given to the Committee on Cultural Affairs and Youth included specific details for Spain, Greece, Yugoslavia, Portugal, Turkey, Algeria, Morocco and Tunisia, but in some cases these were estimated 1971 figures, and each country included a number of migrant workers of unspecified nationality. We are therefore dealing with a very large and complicated problem, and I feel the proposed directive really fails to grapple with the complexities.

With regard to paragraph 5 of the motion for a resolution, I regret that the rapporteur has included references to harmonizing the curricula in the schools. This presents particular difficulty in the United Kingdom, since the central government never has had, and I hope never will have, power to direct the curriculum, with the exception of religious education, and even here it is only the subject that is compulsory and not the content, which at times is extremely bizarre. Apart from religious instruction, the curriculum is entirely a matter for the head teacher—subject, of course, to the scrutiny of Her Majesty's Inspectors. Although this is the case in the United Kingdom, I appreciate the difficulty referred to by Mr Albers in his opinion, that if there is no harmonization of curricula political indoctrination might well be the result: this is clearly a matter to which further thought should be given.

Finally, I turn to paragraph 7 of the motion for a resolution, which I regard as an entirely unrealistic request, as did a previous speaker. We recently debated the European Schools ques-

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tion in this Parliament, and at that time my colleague, Mr Corrie, made the point that to attempt to place migrant children in the existing European Schools, which are already very overcrowded, would be quite impossible, and not necessarily in the interests of the migrant children themselves, given the rather academic curriculum of the schools and the system of division by attainment. It seems a great pity to include this request in a resolution which otherwise concentrates upon the real and genuine bicultural needs of migrant children.

Subject to those reservations, Mr President, my group supports this motion for a resolution.

*(Applause)*

**President.** — I call Lady Fisher of Rednal to speak on behalf of the Socialist Group.

**Lady Fisher of Rednal.** — I crave the indulgence of the House, since this is my maiden speech in this Chamber.

I shall be speaking, Mr President, from a very practical point of view. I come from the city of Birmingham, a city known in Great Britain as a receiver of many immigrants, immigrants from our own Commonwealth countries and from all over the world. They come to Birmingham because it is a place where they can get employment and so, with regard to some of the comments that have been made this afternoon, I should like to say that Birmingham has had to live with the problem of the immigrant child for the last fifteen to eighteen years. We have therefore had to be practical about it, and what I would say this evening, Mr President, is that it is all very fine for us to have directives and fine talk, but what we have to take cognizance of and what we have had to do in the city of Birmingham is to face the practical fact that these children needed education.

Our first reception centre—not class, but reception centre—was opened in the city fifteen years ago. We have at the present moment three reception centres—I repeat again, these are not classes—and each week into the city we have twenty new children coming from various parts of the world. We have to cater for them through the centres by giving them fast training in the English language; we then have to give them, after these crash courses, the tests necessary to place them in the right kind of schools according to their abilities. This has been a constant programme, and I deprecate the idea that the Member States have not been facing up to their problems. All I can say from my practical experience in the city of Birmingham is that we have been facing up to ours.

Courses for teachers have been going on for a considerable number of years; the teaching methods found to be the best have been the infant-school methods of teaching languages; there have been visits to all countries that are giving the feed children to us, not only by administrators but also by teachers; and it was only within the last six or seven weeks that a deputation went to Washington to make sure that some new techniques they had would be incorporated in the programme if this proved possible. We have an after-school placing service, and there is a teachers' liaison group that visit the homes of these children. Their responsibility is to explain the school's educational policy to the parents and to encourage parents to help their children by entering into the activities of the parent-teacher association. This is particularly difficult in some instances: the difficulty regarding the Asian mother is especially great because these women form a very distinct group whose religious and family culture cut them off from the rest of their family and friends. A nursery school means nothing at all if you have got already overcrowded nursery schools in your city; so we have tried to find some other solution, and we now have in the city double-decker buses converted into what we call play-mobiles, which go into the areas where the deprived children of immigration groups live.

So we have had to face up to the practicalities of the situation. I am not suggesting that we have achieved complete success, but I do say to you that in the sixth forms of comprehensive schools in the city there are as many immigrants, we are finding, as there are children of the indigenous population, for although some British immigrants are subject to quota-controls, the policy of Great Britain is to assimilate its immigrant population and treat them as permanent citizens. With regard to one of the points Mr Albers made, it seems a strange set of circumstances—if we are going to integrate these migrant workers into our midst—if we try to impose upon the children the dual difficulty of having to fit into a strange country and adopt the attitudes of the schoolchildren in that country and then accepting the burden of having to retain their own language, which places them in extreme difficulty in many of the schools. So the policy of integration has been an important one, and what we have tried to do is give equality of educational opportunity to migrant workers' children so far as this is possible.

And this has been very very necessary, Mr President, because this issue in Great Britain is also an emotional one: many of our immigrants are coloured and particular attention has to be paid to the racial problems that arise from discrimination. The question this Parliament has to answer

**Lady Fisher**

is: are we adopting these directives this afternoon as a long-term measure for educating the children of migrants, or are we accepting them as a temporary measure to help them for a little while until they go back to their home countries? That, I think, is the decision that Parliament has to make: is it a long-term measure, or is it only a short-term measure that we are adopting?

Being again purely practical, I fail to understand how you would compile a school timetable that must have a bicultural educational basis founded on Community principles. I am being very practical about that: I really do not know what would be the kind of lesson procedure if you put that into operation. When we talk about the language of the immigrant being carried over, we should remember the difficulties that are imposed. Many of the immigrants coming into the city of Birmingham and to other parts of Great Britain come from the Asian countries, from the Indian sub-continent, where it is not one language that is involved but a number of languages, as many as seven or eight. We have Pakistanis, Chinese, Greeks, Cypriots, Spaniards. How on earth is the headmaster, the organizer of a school, going to fit in all those different language facilities? I think we are asking for impossibilities, especially when we say, on page 3 of the directive, that 'the aim of the directive is to give equality of educational opportunity with the children of the host country.' I would have said that if we ask them to carry over their language and their culture into the host country, bearing in mind that they are going to live there for a long time, we are putting those children at a particular disadvantage, because the educational system will not be geared to Asian or any other of the foreign languages concerned.

The other thing I wanted to point out, and I think my colleague Mrs Kellett-Bowman has said this, is that there is a problem regarding teachers and the standard of teaching which is expected. Immigrant teachers, when they come to Great Britain, have the same facilities offered to them, if they are qualified, as the national teachers enjoy, and I am not in favour of tightening up the word 'option' to 'obligation' regarding the use of foreign teachers. We have a Race Relations Act which operates in Great Britain, and it would be incompatible with that Act to direct foreign teachers to a particular place. They have the same freedom of movement as British teachers have. I would also agree with Mrs Kellett-Bowman that, by this same process, we are asking those countries that are already underprivileged to denude themselves of their qualified teachers and send them over to us.

My final comment, Mr President, is that the aim of the directive—and the aim of the directive is

quite clearly stated—is to provide migrant workers' children with equality of opportunity with the children of the host country. That is the essential aim, and the Member States have a responsibility to put that aim into practice. But I think they should be given an option in the way they work for those aims; they should be enabled to interpret them according to their own educational institutions and the culture of the children that they adopt. And I would say that, to me, education is not a rigid discipline as some people in this House perhaps would feel: I think it is important that the member countries should be allowed flexibility when interpreting the aim of 'equality of educational opportunity.'

*(Applause)*

**President.** — I call Mr Liogier.

**Mr Liogier.** — *(F)* Mr President, ladies and gentlemen, one of the fundamental tasks of our Community, which in spite of the economic situation is still short of workers, at least for some jobs, is to allow men, women and children who have left their native countries to find living conditions which are at least as good as—and indeed better than—those they have come from.

This means, of course, wages equal to those of the native workers in the country they have come to, as well as equal housing opportunities. But I am afraid that even in this respect we are often hard put to it to satisfy their needs. What better proof can we give of our desire to afford equality of opportunity to foreign workers and our own citizens than to allow their children to have the same education as we give our own?

And, of course, this is all the more important when we are considering migrant workers and their children from another country in our Community. For this reason we support Mrs Caretoni Romagnoli's report on the proposal for a directive on the education of the children of migrant workers.

The implementation of this directive, which is essential if we wish to create a fairer and more human Community, will certainly not be without problems. We do not wish to dwell on these, but there is no doubt that in our countries, where the education of our own children entails all kinds of problems, it may seem risky to try to educate, on the basis of equal opportunities, children from countries which have not yet succeeded in completely eliminating illiteracy.

Nevertheless, we must try.

In view of the many difficulties involved in educating these children, we believe that we

**Llogier**

must start from the basics, namely instruction in the language of the host country. Of course, these children must not forget the language and the culture of their own country. But if we do not want them to be imprisoned in veritable ghettos when they arrive in our countries, it is absolutely essential that they understand and be understood as quickly as possible. We therefore believe that the widespread use of reception classes, where the migrant child can learn the language of the host country and become capable, in as short a time as possible, of joining the classes of the native children, is a fundamental and urgent necessity.

At a later stage, there is no doubt that the teaching of the migrant child's own language and culture is of importance, and for very good reasons which have already been explained in the House. But if we want to be effective, we must first of all make sure that these children know the language of the host country.

We fear, indeed, that the suggestions or stipulations in the second part of the Commission's proposal for a directive may encounter difficult, if not insurmountable, problems of implementation, at least in schools where there are small numbers of children from the same country of origin. The families of migrant workers must surely be free to settle anywhere, and not only gather together, as is all too often the case, in or around the edges of large cities which are already overpopulated. But the envisaged measures will be of little value if we do not support them by means of information to migrant workers and their families when they arrive in their new country.

For this reason we believe, as the rapporteur states in paragraph 13 of her motion for a resolution, that there is a need for cooperation between the authorities of the country of origin and those of the host country, so that, even before they move to their new country, the migrant workers are aware of their rights and their duties as regards the education of their children.

*(Applause)*

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — *(D)* Mr President, it is late in the evening and we are all impatient, but this debate shows that we have touched upon a subject which is of some importance for the citizens of the Community.

I think this has been a very useful debate—not least for the criticisms which have been made, and from which we can learn something. I feel it would be good if this were not the last time

we were to speak about this subject. In the further procedure for the implementation of this directive we shall frequently be discussing the matter, and I think we shall all benefit from this.

I should like to thank both the rapporteur and Mr Albers. They have produced an excellent report, and I think they have helped to clarify the problems facing us today. What is in fact involved? What is involved is a question of fundamental justice—not simply a question of justice for others, but also a question of welfare and social order in this European Community. Just look at the costs these questions are going to involve in the next few years—and it is not only a question of costs, but also of political resolve. In the five years from 1968 to 1972, for instance, the number of foreign children in the Federal Republic of Germany doubled. Can we afford—at the very time when we are in a recession—to do without the skills of the people, simply because, through no fault of their own, they had no opportunity to get so much as their school leaving certificate when they were children? Mr President, ladies and gentlemen, if we do nothing now, what the rapporteur said will come true—we shall have ghettos, we shall have social tensions, and we shall be unable to cope with the situation.

Is there anything the European Community can do to prevent this? I think there is—and this directive is the result. It is an attempt, a start. It is by no means perfect—but should we have done nothing at all, simply because we did not have enough data, and because some Member States are still not sending us these data? I am sure no-one in this House would take that view.

We are going to make the first tentative attempts—for instance with reception classes—and these attempts are nothing new. Let us not deceive ourselves into thinking this is a great new discovery. These attempts have been going on for some time, and all we want to do is to help them to progress. The Community was already active before this directive existed. The Commission is promoting the exchange of experience between the experts of the Member States. There have recently been three such meetings—in October 1974 on the question of the reception classes, last April on bicultural education, and last month on teacher training problems. Starting next year, the Commission would also like to promote pilot schemes in selected schools in the Member States. What do we expect from this? We expect new educational findings, programmes of instruction, teaching aids, and we would then like all these to be used in all the Member States.

**Brunner**

I should point out, furthermore, that we also have an opportunity to achieve something through the Statistical Office. If this Community is to be properly organized, it must also provide centralized services, and these can help to make this whole field more transparent, to clarify the problems and to give the governments an opportunity to find solutions. I feel a lot of this work could be done through the Statistical Office of the European Communities.

The European Social Fund has been in existence since June 1974. Resources are available from this fund, and we intend to use these resources for these purposes. Again, this is nothing new. May I point out to those ladies who spoke of their experience in the United Kingdom that 4½ million u.a. were provided from the Social Fund for this purpose in the second half of 1974. Most of this money went to the United Kingdom. This year we shall probably be spending 13 million u.a! Again, most of this money will be going to the United Kingdom and the Netherlands.

May I take this opportunity of asking Members from the other Member States to ensure that we get more applications for aid from the Social Fund. I think it is to the credit of the United Kingdom and the Netherlands that they are active in this field and are submitting application. However, I think it would be a good thing if the other Member States were also to make an effort. If we have the money, let us go ahead and spend it.

All these are only ancillary measures. The central point in our programme is this draft directive, which concentrates on three aspects—reception classes, instruction in the mother tongue and teacher training.

What are the aims of this directive? Firstly: all children should be given the same opportunities. I know the difficulties there are everywhere. I know it is not easy to maintain children in their culture if they come from cultures for which there are no teachers. Despite this, I think this must be our aim, although we must be as flexible as possible. While respecting the right of the parents to decide what path the child should take, I still feel that we should allow nothing irrevocable to happen. Children are individuals with human rights. Nothing should be allowed to happen which cannot be made good later on in life. We must allow them a fundamental alternative, a freedom of choice on their further development. This is the essential thing.

Secondly: we intend to concern ourselves with all foreign children. The fact that they come from a different country is immaterial. Ladies and gentlemen, these children's needs are the same

everywhere. The figures speak for themselves. In the school year 1974, there were 370 000 foreign children in primary education in France. 330 000 of them were nationals of a country which is not a Member State of the European Community—i.e. a third country. If we had excluded these children from our measures, I think it would have been a glaring social injustice. The Community cannot afford to do such a thing.

Thirdly: in the educational sector, at least, we want to use a bicultural education to ensure that the children still have an opportunity—although this opportunity will not always be fully implemented—to decide later whether they want to return to their country of origin. I regard this as a social obligation. These people help to keep production in our countries going. They make an important contribution towards the gross national product. No-one, I think, would like to be responsible for deciding to discriminate against them in a way that might enduringly affect their development.

The important thing in all this is to choose flexible methods. We intend to develop educational structures, but these structures must be suitable and adequate. We speak of intensive language instruction, we speak of the language of the host country, we speak of instruction in the mother tongue, but we are not telling the Member States specifically: 'You must organize your curricula this way and no other way'. I think this Community is well advised to remain a Community of cultural variety. This Community is also well advised to maintain this fundamental tolerance in its educational policy.

And now to conclude, Mr President. We must take up the proposals of this Parliament also as regards the teachers, and in the discussions with the Council we shall work towards ensuring that Article 4 is formulated as an obligation to make use of foreign teachers if necessary. However, we can see no possibility of proposing a blanket statute for these foreign teachers, since the civil service regulations of the countries of origin and the host countries are simply too different.

Mr President, I should again like to emphasize how useful this debate has been. You have helped us greatly. I think we should now try to transfer the knowledge gained in this debate to the Member States. Arouse public interest in these people! In this way you will be not only doing something for these children, but also doing something which is in the spirit of the constitutions of all our Member States and in the spirit of human rights.

(Applause)

**President.** — I call Mrs Caretoni Romagnoli.

**Mrs Caretoni Romagnoli, rapporteur.** — (I) Mr President, rather than make a long speech, I should like to limit myself to replying briefly to the honourable Members who spoke. It worries me to see that all the opposition to this directive came from the representatives of the United Kingdom. I should like to tell these Members, especially Lady Fisher of Rednal—whom I congratulate on her maiden speech in this Parliament—that there does exist a Community logic which makes it possible to solve some of these problems. I remember that when I first became a Member of this Parliament, we Italians maintained that Italian schools should be set up in Germany for our fellow citizens who had emigrated there. Today we no longer hold that view, because we have come to realize that this solution would have been mistaken. Our colleague from Luxembourg, for example, has described certain experiences which we will bear in mind when making our future proposals. As for the United Kingdom's previous experience, this is due to historical reasons and cannot be compared to that of the Community, in which the fundamental principles, the political implications and the kinds of migrant workers are quite different. We cannot take over the experience of the Commonwealth, but we can certainly take certain difficulties into account. This is the fundamental point which I wanted to stress.

Ladies and gentlemen, a dynamic view of the schools and the society of our Community is needed. A static view will get us nowhere, as Commissioner Brunner quite rightly stated. Consequently, while not ignoring previous experience, we must realize that we are in the process of creating something new, precisely because this is what our Community needs. Lastly, I should like to thank the President of Parliament and all those who commented on my report.

(Loud applause)

**President.** — I call Mr Scott-Hopkins for a procedural motion.

**Mr Scott-Hopkins.** — Mr President, may I request that we vote on this motion for a resolution paragraph by paragraph, at least from the preamble to paragraph 8?

**President.** — I have a request for a separate vote on the preamble and on each of the first eight paragraphs.

I put the preamble to the vote.

The preamble is adopted.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

I put paragraphs 9 to 17 to the vote.

Paragraphs 9 to 17 are adopted.

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

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

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

**President.** — I have received from Mr Brugger a motion for a resolution, pursuant to Rule 25 of the Rules of Procedure, on the Community of stability and growth.

This motion for a resolution has been printed and distributed as Doc. No 381/75 and referred to the Committee on Economic and Monetary Affairs.

### 17. *Petitions received*

**President.** — I have received from Mr Virgile Barel a petition on the protection of the Mediterranean.

This petition has been entered in the register under No 8/75 and referred to the Committee on the Rules of Procedure and Petitions for consideration.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**President**

I have received from Mr Kowal, Mr Auverdin and 27 other signatories a petition on the liberation of the Ukrainian women detained as political prisoners in the USSR.

This petition has been entered in the register under No 9/75 and referred to the Committee on the Rules of Procedure and Petitions for consideration.

I have received from Miss Unagh Hartnett, Miss Boder and 11 other signatories a petition on the amendment to be made to the directive on equal pay for men and women.

This petition has been entered in the register under No 10/75 and referred to the Committee on the Rules of Procedure and Petitions for consideration.

I have received from Mr Grussendorf, Mr Borodkine, Mr Schmidt, Mrs Richter and 26 other signatories a petition on the failure to respect basic rights.

This petition has been entered in the register under No 11/75 and referred to the Committee on the Rules of Procedure and Petitions for consideration.

**18. Change in the agenda**

**President.** — I call Mr Notenboom for a procedural motion.

**Mr Notenboom.** — (NL) Mr President, as vice-chairman of the Committee on Economic and Monetary Affairs, I propose that the report by Mr Mitterdorfer, Documents Nos 323/75 and 343/75, should not be placed on tomorrow's agenda but postponed to the December part-session. Tomorrow there will be nobody to defend these reports. Moreover this would mean that the whole of Mr Mitterdorfer's report, Doc. No 343/75, including the chestnut purée etc., would then be complete, which would in turn make it easier to deal with it. The problem which came up on Monday would thus be solved.

**President.** — Mr Notenboom proposes that the two reports by Mr Mitterdorfer on Community transit (Doc. 323/75) and on the elimination of technical barriers to trade (Doc. 343/75) should be postponed to the December part-session.

Are there any objections?

That is agreed.

**19. Submission of a document and decision on urgency**

**President.** — I have received from Mr Gerlach, on behalf of the Committee on Budgets, a supplementary report on the giving of a discharge to the Commission of the European Communities in respect of the implementation of the budget of the European Communities for the financial year 1971, 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.

The adoption of urgent procedure is agreed.

This item will be placed on tomorrow's agenda as the last item but one.

**20. Delegation of the European Parliament to the ACP-EEC preparatory meeting**

**President.** — In accordance with the proposals of the enlarged Bureau, the European Parliament's delegation to the ACP-EEC preparatory meeting on 26-28 November 1975 in Luxembourg will be composed as follows:

Mr Spénale, President, the 35 members of the Committee on Development and Cooperation, and the following 11 members appointed by the political groups: Mr Baas, Mr Alfred Bertrand, Lord Béthell, Mr Fellermaier, Mr Jahn, Mr McDonald, Mr de la Malène, Mr Knud Nielsen, Mr Pianta, Mr Radoux and Mr Vetrone.

The political groups have also appointed the following deputies: Mr Achenbach, Mr Artzinger, Mr Barnett, Mr Behrendt, Mr Cousté, Mr D'Angelosante, Mr Delmotte, Mr Dykes, Mr Lücker, Mr Premoli and Mr Vernaschi.

This delegation will meet in Luxembourg on 25 November at 2.30 p.m.

**21. Change in the agenda**

**President.** — I have a request for joint consideration of the reports by Mr Jahn on an environmental research programme (Doc. 328/75), by Mr Meintz on a research programme on biology and health protection (Doc. 336/75) and by Mr Osborn on a research programme on reference materials (Doc. 363/75), which are on tomorrow's agenda. The request was made by the rapporteurs.

Are there any objections?

That is agreed.



**22. Agenda for next sitting**

**President.** — The next sitting will be held tomorrow, Friday, 14 November 1975, with the following agenda:

*9.30 a.m.*

- Pintat report on investment projects of interest to the Community;
- Joint debate on
  - Jahn report on an environmental research programme
  - Meintz report on a research programme on biology and health protection
  - Osborn report on a research programme on reference materials and methods;
- Laudrin report on social security schemes;
- Adams report on measures to aid vocational adaptation operations;
- Alfred Bertrand report on the textile and clothing sectors;

- Glinne report on the World Food Conference;
- Bourdellès report on systems of premiums for the producers of bovine animals;
- Bermiani report on sorbitol (without debate);
- Corrie report on the suspension of CCT duties on products from Malta;
- Albertsen report on cocoa and chocolate (without debate);
- Dykes report on the Customs Cooperation Council (without debate);
- Dykes report on the simplification of customs procedures (without debate);
- Howell report on the suspension of CCT duties on agricultural products;
- Gerlach supplementary report on the Commission's discharge for the 1971 budget;
- Gerlach report on navigation licences (without debate).

The sitting is closed.

*(The sitting was closed at 9.00 p.m.)*

## ANNEX

## Proposed modifications withdrawn as a result of the vote on proposed Modification No 14. Section III — Commission

## Proposed modification No 3

tabled by Mr Kofoed on behalf of the Committee on Agriculture

*(A) Expenditure*

Title 6 — European Agricultural Guidance and Guarantee Fund, Guarantee Section

Chapter 60 — Cereals

Article 601 — Intervention in respect of cereals

Item 6010 — Denaturing premiums for wheat mixed in cattle food

Reduce appropriations by: 25 000 000 u.a.

*(B) Revenue*

Reduce revenue by: 25 000 000 u.a.

## Proposed modification No 16

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Corterier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lautenschlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 60 — Cereals

Article 601 — Intervention in respect of cereals

Item 6010 — Denaturing premiums for wheat mixed in cattle food

Appropriations to be reduced by: 25 100 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 17

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Corterier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lautenschlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 60 — Cereals

Article 601 — Intervention in respect of cereals

Item 6013 — Aid for durum wheat

Appropriations to be reduced by: 93 200 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 18

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 60 — Cereals

Article 601 — Intervention in respect of cereals

Item 6014 — Carry-over payments

Appropriations to be reduced by: 24 000 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 19

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 60 — Cereals

Article 601 — Intervention in respect of cereals

Item 6015 — Storage

Appropriations to be reduced by: 8 700 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 20

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 60 — Cereals

Article 601 — Intervention in respect of cereals

Item 6016 — Specific intervention measures

Appropriations to be reduced by: 3 000 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 21

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 61 — Rice

Article 611 — Refunds on rice

Item 6100 — Refunds

Appropriations to be reduced by: 20 510 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 22

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 61 — Rice

Article 611 — Intervention in respect of rice

Appropriations to be reduced by: 500 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 23

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 62 — Milk and milk products

Article 620 — Refunds on milk and milk products

Item 6200 — Refunds

Appropriations to be reduced by: 337 560 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 24

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 62 — Milk and milk products

Article 620 — Refunds on milk and milk products

Item 6201 — Refunds in connection with Community measures involving the  
supply of food gifts under the 1976 programme

Appropriations to be reduced by: 89 390 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 25

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 62 — Milk and milk products

Article 621 — Intervention in respect of skimmed milk

Item 6210 — Aid for skimmed milk powder for animal feed

Appropriations to be reduced by: 10 000 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 26

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 62 — Milk and milk products

Article 621 — Intervention in respect of skimmed milk

Item 6211 — Aid for skimmed milk liquid for animal feed

Appropriations to be reduced by: 3 000 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 27

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 62 — Milk and milk products

Article 621 — Intervention in respect of skimmed milk

Item 6212 — Aid for skimmed milk processed into casein

Appropriations to be reduced by: 12 400 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 28

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 62 — Milk and milk products

Article 621 — Intervention in respect of skimmed milk

Item 6214 — Public storage and special sales disposal procedures

Appropriations to be reduced by: 413 600 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 29

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 62 — Milk and milk products

Article 622 — Intervention in respect of butter and cream

Item 6220 — Private storage

Appropriations to be reduced by: 7 000 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 30

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 62 — Milk and milk products

Article 622 — Intervention in respect of butter and cream

Item 6221 — Public storage and special measures for the disposal of public stocks  
of butter

Appropriations to be reduced by: 28 000 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 31

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 62 — Milk and milk products

Article 622 — Intervention in respect of butter and cream

Item 6223 — Special measures for absorbing surpluses of butter fats

Appropriations to be reduced by: 7 000 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 32

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

*(A) Expenditure*

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 62 — Milk and milk products

Article 623 — Intervention in respect of other milk products

Item 6230 — Storage of cheese

Appropriations to be reduced by: 1 900 000 u.a.

*(B) Compensation*

These appropriations to be entered under Article 980

## Proposed modification No 33

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 63 — Oils and fats

Article 631 — Intervention in respect of olive oil

Item 6310 — Production aid

Appropriations to be reduced by: 299 300 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 34

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 63 — Oils and fats

Article 631 — Intervention in respect of olive oil

Item 6311 — Storage

Appropriations to be reduced by: 500 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 35

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 63 — Oils and fats

Article 631 — Intervention in respect of olive oil

Item 6319 — Other interventions

Appropriations to be reduced by: 500 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980



## Proposed modification No 36

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 63 — Oils and fats

Article 632 — Refunds on oil seeds

Appropriations to be reduced by: 2 500 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 37

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 63 — Oils and fats

Article 633 — Intervention in respect of oil seeds

Item 6330 — Production aid

Appropriations to be reduced by: 36 500 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 38

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 64 — Sugar

Article 641 — Refunds on sugar

Item 6401 — Refunds in connection with Community measures involving the supply  
of food gifts under the 1976 programme

Appropriations to be reduced by: 390 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 39**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 64 — Sugar

Article 641 — Intervention in respect of sugar

Item 6412 — Reimbursement of storage costs

Appropriations to be reduced by: 31 600 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 40**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 65 — Beef and veal

Article 651 — Intervention in respect of the storage of beef and veal

Item 6510 — Private storage

Appropriations to be reduced by: 19 600 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 41**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 65 — Beef and veal

Article 651 — Intervention in respect of the storage of beef and veal

Item 6511 — Public storage

Appropriations to be reduced by: 95 500 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 4

tabled by Mr Kofoed on behalf of the Committee on Agriculture

**(A) Expenditure**

Title 6 — European Agricultural Guidance and Guarantee Fund, Guarantee Section

Chapter 65 — Beef and veal

Article 652 — Other expenditure

Item 6520 — Aid for social purposes

Increase appropriations by: 30 000 000 u.a.

**(B) Revenue**

Increase revenue by: 30 000 000 u.a.

## Proposed modification No 5

tabled by Mr Kofoed on behalf of the Committee on Agriculture

**(A) Expenditure**

Title 6 — European Agricultural Guidance and Guarantee Fund, Guarantee Section

Chapter 65 — Beef and veal

Article 652 — Other expenditure

Item 6522 — Premiums for restocking

Increase appropriations by: 45 300 000 u.a.

**(B) Revenue**

Increase revenue by: 45 300 000 u.a.

## Proposed modification No 42

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Corterier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lautenschlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

Chapter 66 — Pigmeat

Article 660 — Refunds on pigmeat

Appropriations to be reduced by: 26 000 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

## Proposed modification No 43

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Corterier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lautenschlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund  
— Guarantee Section

**Chapter 67 — Eggs and poultrymeat****Article 671 — Refunds on poultrymeat**

Appropriations to be reduced by: 8 000 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 44**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

**Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund**

— Guarantee Section

**Chapter 68 — Fruit and vegetables**

**Article 680 — Refunds on fruit and vegetables**

**Item 6800 — Refunds on fresh fruit and vegetables**

Appropriations to be reduced by: 7 800 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 45**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

**Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund**

— Guarantee Section

**Chapter 68 — Fruit and vegetables**

**Article 680 — Refunds on fruit and vegetables**

**Item 6801 — Refunds on processed products**

Appropriations to be reduced by: 4 900 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 46**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

**Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund**

— Guarantee Section

**Chapter 68 — Fruit and vegetables**

**Article 681 — Intervention in respect of fruit and vegetables**

Item 6810 — Withdrawal compensation and buying-in

Appropriations to be reduced by:

400 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 47**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Corterier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lautenschlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 68 — Fruit and vegetables

Article 681 — Intervention in respect of fruit and vegetables

Item 6811 — Processing and distribution operations

Appropriations to be reduced by:

4 300 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 48**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Corterier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lautenschlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 68 — Fruit and vegetables

Article 681 — Intervention in respect of fruit and vegetables

Item 6812 — Compensation for promotion of Community oranges and mandarins

Appropriations to be reduced by:

10 100 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 49**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Corterier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lautenschlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund

— Guarantee Section

Chapter 68 — Fruit and vegetables

Article 681 — Intervention in respect of fruit and vegetables

Item 6813 — Compensation for orange processing

Appropriations to be reduced by:

3 400 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 50**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

**Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund**

— Guarantee Section

**Chapter 68 — Fruit and vegetables**

**Article 682 — Intervention on processed products**

Appropriations to be reduced by: 2 400 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 51**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

**Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund**

— Guarantee Section

**Chapter 69 — Wine**

**Article 691 — Intervention in respect of wine**

**Item 6910 — Aid for private storage**

Appropriations to be reduced by: 500 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

**Proposed modification No 52**

tabled by Mr Adams, Mr Barnett, Mr Behrendt, Lord Bruce of Donington, Mr Cor-  
terier, Mr Dalyell, Mrs Dunwoody, Mr Flämig, Mr Gerlach, Mr Lange, Mr Lauten-  
schlager, Mr Schwabe, Mr Schmidt, Mr Seefeld and Mr Walkhoff

**(A) Expenditure**

**Titles 6 and 7 — European Agricultural Guidance and Guarantee Fund**

— Guarantee Section

**Chapter 69 — Wine**

**Article 692 — Other expenditure**

**Item 6920 — Obligatory distillation of secondary products of wine making**

Appropriations to be reduced by: 4 700 000 u.a.

**(B) Compensation**

These appropriations to be entered under Article 980

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IN THE CHAIR: MR BERKHOUWER

Vice-President

(The sitting was opened at 9.30 a.m.)

President. — The sitting is open.

1. Approval of the minutes

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

Are there any comments?

The minutes of proceedings are approved.

2. Documents submitted

President. — I have received

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

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



**President**

- I. a regulation extending the term of validity of Regulation (EEC) No 346/75 concerning the importation into the Community of certain fishery products originating in Tunisia
- II. a regulation extending the term of validity of Regulation (EEC) No 347/75 concerning the importation into the Community of certain fishery products originating in Morocco

(Doc. 379/75);

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

- the proposal for the transfer of appropriations between chapters in Section IV—Court of Justice—of the General Budget for the financial year 1975 (Doc. 380/75).

This document has been referred to the Committee on Budgets;

- (b) a motion for a resolution from Sir Brandon Rhys Williams, pursuant to Rule 25 of the Rules of Procedure, on a Community social security system (Doc. 382/75).

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

### 3. Regulation on investment projects of interest to the Community

**President.** — The next item is the report drawn up by Mr Pintat on behalf of the Committee on Energy, Research and Technology on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No 1056/72 on notifying the Commission of investment projects of interest to the Community in the petroleum, natural gas and electricity sectors (Doc. 338/75).

I call Mr Bourdellès.

**Mr Bourdellès, deputy rapporteur.** — (F) Mr President, ladies and gentlemen, the Commission has submitted to the Council a proposal for increasing and widening the scope of the information which must be made available to it on investment projects in the sectors of hydrocarbons, production of nuclear electricity and electric power transmission, to enable it to draw up, on the basis of the procurement plan of individual undertakings, a Community programme.

In proposing that it should be compulsorily notified of the principal investment projects in these fields, the Commission expects to obtain, from the information that it receives, an overall view of investment at Community level.

The provision of this information is at present covered by Council Regulation No 1056 of 18 May 1972.

It should be noted that the principles on which the new provisions are based belong to a different context from those of Regulation No 1056. The latter stemmed from the need to institute a Community energy policy, while the nature of the information to be submitted under the terms of the draft regulation reflects another concern, that of simultaneously protecting the environment.

The proposal before us aims at filling these gaps in the regulation. Under its terms, the Member States will, for the nuclear electricity sector, have to notify investment projects for power stations of 200 MW or over five years before the commencement of work, if necessary in the form of provisional projects subject to revision.

The information at present notified to the Commission under Council Regulation No 1056 contains no reference to projects for the production of electricity by nuclear reactors, so that this type of information is not processed under existing arrangements.

The Commission must also be able to decide, for each investment project, whether it is consonant with the Community's nuclear policy, since the Community needs to be able to meet the requirements for electromechanical and nuclear equipment necessary for attaining the objectives of the new energy strategy.

But to be able to optimize the necessary investments, this equipment industry will have to have a detailed picture of market prospects for ten years and more and some guarantee of the continuity of demand for this equipment.

The text before us provides also for the notification, three years in advance, of projects relating to desulphurization installations in oil refineries, which at present are not subject to compulsory notification and which are going to become increasingly important in the protection of the environment. Desulphurization plants in the oil-refining sector are huge consumers of energy and in that respect it can be said that investments consequent on the implementation of these measures will necessarily have an effect, although quantitatively not very important, on the Community energy policy.

**Bourdellès**

Finally, as regards investment projects for high-voltage transmission lines, the entry into the Community of three new Member States increased the complexity and importance of this problem. It is obvious that information on the major links in the national and international electricity systems must be as complete as possible. Projects for lines with a voltage above 100 kilovolts will now have to be notified three years before completion.

Our Parliament is all in favour of a European energy policy. The text before us gives considerable powers to the Commission, and we can therefore give our agreement in principle to these proposals for the amendment of some of the articles of Council Regulation No 1056.

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

**Mr Flämig.** — (D) Mr President, the Socialist Group welcomes this document. The obligation to notify the Commission, which is given legal weight in this document, is a necessary precondition for the constructive forward planning so essential in the energy sector, and indeed, as the previous speaker said, as regards not only the production but also the distribution of energy. For this reason the Socialist Group will vote in favour.

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

**Mr Memmel.** — (D) Mr President, I am speaking in place of my colleague, Mrs Walz, who was appointed to speak on this report by my group, but cannot be here today.

The report deals with an extension of the requirement calling on the nine Member States to notify the Commission of important investment projects, because this obligation to notify the Commission is an essential factor in shaping Community policy in the oil, natural gas and electricity sectors. The Commission's proposal stresses the necessity for changes in the Council regulation in force at the present time. The Council decisions of 17 December 1974 and 13 February 1975 both pointed out in plain terms how tremendously important it was for information on investment projects in the energy sector to be as accurate as possible and to be received in good time. I feel that the Council must adopt this proposal, if it wishes to live up to its proper role in the energy policy sector, something which it has frequently failed to do in the past months.

In the document addressed to the Council the Commission points out that its experience so far

in implementing the present Council regulation has been that not enough advance notice is given of investment plans. This is particularly true of information on the nuclear sector, which must be communicated pursuant to Articles 41 and 42 of the Euratom Treaty. The vital change introduced in the new regulation lies in the fact that it obliges the nine Member States to inform the Commission in due time of the latest position with regard to the most important investment projects in the oil, natural gas and electricity sectors, but also in the field of nuclear power-stations. These data are the only sure foundation for effective action in the forward planning needed to secure the Community's energy supplies and are therefore a necessary precondition for a successful energy policy at Community level.

The period of advance notice required is extended to five years in the electricity sector and three years in the hydrocarbons sector. A period of advance notice of five years has also been fixed for nuclear power stations with a generating capacity of 200 MW or more. Earlier and more accurate information to the Commission should enable a clearer picture of future needs to be formed. This would mean that the investment that would have to be carried out in the light of energy policy objectives for 1985 could be more accurately planned. There would also be a clearer picture of what would be needed in electrical, mechanical and nuclear equipment, which must certainly lead in turn to better profitability in this sector.

To sum up, the Christian-Democratic Group welcomes the changes to Council Regulation No 1056/72 along the lines indicated by the rapporteur. We feel that this will close certain gaps, which would have considerably hampered the implementation of an effective Community energy policy if they had been allowed to continue. We hope that the Council also recognizes this fact and is prepared to up-date the legal machinery at the Commission's disposal as soon as possible, so that the Commission can finally implement Council decisions in the energy sector.

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

**Mr Normanton.** — Mr President, the European Conservative Group strongly supports the principle which is stated in the Pintat report, presented by Mr Bourdellès.

There are four points which I should like to make very briefly. Firstly, in this report and in the Commission's proposals there is a

**Normanton**

requirement that the period of advance notice of investment projects should be of the order of five years. There has always been a continuous dialogue between the electricity-generating organizations on the continent of Europe, and we should like to see this period of five years extended.

There must be a continuous dialogue, otherwise we can never achieve what must be the ultimate objective of the Commission and of this Parliament, and that is to establish a comprehensive, totally integrated system of power production throughout the Community. Such a system, when finally completed, would cover not just electricity, but all sources of energy, whether oil, gas, electric, nuclear or thermal.

The third point I would like to make is that there are still a number of organizations in the energy field which are private companies not publicly owned, and we must be quite satisfied that the plans and forward thinking of these operating companies can be kept confidential by the Commission.

My last point is that although the Pintat proposals refer to nuclear power generation, I think that we should move even further in this matter of the provision of information. Nuclear power generation involves nuclear fuels; that means fuel processing and uranium enrichment plants, and the location of such establishments must be the subject of close, continuous dialogue with the Commission.

We strongly support the proposals.

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

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Mr President, I would like first of all to thank Mr Bourdellès, who has presented the report for Mr Pintat, as well as all the speakers who have expressed their support for the Commission on this proposal.

I, too, would like to mention, as others have done, that the proposal in no way alters the spirit and aims of the regulation; on the contrary, it takes account of experience acquired in recent years. Thus, for example in electricity it is proposed that advance notice should be given of nuclear power stations, since their omission creates a gap in the situation at present. I would like also to say that in our view Articles 41 and 42 of the Euratom Treaty are not meaningless as the rapporteur has suggested. We believe that the notice given pursuant to these articles is particularly useful.

As regards electricity, we are requesting that the period of notice be increased from 3 to 5

years, because we believe that 3 years is too short. However, to those who have asked for a period of more than 5 years, I would like to point out that five years can be considered as a normal period. In any case, it will always be possible to find adequate solutions in time in this context. We also wished to include in the electricity sector underground and underwater cables because their importance to this sector is clear. Finally, in the oil sector, we propose to include desulphurization plants.

This, briefly, is what the Commission has decided to do, Mr President. We believe that our intentions have been correctly interpreted not only by the rapporteur, but also by those who have taken part in the debate, and I therefore thank Parliament for the positive statements they have made today and for the positive vote which I hope it will deliver.

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

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

**4. Multiannual Community research programmes**

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

- the report drawn up by Mr Jahn 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 multiannual environmental research and development programme of the European Economic Community—indirect action (1976-1980)—(Doc. 328/75);
- the report drawn up by Mr Meintz 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 multiannual Community programme on biology and health protection for the period 1976-1980 (Doc. 336/75);
- the report drawn up by Mr Osborn on behalf of the Committee on Energy, Research and Technology on the proposal from the Commission of the European Communities to the Council for a multiannual research and development programme of the European Economic Community for reference materials and methods—indirect action (1976-1980)—(Doc. 363/75).

I call Mr Jahn.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**Mr Jahn, rapporteur.** — (D) Mr President, ladies and gentlemen, let me begin by explaining briefly the issues involved in the Commission proposal on environmental research (indirect action), which is before us for our consideration.

Its principal objective is to provide for the acquisition of the scientific and technical knowledge necessary for the execution of the European Community's action programme in the environmental sector. It includes the following four research areas: firstly, research aimed at the establishment of criteria (exposure-effect relationships) for pollutants and environmental chemicals; secondly, research and development and environmental information management, essentially on environmental chemicals (the ECDIN project); thirdly, research and development on the reduction and prevention of pollution and nuisances, including the application of 'clean' technologies; fourthly, research and development on the protection and improvement of the natural environment.

We are all well aware that the research needs arising from environmental policy can be met more effectively and at less expense if there is close cooperation between specialized research institutes throughout the Community. This makes it possible to initiate coordinated projects at Community level and to avoid unnecessary overlapping as well as gaps. Epidemiological surveys can cover large sectors of the population living under widely differing environmental conditions, and highly specialized laboratories throughout the Community can work together on particularly difficult problems.

It is planned to invite countries which are not Member States of the EEC Community, but have in the past taken part in certain programmes under the auspices of COST, to cooperate in these research projects.

The proposed second multiannual environmental research programme is a natural follow-up to the first. The Commission points out that as yet most of the individual projects have yielded only provisional results. I might mention some examples :

An epidemiological survey on the effect of air pollution on respiratory diseases is in progress; it involves more than 20 000 schoolchildren in the Community and is expected to provide valuable data towards the establishment of quality objectives.

A pilot study on a data bank for environmental chemicals (ECDIN project) has begun; data on production, use, physical and chemical properties, toxicity, length of time in the atmosphere and ecological effects were assembled for several

thousand synthetic chemicals. Storing these data in the computer will make it possible to supply quickly and efficiently all the information needed by the competent authorities on environmental matters and by the chemical industries.

A number of laboratories are working on the development of systems for the remote sensing of air pollution by using lasers and other optical processes; they have taken part in a project to carry out field measurements to compare the capabilities of the instruments they have developed.

Several German, Belgian, French and Luxembourg institutes are cooperating in intensive studies of pollution in streams in the Lorraine-Luxembourg-Saarland region, thus helping to establish quality objective for these water-courses.

For administrative reasons all research contracts under the first multiannual environmental programme must terminate on 31 december of this year. Since, however, a number of these projects will not have been completed by this time, the Commission proposes, and in our view rightly so, that these projects should be continued within the framework of the second research programme. The financial statement presented by the Commission expressly states that there is no question here of a new initiative, but only of a second multiannual programme that may be seen as a follow-up to the first programme, which ran from 1973 to 1975.

It is all the more difficult, therefore, to understand,—and this brings me to the part of the whole question that concerns budget policy—why the Council has, as far as we can see, only approved expenditure for staff, but not the greater part of the resources, amounting to a total of 18.5m u.a., which is intended for the actual research projects that are the subject of the research contracts. The Council will have no alternative but to approve these resources, unless it wants to leave the entire research programme suspended in mid-air.

It is quite clear that the Council intends to do what it has done in many similar cases, namely, to resort once more to the supplementary budget procedure, which has been repeatedly criticized by Parliament. We strenuously oppose this intention, since it is absolutely essential that the continuity of the research in question should be maintained at all costs. We insist, therefore, in paragraph 4 of the motion for a resolution, that the Council should approve, without any cuts, this research and development programme, which is to run from 1976 to 1980, by the end of 1975.

**Jahn**

I should also like to mention the fact that the second research programme was examined and approved by the Advisory Committee on Programme Management for Environmental Research. The committee recommended, however, that research efforts in the chosen areas should be sufficiently broad-based and intensive to yield significant results. The Committee on Public Health and the Environment agrees with this recommendation and says so in paragraph 2 of the motion for a resolution. It wonders, however, whether the financial backing that the Community intends to provide, 18.5m u.a., is sufficient for this comparatively far-reaching programme. If it is not, then we insist that the Commission should apply for additional appropriations sufficiently far ahead to ensure continuity in Community environmental research. As you can see, we have incorporated this request in paragraph 3 of the motion for a resolution.

The Commission has informed us that it will shortly issue a document on the main outlines of the multiannual research programme for the Joint Research Centre, which is to commence in 1977. It is quite obvious that the responsible committees of this House also have an interest in acquiring a copy of this document, which is intended for the Council. I should like to ask Vice-President Scarascia Mugnozza if he is prepared to comply with this wish and when we may expect these 'main outlines' to be submitted, as they are a preparatory document for the actual second multiannual research programme (direct action). The main reason that we make this avowal of our interest in this matter is that we feel—and here no doubt we are in agreement with the Commission—that the environmental research covered by the direct action programme, which is to be carried out mainly at the Ispra research establishment, will form an effective complement to the environmental research and development programme (indirect action) which we now have before us.

It would appear that the committee responsible is not in agreement on this point with the Committee on Energy, Research and Technology, which was asked for its opinion. The latter committee has strong reservations on the Commission's intention to supplement this programme of direct action to be carried out by the Joint Research Centre. In contrast, the Committee on Public Health and the Environment takes the view—I would refer you to paragraph 18 of the explanatory statement—that it is essential that this programme be complemented along reasonable and optimum lines by direct action. It is a question of making the best possible use

of the available structures of the Joint Research Centre set up under Article 8 of the Euratom Treaty. We have made a request to this effect in paragraph 6 of the motion for a resolution.

We feel, therefore, that the Committee on Public Health and the Environment should have an opportunity to go to Ispra to see how far this Community research centre is in a position to carry out this direct programme, and we appeal to the Bureau to afford the Committee on Public Health and the Environment an opportunity to visit Ispra for this purpose.

In conclusion allow me to thank very sincerely the Committee on Budgets and the Committee on Energy, Research and Technology for their opinions and their cooperation. These opinions are attached to the report. As you can see, we have gone into the content of these opinions in great detail in our report: I would refer you to paragraphs 16 to 21 of the explanatory statement. With the exception of the differences of opinion with the Committee on Energy, Research and Technology with regard to complementing the research programme by direct action, we can report wide-ranging agreement between the views of both the committees concerned.

I should like therefore to recommend to the House that it adopt our motion for a resolution.

Mr President, I should like to say just one more word, and it is this: the Christian-Democratic Group will vote in favour of all three motions for resolutions.

**President.** — I call Mr Meintz.

**Mr Meintz, rapporteur.** — (F) Mr President, ladies and gentlemen, the third 'biology and health protection' programme will be coming to an end on 31 december 1975. The Commission has therefore submitted to the Council a new five-year research programme, which is before us now. In this programme the Commission proposes to concentrate research activity in two areas: radiation protection and the development of nuclear techniques applicable in agricultural research.

The aim of radiation protection is to study and assess the risks associated with ionizing radiation. The research proposed in this field is concerned with establishing a scientific and technical basis for laying down radiation protection standards and ensuring the adequate protection of workers and of the population at large against radiation, but also with the biological and ecological impact of the nuclear industry and of the use of nuclear energy and of

**Meintz**

ionizing radiation, with the aim of protecting the various components of the environment.

The target, therefore, is a very broad one, comprising three areas, the importance of which is no longer in dispute either in social or in environmental and energy conservation terms. The particular aim of the development of nuclear techniques applicable in agricultural research is to give support to two sectoral policies: first, agricultural policy—in view of its direct relevance to agricultural research and, secondly, environmental policy insofar as the research programme aims to limit pollution.

Mr President, in view of the large number of reports that have to be dealt with this morning, and of the fact that the present report, following thorough examination by several committees, is an exhaustive one, I hope you will permit me to omit the details and to say nothing either about the methods of contracting out the various research projects or about the distribution of the contracts. I should merely like to stress the importance of the two research subjects. The fact that there are at present over 250 000 workers in the Community directly involved in the peaceful uses of nuclear energy and that this number will certainly increase in the future, justifies, I think sufficiently, the need for the programme.

I shall only touch briefly on the importance of this programme for the Community's overall research policy in reminding you that all the committees consulted, that is the Committee on Budgets and the draftsman of its opinion, Mr Yeats, the Committee on Agriculture and its draftsman, Mr Frehsee and the Committee on Energy, Research and Technology and its draftsman, Mr Lautenschlager, have given a favourable opinion. Nevertheless, at the request of the Committee on Energy, Research and Technology our committee has drawn up for your consideration a new text for Article 3 which provides—in accordance with the wishes of several committees—for the review of the programme during its implementation. The proposed Article 3 reads:

'The Commission shall exercise permanent supervision over the execution of the programme in order to see whether there has been effective coordination, and whether changing circumstances or unexpected research results are making modifications necessary. To this end, it shall report to the Council and to Parliament before 30 June 1977, and propose any modifications that may be needed.'

I hope that the Commission will feel able to accept this amendment.

In concluding, I should like to follow Mr Jahn in pointing out to you that even if our motion

for a resolution is adopted, it will be devoid of meaning unless the Council agrees to restore appropriations as voted yesterday in an amendment here in Parliament. For it is precisely for this programme that only token appropriations were entered this time—which is all the more surprising when this would imply interrupting a programme that is being renewed for the fourth time and one that has considerable consequences. On this point, too, therefore, the Council should review its position. Consequently, in view of the importance of the programme in the biology and health protection sectors and in the light of the opinions delivered by the various committees, we ask the House to adopt the proposal before it.

Mr President, I should like now to speak on behalf of the Liberal and Allies Group. We support the three resolutions, all of them concerned with areas of research, but we await with great interest Mr Brunner's statement on the Commissions's research policy.

**President.** — I call Mr Osborn.

**Mr Osborn, rapporteur.** — Mr President, this report concerns the authorization of the second programme, the first having been started in 1973. Basically, it is about uniform measurement as a prerequisite for the removal of technical barriers to international trade and thus for the achievement of a common market. It is impossible uniformly to measure and define materials unless reference materials are available, against which measuring instruments can be calibrated and on the basis of which they can be tested periodically. In order to coordinate and, where necessary, initiate research and development leading to the manufacture of certified reference materials in the Member States, the Community started an excellent programme in 1973.

The purpose of this report is to recommend the expenditure of a small amount of money to continue this work, and this expenditure has been supported by CREST and other bodies. I should explain that in examining this work I have had much help from the Commission, but that the recommendations are mine as rapporteur, following discussions with those interested in this work outside the direct influence of the Commission. Reference has been made to some 40 subcommittees there and the work of the Advisory Committee on Programme Management. These subcommittees may contain scientists, representatives from various governments and representatives from industrial laboratories, and therefore this catalytic work, if I may put it that way, has started well and should be encouraged. This is the type of work that goes

**Osborn**

on quietly, which no one knows much about, but which can have a great impact on our standard of living by creating the basis for standards. I have had the opportunity of meeting members of the British group in particular, and they have put ideas to me about this work as they have been involved in it. They regret that there are two programmes, a direct programme carried out in the JRC laboratories, mainly Ispra, and an indirect programme, which tend to be looked at separately. I have, as your rapporteur, tried to look at the whole problem of setting standards for our industrial activities and the protection of the consumer. I have tried to assess how each country has dealt with this and have gone into what is going on in Britain in some detail. I have obviously referred to the work of the ISO, but perhaps I should have referred to the work of other organizations such as SEN and SENELAC, which are operating in this field. But the unfortunate feature has been the Community split in the approach to this for administrative, monetary and perhaps political reasons. I regret that I am reporting on one programme and not the whole programme.

Turning to my report, there is a need for standard reference materials and standards from which to carry out calibration. This must be coordinated with what goes on internationally. I have also referred to the work of the BCR as well as that of the Advisory Committee on Programme Management. The BCR, however, is mainly concerned with the indirect programme, although supervision comes from the other body, the ACPM. I should like the Assembly, therefore, to endorse my view that in future the direct and indirect programmes should be looked at together, and here it is important to establish what should be done and how it is done.

There is some reference in the document from the Commission and in my own report to what has been done since 1973 in fields ranging from ferrous metallurgy to environmental analysis. New fields such as food, cosmetics and pharmaceutical products also have to be reviewed. Contracts are given to laboratories in the Member States, and certainly a fairer proportion has been given to Britain in recent years. What should be looked at is the relationship between the setting of standards and the need for some kind of Community bureau of standards. I am well aware that the British definition of 'standard' leads to different translations, and in my report I have used the British definition, however the term may be translated. The experts have different views on what should or should not be set up, and I have deliberately left the decision and definition as to what is required to the Commission, requesting it to report back to this Assembly. In the USA there

is, of course, the National Bureau of Standards, but the work is carried out by the ASTM, the American Society for the Testing of Materials. In Britain we have the British Standards Institute. The work required is carried out in different laboratories, including the National Physical Laboratory. France has its very excellent structure to do the same work. Anything done at Community level must be related to the work of the international organizations.

Mr President, the money involved is 3.9m u.a. CREST has made its recommendation, and I commend the fact that because industry is making such a contribution, because industry is defining what it wants and working together, this catalytic and coordinating work is so successful. I have therefore looked at the question of staff increases. The indirect programme is small, and there must be sufficient staff to carry it out.

My conclusions, Mr President, are that this expenditure should be approved. I hope that the Commission, as a result of the resolution, will look at the question of setting up a standards bureau. I emphasize that the Assembly must look at both programmes together when next considering the Commission's report, not one independently of the other.

On behalf of the European Conservative Group I recommend all three reports to the House.

**President.** — I call Mr Frehsee, draftsman of the opinion of the Committee on Agriculture.

**Mr Frehsee.** — (D) Mr President, the Committee on Agriculture welcomes the fourth extension of this multiannual programme that has been proposed by the Commission.

I have been asked to refer briefly here to the significance of this programme for agriculture and also for the consumer. All the research proposed in these reports has as its objective the improvement of the quality of agricultural production and at the same time, as is expressly stated, a level of production that is consonant with economic and social needs.

Behind this form of words, 'that is consonant with economic and social needs', there is a wealth of hidden meaning. For instance the use of radiobiological research on food production is not only designed to raise the level of food production, but is also linked with the endeavour to limit as far as possible the use of pesticides, antibiotics, other anabolic substances and further substances with dubious effects on human health, so that the consumer may be offered healthier products. We feel that it is our duty to point this out by way of addendum to this



**Frehsee**

excellent report, on which we congratulate the rapporteur.

This radiobiological research is carried out in the interest of plant cultivation, animal rearing, pest control and conservation by means of protection against radiation. In the case of research on plant cultivation, for instance, we are concerned with the use of these radiobiological methods to explain certain genetic processes, to actuate certain mutations or to overcome certain barriers to reproduction, in order to improve the quantity and quality of proteins in cereals and vegetables—I stress this because, as you all know, we suffer from a protein shortage throughout the world—to increase the resistance to disease of certain edible plants and thereby to reduce the use of pesticides, and for many other purposes. One could say much the same thing about the use of radiobiology in research on animal rearing. But I shall confine myself to making a few remarks on the effect of this research in the area of pest control.

It is customary in agriculture to use insecticides to combat harmful insects, but we all know that often these insecticides are not without their dangers for the consumer. Every year the Mediterranean fruit fly causes enormous damage to the orange and lemon groves of the Mediterranean countries. Now, however, with the aid of radiobiology a new method of combating these insects has been developed, which makes it possible to keep the use of insecticides to a strict minimum. This method consists in subjecting insects to radiation, so that their mating will produce no viable progeny, and then releasing them in the fruit plantations. After some time this reduces the number of pests to such an extent that the damage they do is not very considerable. This method therefore limits the use of insecticides and is at the same time completely selective, since it attacks only the one insect. Basic research on the Mediterranean fruit fly led to a trial of this method on the island of Procida near Naples. This trial was so successful that the method can now be used on a large scale in all areas with large acreages under citrus fruits.

I was anxious to put this example on public record on the occasion of this debate. With that I will conclude my remarks. On behalf of the Socialist Group I should like to say that we are delighted to vote for a continuation of this research programme and that we offer Mr Brunner our best wishes for every success in his intensive efforts to gain financial backing for this programme with the help of the European Parliament, though largely in the face of resistance from the Council; this must be pointed out once again. We convey to him all our good

wishes for the forthcoming negotiations with the Council on the budget, about which we spoke yesterday.

**President.** — I call Mr Flämig.

**Mr Flämig.** — (D) Mr President, I should like to make a few brief remarks on the report just presented by Mr Jahn on behalf of the Committee on Public Health and the Environment. He expressly mentioned a difference of opinion between his committee and the Committee on Energy, Research and Technology with regard to direct and indirect actions in the environmental programme.

We appreciate that the Committee on Public Health and the Environment has a particular interest in the Research Establishment in Ispra, and we would certainly be the last to grudge this committee a journey to Ispra in order to look at things there for themselves. However, they will find very little to see there in the matter of environmental protection, as we know from practical experience, because Ispra after all was set up as a nuclear research centre. The staff that have been employed and trained there are nuclear research personnel with everything that goes with that, reactor, safety measures and so on. It was only when this programme broke down, for reasons for which Ispra was not responsible, that people began to wonder what to do with Ispra. What was to be done with this staff? Knowing that radiobiology was certainly capable of analyzing air pollution and furthering research in this matter, it was decided that they should carry out some research into environmental protection. However, we cannot expect too much from this in the way of results. For one thing there is a shortage of staff and also of suitable material, and indeed there may also be a lack of commitment; it may indeed be a question here of what the chairman of the Committee on Budgets once called in a discussion 'occupational therapy while marking time'.

I should like to stress that we are not in any way opposed to environmental research. We feel that it is a very important matter, and we also take the view that it is the duty of the European Community to provide information, to coordinate action and to analyze results in the form of suitable regulations and guidelines. We, that is to say, the Committee on Energy, Research and Technology, for which I have the honour to speak as deputy chairman, feel, however, that this task can be better and more effectively carried out in the form of indirect action. This coordination itself could possibly be effected better in Brussels, because there



**Flämig**

they have better means of information and communication. Brussels is a real centre. It is a real think tank, and this is a point that should be considered in depth and very carefully, where something so practical and so useful is in question. We would ask, therefore, that the reservations expressed in the opinion of the Committee on Energy, Research and Technology should be understood in this sense and not as a suggestion that less should be done in the matter of environmental protection.

(Applause)

**President.** — I call Mr Brunner.

**Mr Brunner, member of the Commission.** — (D) Mr President, ladies and gentlemen, the programmes we are considering concern the use of nuclear techniques in agriculture for protection against radiation, on which Mr Frehsee has just spoken, improvement of the environment, on which Mr Flämig has made some remarks, and the establishment of common reference methods and reference materials.

These programmes are a continuation of current programmes and are before you now for your approval. There are three programmes of indirect research; that is to say, we pursue them in collaboration with national laboratories and national research institutes. The latter play an important part in coordinating the Community's research projects.

We have chosen these programmes in such a way that we meet the needs of our citizens. This is particularly true of the research programme on radiation protection and environmental research. I do not need to tell you what great danger to health can be caused by radioactive emissions and what damage they can do to the environment. We must act as a Community to work out common safety standards in this matter, and to evolve these safety standards, we must also pool our experiences.

It is not sufficient for us to gather the findings of the various Member States and then work out common standards on the basis of such coordination. Environmental research has as its objective the recognition of nuisances in good time and to minimize and, where possible, eliminate them altogether. In the Member States we are still only taking the first steps in this matter. We have only a few years' experience, but as a Community we can say that we have recognized the dangers from the very beginning and got to grips with the problems in good time.

The Community was working on its environmental research programme as far back as 1973.

I believe that we recognized the signs of the times in this matter. And you, the European Parliament, have helped us a great deal in this respect. Today, you find before you a new environmental research programme, which supplements the old programme. Whereas previously we were mainly concerned with the effect of dangerous substances on human beings and with the establishment of a data bank for environmental chemicals, we now wish to add to this by developing 'clean' technologies, for instance in the matter of waste disposal and treatment of liquid sewage. Secondly, we wish to work for the improvement of the natural environment; this involves such matters as the reclamation of waste land, waste-dumps and marshes.

You have also given much thought to the research programme on reference materials and reference methods. In this connection we are faced with the question of how we can gradually arrive at a European system of reference materials and reference methods. We must work out such a system, because it is playing an ever-increasing role in trade. If we wish to eliminate obstacles to trade, then we must carry out the necessary technical surveys through the Community's Reference Office. At the moment we have 120 research contracts in this area. As you can see, there is a real need here, and useful and practical work is being done with relatively modest resources.

We should like to thank you for your cooperation, particularly the rapporteurs, Mr Meintz, Mr Jahn and Mr Osborn. I should like to thank you especially for taking such a positive approach to the financial implications of this matter. At a time like this it is particularly important, as I do not need to tell you, that Parliament should make its voice heard *vis-à-vis* the Council. I can assure you that the Commission will see to it in future that you get the necessary documentation in good time, so that you have time to study the financial requirements and so that you can give us your suggestions and also your criticisms, which are equally valuable.

The Commission will take up the suggestions made by the Committee on Public Health and the Environment and will include a review clause in the proposal for a decision on the biology programme, as you have asked. We shall also make provision in the environmental research programme for an annual report to Parliament. These are matters which Mr Meintz in particular expressed a wish to have done. We share his view that they are necessary. We should like to say at the same time to the Committee on Public Health and the Environment

**Brunner**

that we shall continue to act together with it in dealing with questions of research needs and that we shall also collaborate with the Advisory Committees on Programme Management concerned. If there should be any changes, or if, say, an extension of the radiation protection programme or the environmental research programme should prove to be necessary, we shall not hesitate to submit suitable proposals to you.

I should like to say quite frankly—and here I am touching on a topic dealt with by Mr Osborn,—that I have certain doubts as to whether we can in the near future establish a Community institution comparable to the United States' National Bureau of Standards. I feel that we shall achieve this only by degrees and that it is only by gradual and coordinated activity that we can arrive at this goal.

However, we do not intend to stand still, and I can give you one concrete example of what I mean. Together with the Member States we are considering the construction and operation of a joint large calibration centre for gas flow meters, such as are used in the European gas pipeline network. We also share your view that there should be no expansion of the biology group in Ispra at the present time, something which was also mentioned by Mr Meintz.

Permit me now to make a few remarks on the multiannual programme for the Joint Research Centre. Mr Jahn mentioned this matter. We are now engaged in working out a programme strategy, on which you will be receiving further information in the next few days. We have drawn up a document, and it is to be hoped that the Council of Ministers will deal with this matter on 4 December. It is our intention to have a preliminary debate on this occasion, on the basis of which we shall then draw up a streamlined programme for the future, clearly set out according to the various key points.

I feel that it is a good thing your Parliament is going to take up this matter, especially your committees, which have done very valuable work so far, especially in the matter of Ispra, through the hearings organized by the Committee on Energy, Research and Technology. We shall have a chance later to speak about this matter in greater detail. What is now going forward to the Council of Ministers is, after all, only a strategy blueprint. It is not as yet a draft programme. We shall have to draw up this programme on the basis of the debates which will ensue.

It is our intention also to carry out our own surveys, including surveys in an area which plays a particularly important part in regard

to reference methods, that is to say, in an area where pressure is exerted by industry and certain interested parties.

I should like to ask you, therefore, to regard the proposals that we have made on reference methods and reference materials—and here I am going back to a topic that I have dealt with before—as necessary to keep such influence and such pressure to a minimum. I have nothing against cooperation with industry, but I feel that in a matter which goes to the very heart of the development of the domestic market, it must in the end be the Community itself that sets the standards. I believe that you are doing a very wise thing in giving us an opportunity to acquire the necessary experience through research. I am very grateful to you for this. It would not be a good thing if, at this research stage, we were to find ourselves in a certain position of dependence in this matter and then not be able to work out objective standards. I feel that this would be doing no service at all, least of all to the internal development of the market.

Mr Osborn also raised the question of coordinating direct and indirect actions. This is something on which we place the greatest emphasis. I do not want to get involved at this time in the controversial question as to how far certain projects such as these environmental projects should be carried out by means of indirect action, as suggested by the Committee on Energy, Research and Technology, or by a combination of indirect and direct action, as suggested by the Committee on Public Health and the Environment.

We in the Commission feel that a certain amount of direct action involving the Joint Research Centre will always remain necessary. At any rate, we shall continue to keep in touch about our programme strategy, and in the course of these contacts the matter is sure to be cleared up.

I feel that the important thing is that the two types of action should go hand in hand, as Mr Osborn requested. It is not so much a question of making one exclusive of the other and saying: we are going to do this by indirect action and that by direct action. It is rather a question of using the two methods together in conjunction with the Advisory Committee on Programme Management. This is certainly true of environmental research and of the programmes on reference materials and reference methods.

I think that we have thus covered this vast field. I should like to thank you once again. You have helped us very much. At a time when the

**Brunner**

financing of these programmes is encountering very serious difficulties, you have shown that you appreciate the need for these projects in the interests of all citizens of our Community. (Applause)

**President.** — Since no one else wishes to speak, I put to the vote the motion for a resolution contained in the report by Mr Jahn.

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

I put to the vote the motion for a resolution contained in the report by Mr Meintz.

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

I put to the vote the motion for a resolution contained in the report by Mr Osborn.

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

#### 5. Regulation on the application of social security schemes

**President.** — The next item is the report drawn up by Mr Laudrin 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 regulation amending Regulations (EEC) No 1408/71 and No 574/72 on the application of social security schemes to employed persons and their families moving within the Community (Doc. 356/75).

I have been informed by the rapporteur that he has nothing to add to his report.

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

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

#### 6. Decision on vocational adaptation operations

**President.** — The next item is the report drawn up by Mr Adams on behalf of the Committee on Social Affairs and Employment on the proposal from the Commission of the European Communities to the Council on European Social Fund measures to aid vocational adaptation measures (Doc. 357/75).

I call Mr Adams.

**Mr Adams, rapporteur.** — (D) Mr President, ladies and gentlemen, at its sitting of 9 May of this year the European Parliament discus-

sed the problems that we are considering here in connection with the proposal from the Commission to the Council for a decision on the involvement of the European Social Fund in structural adaptation measures.

In the resolution adopted on that occasion, regrets were again expressed that the rules governing the European Social Fund at the present time do not permit the Commission to take the initiative itself in committing this fund to measures in accordance with Article 4 of the basic decision. Furthermore, the majority of the House then felt that in view of the deteriorating situation and the continual increase in unemployment the Commission should, pursuant to the instructions given at the Paris Summit Conference of December 1974, implement vigorous and coordinated measures in the labour market as quickly as possible and submit suitable proposals on the matter to the European Parliament.

At that time the Committee on Social Affairs and Employment concluded that this was a very positive initiative on the part of the Commission, but that the scope and the effect of this measure would be very limited, especially in 1975. The committee considered it necessary to urge that further measures be planned to extend and strengthen this first step along the road to a Community solution in favour of the unemployed. It wondered in particular whether measures for the direct support of workers' incomes during their retraining might not be more important and more effective.

It is gratifying that the aforementioned proposals by Parliament have been taken into account in the supplementary proposal from the Commission to the Council for a decision on the involvement of the European Social Fund in recession-linked measures for vocational adaptation, which has been put before us today, even if rather belatedly. It is particularly gratifying that the view expressed in paragraph 6 of that resolution has been taken into account. This raised the question as to whether the Commission's policy of facilitating the transfer of workers from sectors affected by the economic crisis to sectors connected with the restructuring of the energy sector and meeting public priority needs, as well as their redeployment in development sectors, was not too restrictive, and whether the Commission should not in fact be aiming at improving the movement of workers, particularly in regard to the re-employment of women and young workers, towards any sector in which the unemployed could find work.

In view of the fact that there has been no drop in the unemployment figures and that the out-

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**Adams**

look for the Community's economic situation continues to be very unfavourable, I regard the present decision as an urgent piece of Community legislation. However, the measures proposed by the Commission in this connection should not, we feel, be regarded merely as short-term measures to influence movements on the labour market. What we are trying to do—and I should like to stress this in particular—is to work out mechanisms which will help in the medium and long term to ensure a stable employment situation.

It must therefore be pointed out forcibly to the competent institutions of the nine Member States that they will have to get away from the *ad hoc* policies they have been pursuing so far and work out and put into effect an adequate employment policy, which will be well coordinated and harmonious and in line with modern requirements.

In this sense the present Commission proposal is perhaps not sufficiently comprehensive and radical. In our view, however, and in the view of the committee, it is to be welcomed in principle as the first stage of a Community employment policy.

(Applause)

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

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Mr President, I think the speaker has correctly interpreted the Commission's thoughts, and I am particularly grateful for his words of thanks for the work of the Commission and the proposal it has presented.

We are deeply concerned by the possible consequences of the present recession, and we are trying to intervene on the labour market with all the means at our disposal to relieve the worrying situation of workers, both by the adaptation of their professional qualifications and by intervention on incomes.

All this clearly costs money, but I believe that the Commission must fulfil its duty of solidarity at a time when so many of its citizens need help in this sector.

Moreover, in the consideration of the budget, during this part-session, account was taken of the need for the social policy to be endowed with greater resources, and I hope that before work on the Community's budget is over, figures will be fixed which will permit us to put into action the solidarity I mentioned.

(Applause)

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

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

#### 7. Decision on the textile and clothing sectors

**President.** — The next item is the report drawn up 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 for a decision in regard to the intervention of the European Social Fund in favour of persons occupied in the textile and clothing sectors (Doc. 358/75).

I call Mr Bertrand.

**Mr A. Bertrand, rapporteur.** — (NL) Mr President, this is one of the rare short resolutions that have been put before this Parliament. It consists of only one paragraph, but has a very wide scope and may have very considerable consequences for the future of one of the hardest hit sectors of industrial life in the Community. It deals with a proposal from the Commission to the Council for a decision on aid from the Social Fund for people working in the textile and clothing sector.

In the last few weeks in this House we have had quite a number of debates, particularly on the economic situation in the Communities. Yesterday, you yourself, Mr President, delivered an interesting speech on this topic. And during these debates there have always been great arguments on conjunctural and structural aspects. What we are dealing with now is an industrial sector affected by far-reaching structural changes, making the changing of jobs and retraining absolutely essential.

In the textile sector, for instance, including the chemical fibre sector, 320 000 people have been made completely redundant in the last four years. Yesterday and during Question Time, when the Council was here, we heard about a number of multinationals who are going to sack so and so many thousand because they, too, wish to put a complete stop to their activities in the chemical fibre sector. We are therefore facing a structural change which will result in reconversion in the textile industry on a scale that can best be compared with the structural problems over the last 15 years in the coal industry.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**Bertrand**

The Commission has rightly made use this time of the possibility open to it under Article 4 of the new European Social Fund of not restricting aid from the fund to workers and employees in the textile sector, but extending it to the clothing sector, which in the last year has also dismissed 125 000 people and is therefore also facing profound structural change. Looking at this recession, and particularly thinking what a spectacular turnaround there has been in the balance of trade over the last three years in the textile and clothing sectors, then we must, however painful it may be, come to the conclusion that we have lost once and for all a number of traditional overseas markets. Not only have we lost them: these traditional markets have now become competing countries, exporting their textile products to our market and competing with us on our own market. This is the first reason for this structural development.

Furthermore, our textile industry is facing such sharp competition on the markets of third countries that it has become almost impossible to maintain its outlets in those areas.

Finally, this problem is partly our own fault, since we have given our approval to the gradual opening of our markets to the developing countries. One need only think of the Lomé Convention and the generalized preferences.

This all means that our textile industry will experience a further considerable decline in the next two or three years, so that we can approve without any reservations the Commission's proposal to extend the interventions under Article 4 to the clothing sector and replace the three-year validity period of the initial decision of 9 November 1972 by an unlimited period.

One last thing I regard as very important for widening the social policy, is the fact that these new Commission proposals are not confined to wage earners, but are also applicable to self-employed people leaving the clothing industry. They may also apply for assistance under Article 4. This is therefore a genuine widening of the general view hitherto held in this House on social policy. The Committee on Social Affairs and Employment therefore welcomes this directive, now submitted to the Council for its approval. We hope that the Council will adopt it in December.

The question of course arises as to the financial possibilities when it comes to applying this new directive, on the basis of the appropriations earmarked for the European Social Fund in the draft budget. The appropriations for which

provision is made at the moment, will not allow this broad-based campaign of aid, reconversion and structural adjustments to be supported financially in this sector.

More financial resources must be made available. Experience over the last three years has shown that retraining and the organization of geographical mobility in the textile sector cost 670 u.a. per person. According to the Commission, an application will be submitted this year for a measure in favour of 16 500 persons from the textile industry, and for 1976 measures are expected to be required for 17 000 to 20 000 people in the textile sector alone. On the basis of costs of 670 u.a. per person, it is immediately apparent that the total expenditure will be large.

In the clothing sector, also covered by the decision, it is expected that some 14 000 people will require aid in 1976. It is difficult to draw up forecasts of the number of self-employed people that will leave the sector, but in any case total expenditure of some 38m u.a. will be necessary for 1976, for which no funds are provided in the budget. Recourse will be had to the entry for combating crises, to which 60m u.a. has been allocated.

The day before yesterday I again said to this Assembly that unemployment among young people also comes under the heading of combating crises. According to the information we have received, there have already been applications from the Member States for 320m, all for the fight against unemployment among young people. It is clear from this that the expenditure is out of proportion to the financial resources available to implement the policy. However, the Committee on Social Affairs and Employment feels it must ask Parliament to give convincing approval to this new directive, since it at any rate constitutes an opening in principle. The means will have to follow by themselves once the principle has been accepted.

*(Applause)*

IN THE CHAIR: MR SANTER

*Vice-President*

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, on behalf of the Socialist Group I warmly welcome this report, even if, looking at the extent of the problems we are faced with today in the textile industries, we may, unfortunately, be endeavouring to do too little and far too late.

**Dunwoody**

I am always worried when economists use words like 'restructuring' and 'slimming down' and other euphemistic phrases, which somehow or other do not seem to take account of what is really meant in terms of personal misery to workers in an industry undergoing as dramatic, as intensive and as worrying a change as the textile industries of the EEC countries are undergoing today. We have on the one hand, a traditional, highly skilled, labour-intensive industry, using almost exclusively large numbers of women workers, many of whom are not receiving the same benefits of equal pay and of proper rates for the job that they might do elsewhere, and young people who are already, as we have heard this morning, facing considerable employment difficulties. The extent of the change can be seen by simply looking at the fall in the United Kingdom labour force. In 1970 there were 131 000 people employed in the clothing industry; at the beginning of 1975 this had fallen to 124 000, and we have since lost a further 11 000 jobs. In my own area of the North-West, which is a highly industrialized region, it is largely women who are employed in the clothing industry, using skills which have contributed very greatly in the past to Britain's exports.

The explosion of imports from the low-salary countries of knitted garments into the EEC countries has posed a very real problem for workers in the traditional industries. Inevitably, where it is possible for countries like Taiwan, South Korea or Hong Kong to re-equip their textile industries with very efficient modern machinery, and at the same to pay much lower wages than the Common Market countries, there are going to be considerable differences in pricing. Although, of course, the GATT multifibre agreement, which came into operation in the summer, is expected to make a very considerable difference in this field, there is still a great deal of pressure on the traditional suppliers in Great Britain and elsewhere in the Common Market.

There are other implications. For example, in the United Kingdom I understand that the majority of the projects for which Her Majesty's Government has sought assistance have been in Northern Ireland, and the Assembly will not need to think very long about the implications, over and above the straightforward industrial implications, to realize that anything in an area like Northern Ireland which contributes to an even greater job loss will have repercussions on more than just the textiles and clothing sector. So I think we can say this morning with whole-hearted acclaim that this report is one of the most constructive that we have seen

put before the Parliament during this part-session. I only wish that when dealing with assistance to people in industrial sectors like textiles we were able to talk about the same sums as we discuss in relation to the agricultural budget. Until that day comes, this proposal is, I think, a very small step in the dark, but at least in the right direction. We welcome this proposal and we hope that during the period in which it is in operation we shall see some constructive and positive moves to assist the textile industries.

*(Applause)*

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

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — *(I)* Mr President, Mr Bertrand has expressed clearly the position of the Committee on Social Affairs and Employment on this matter both as its chairman and as its rapporteur. I would like to thank him, and to thank, too, the speaker following him, who said that in practice this Commission proposal on which Parliament today is expressing a favourable opinion takes its place in a perspective for the future which started with the Council's decision of 1972. That decision, however, concerned textiles exclusively, whereas after the success of that experience, and bearing in mind the clear link between the textile sector and the clothing sector, today's proposal concerns clothing, too.

As has been mentioned, this initiative by the Commission is aimed at easing the situation in a sector, the textile sector, which is causing enormous problems in certain regions and countries of the European Community. I should add that if the Commission has dealt with the problem of textiles and clothing on a social level, as it had to do to meet the anxieties of the workers and their families, it has paid no less attention to the economic aspects, especially in the agreements that have been or are being negotiated with the countries which have been mentioned and which produce textiles at very competitive prices, because of their low labour costs.

We must therefore see this action on two levels: not only the social level, which we are considering today, but also the other, commercial aspect, which is also a source of grave anxiety.

Mr President, I would like to thank Mr Bertrand once more and the European Parliament for the favourable vote which I am sure it will deliver.

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

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

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

8. *World Food Conference,*  
5-15 November 1974

**President.** — The next item is the report drawn up by Mr Glinne on behalf of the Committee on Development and Cooperation on the outcome of the World Food Conference (Rome, 5-15 November 1974) and on the Community's position as regards a world food policy (Doc. 326/75).

I call Mr Glinne.

**Mr Glinne, rapporteur.** — (F) Mr President, ladies and gentlemen, during the discussion in committee we wondered whether the preparatory work for this conference at Community level had been sufficient and sufficiently 'Community' in character.

Once the World Food Conference had begun in Rome, it became obvious, as a result of a question put by Mr Brewis, that certainly more could have been done to ensure greater solidarity among the Community countries.

It has also been asked whether there has been culpable, or at least reprehensible, procrastination on the part of the Community and of the Member States. I shall refer to this reprehensible slowness in connection with some crucial decisions taken by the World Food Conference.

One of the decisions was for the establishment of an International Fund for Agricultural Development, to be set up at once to finance agricultural projects, mainly for developing countries. This proposal, which was put forward mainly by the oil-producing countries of the Middle East and Venezuela was warmly supported at the conference by two Member States of the Community, the Netherlands and the United Kingdom. It is all the more important for the Community to take a positive attitude to this International Fund for Agricultural Development because in some debates on the amount of food aid we told the Third World—and with some justification—that while it was important for them to receive food aid, the qualitative and quantitative improvement of their own food production was also of capital importance.

Some of the declarations made by the Community itself have put us in a position now where we have to take a clear stand. And yet the attitude of the Community and of the Member States towards the International Fund for Agricultural Development is not yet very clear. I should like to try to obtain both from the Commission and the Council the maximum amount of information on the present position on this matter.

There is, first, the question of the very principle of Community participation in the International Fund for Agricultural Development. It appears that at least one Member State still has reservations on this. What is more, the raising of funds at Community level is the subject of divergent opinions which are being extensively ventilated in the lobbies of both the national parliaments and of the European Parliament. We know that it is the view of the Commission and of some Member State Governments that the 'Community' nature of the contribution which the International Fund expects from us would be more clearly marked if the contribution was charged to the Community budget, which, of course, would not prevent any Member State from making an additional contribution of its own. Other delegations, most unfortunately, are definitely in favour of the Community contribution being charged directly to the national budgets according to a specific—and I emphasize this word 'specific'—sharing scheme which has not so far been worked out.

Another question in connection with the International Fund for Agricultural Development is the size of the proposed Community contribution. What is the attitude to the Commission's proposal that the Community should guarantee about 170m special drawing rights, or one-sixth of the target size of the International Fund which over a period of three years is to rise to 1000m SDR? It appears that quite important differences of opinion subsist on this among the Governments of our Member States.

Finally, could we be informed on the functioning of the International Fund for Agricultural Development? What would the Commission consider to be the best constitutional rules for this body? What are the Commission's views on the fund's seat, the voting system, and so on? These are rather urgent questions. In the motion for a resolution before you we, in fact, call for a rapid and favourable decision on the International Fund for Agricultural Development.

The Community has also adopted, both collectively and at national level, a constructive attitude to the Information and Early-warning System proposed at the World Food Conference. Paragraph 9 of the motion for a resolution therefore records the Community's constructive approach to this problem.

Another controversial subject was the extremely low level of world food stocks, especially of cereals, which, as we know, means that the populations of many countries are at the mercy of weather conditions. It was agreed at Community level that the Community would confine itself for the present to the international com-



**Glinne**

mitments arranged at the World Food Conference, leaving until later more detailed negotiations on storage commitments to be carried out on a multilateral basis in the framework of international agreements for individual products. At a certain point in our committee work we were glad to note that the Community and the Member States had undertaken to participate actively in the future work of the FAO on the preparation of a draft international scheme. The object is, at national level, to establish policies and programmes for production and storage, and, at world level, to negotiate an international agreement on cereals. We have noted with interest that the EEC has submitted to GATT a proposed scheme of agreement on cereals which provides for a system of stocks.

I should, however, like to draw the attention of the House to the significance of a commitment the Community entered into during the Seventh Special Session of the United Nations General Assembly. The Community stated that in view of the importance of food aid as an interim measure, all countries should accept the principle of the aim of minimum food aid and the idea of planned food aid. I shall return in a moment to the implications of this statement.

The improvement of food aid policy and the target of 10m tonnes of cereals from 1975 onwards which the World Food Conference has set itself, were also discussed. Much was said about the fluctuations in the food requirements of the countries least well endowed in food. What is important, Mr President, is that a number of non-European countries have taken the lead, for example Australia, Canada and the United States, and in Europe I would particularly refer to Sweden.

It is important for the Community and its Member States, ranking as they do in second place among the world's suppliers of cereal food aid, also to commit themselves to a larger contribution in attaining this overall target of 10m tonnes per year.

We know of the controversy which arose on this subject between the Commission and the Council. I must say that the Council's attitude here is all the more blameworthy because the current drop in world prices makes it possible to finance a greater volume of food aid than last year. In other words, even if the Council was not willing to spend more than in 1975—which in itself would be regrettable—it would still be possible to supply a greater amount.

Paragraph 3 of the motion for a resolution takes up the Commission's proposals, which the Committee on Development and Cooperation considered as the very minimum that would be

acceptable. I should like, Mr President, in the light of the budgetary debate which Parliament has just been holding, to suggest that you put to the Assembly the amendment to paragraph 3. One of the proposals for the increase in aid is 25 000 tonnes, which, according to the Commission, should be raised to 80 000 tonnes. In its budget proposals this week Parliament has happily gone beyond the Commission's proposals, suggesting that the aid should be raised to 130 000 tonnes. I would therefore suggest that the reference to aid in dairy products should be deleted and a paragraph worded as follows added:

'and the need to increase the aid in dairy products by 75 000 tonnes, bringing the total aid to 130 000 tonnes as suggested by Parliament in its budget proposal.'

Another problem which exercised the committee very much was that of the Community representation in the World Food Council.

I have been referring to the present and potential importance—hoping that in future it may become even greater—of the EEC's contribution to food aid. It is highly deplorable that the World Food Council, consisting of 36 members, includes representatives of only eight Member States without the Community as such being represented. This is an anomaly which must be put right as soon as possible and which must also be corrected in the World Food Council's constitution. This is stated explicitly in one of the paragraphs of the motion for a resolution.

To these four fundamental points I should like to add the following:

First, it is quite certain that whatever the past and future feats of agricultural technology, whatever the miracles that the 'green plan' can bring, no stabilization is possible, no security can be achieved in this area so long as world population continues to increase at the present uncontrolled, galloping pace. Correctives are absolutely indispensable in this area if the efforts made in food production and food aid are not to be constantly vitiated because they are outstripped by growing needs.

Another factor of the situation, which is also mentioned in our resolution, is the undoubtedly censurable attitude of two major states, that is the People's Republic of China and the Soviet Union, who are still objecting to the supply of information to the Worldwide Food and Agriculture Information and Early-warning System. These two countries consider that national sovereignty might be jeopardized by the supply of such information and that its availability might promote speculative dealings by multinational concerns.



**Glinne**

Even if one can sympathize with some of these anxieties, it is nevertheless regrettable that these two states insist on putting obstacles in the way of the genuine and effective operation of the Worldwide Information and Early-warning System.

Our committee also found that it was extremely likely, though not yet certain, that the recent mass purchases of cereals by the Soviet Union from the United States will result in a rise of world prices. At any rate, the danger exists and has been noted by the committee in the document before you; it must certainly be recognized that if five-year agreements for the purchase of 6 or 8 million tonnes of cereals can be concluded between a supplier and a consumer country, then the planning, production and consumption problems on a world scale will also require much more detailed and active attention.

I should like to express here a personal regret: before the last vote in the parliamentary committee there was embodied in the motion for a resolution a condemnation of one government, that of the United States which, according to many indications, seems to regard food aid as a political weapon which can be used for asserting its power. Mention was made in the report of a study carried out in the United States for the CIA on this very subject.

I should not like to put myself in the embarrassing position of quoting sensationalist press reports, but there are official United States Government documents which, citing the words of the Secretary of State for Agriculture and of the President of the United States himself, indicate that at least at one period that government regarded bilateral or multilateral food aid as a political weapon. In the past the gun-boat was the tool of power politics; it is deplorable that today the big stick should be hidden in bushels of grain.

In renewing my plea for classification on the problem of IFAD (International Fund for Agricultural Development) I will conclude by saying that although the Community cannot, by itself, save the world, it is nevertheless important that nothing should be done to impede the continuous improvement of the Community's internal and external image. That is what is at stake, and this is why I feel that Parliament is perfectly right in insisting on increasing the volume of aid and on a clear stand being taken by the Community on IFAD.

*(Applause)*

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

**Mr Sandri.** — *(I)* Mr President, I would simply like to explain why we shall be abstaining in the voting on this subject.

The motion for a resolution submitted today by Mr Glinne to this Assembly has had a peculiar history, first of all because it is being discussed approximately one year after the World Food Conference, and secondly—and I believe this is more important—because during the discussions in committee the spirit behind it has to a large extent been destroyed. We believe that this destruction can be seen by comparing the written report presented by the rapporteur with the motion for a resolution on which we are asked to vote. Not everyone may share the opinions expressed in the report, but it cannot be denied that it is far-seeing in the remedies it proposes for this dramatic world food situation and that it is honest and courageous in denouncing the various reasons, not only technical but also political, which are directly linked with the present world situation and which make the problem of food all the more acute. The motion on the other hand—as Mr Glinne mentioned, though in a conciliatory manner—has been changed out of recognition compared to the explanatory statement, and is one-sided in its judgements and in the criticisms it levels at a certain part of the world.

We believe, ladies and gentlemen, that the food problem—which is certainly serious and tortuous—is on the one hand a question of aid but on the other hand, and above all, a question of the development of farming in the Third World countries, since farming is at the root of the independence and sovereignty of the country, besides being a means of feeding its own citizens. But precisely because of the breadth and gravity of this food problem, we believe that it requires, throughout the world, a greater spirit of cooperation between states, a constructive spirit which certainly does not exclude discussion and dissent but which must not be a further occasion, as it seems to us with this resolution, for renewing facile one-sided polemics, which do not help to solve the problem and only serve to reinforce political prejudices dating from the cold war and are therefore in no way relevant to the solution of the problem. For these reasons, we abstained in committee together with other members, and we will continue to abstain now, stressing the positive aspects of the resolution, and the fact that we support in general the explanatory statement drawn up by the rapporteur. By abstaining we wish once more to draw the attention of Members to the need for preventing these great, dramatic problems from becoming a pretext for second-rate polemics.

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

**Mr Zeller.** — (F) Mr President, I should like to begin by thanking Mr Glinne most warmly for instigating this report on the World Food Conference and on the attitude of the Community and I do it all the more eagerly because we believe that it is the European Community's mission to participate in a consistent manner in a world debate on the institution of a genuine world food policy. We believe also that in a world that was not topsy turvy but was willing to order its affairs, it is in this area that the earliest and most effective action should be taken.

I should like to recall here a few figures which illustrate the seriousness of the world food problem. The food output of developing countries has been growing at the rate of 2.6% per annum for the last 10 years and the FAO believes that the trend will continue for the following decade. Their requirements have increased by 3.8%. In the developed countries the situation is as follows: Production has increased by 2.8%, while demand has increased only by 1.6%. The result is very simple: the food deficit of developing countries taken altogether is growing at a rate equivalent to 1.2% of their output. In the short term this obviously does not matter very much but if we extrapolate over 10 years, say to 1985, we can predict that the food deficit of the third world will amount to 80 million tons or one-quarter of these countries' present output which will be equivalent to one and a half times the Community's output of cereals.

It is obvious that if nothing changes in this field we can expect the worst to happen. Perhaps even we should be considering at this moment whether it will be possible to maintain the rich countries' present food patterns. It should be recalled that today we are consuming over a thousand kilogrammes of cereals per head per annum while the developing countries consume only 200 kilos. But this 1 000 kilo figure for the developed countries is increasing at the rate of very nearly 3% per annum while the 200 kilos are diminishing, and the decrease would be even greater if from the statistics for the third world we excluded China which, as everybody recognizes, has been able to win its battle for feeding the population.

I do not want to recapitulate in detail the points raised by Mr Glinne, but, like him, I regret that Europe which has already achieved independence because of the advanced degree of the integration of the common agricultural policy cannot here speak with one voice. While welcoming the positive attitude of the Community in respect of the exchange of information and

in the area of market organization I must all the more vigorously condemn the reluctance manifested by some of its Member States as regards membership of the International Fund for Agricultural Development. I believe, therefore, that this makes it all the more appropriate for our Parliament to point at this moment to this defect which we sincerely hope the European Council will be able to remedy at its December meeting and so allay our anxieties. On behalf of the Christian Democratic Group we solemnly request Mr Scarascia Mugnozza to ensure that that debate is not shirked.

As regards food aid I should not like to renew a discussion which has already been excellently conducted this week both in the budgetary debate and by Mr Glinne just now, but we want to recall that as far as we are concerned food aid must not become an appendage to our policy on surpluses or a result of our inability to control our own markets.

I believe that food aid policy should become an integral part of the common agricultural policy, for it is only in this way that the countries which are most disadvantaged today can be effectively helped.

Finally, I should like to stress one rather special point. I have shown how important it was to increase agricultural production in developing countries. Europe does not have an unlimited supply of foreign exchange to put into the International Fund for Agricultural Development and we understand perfectly that the Community must negotiate the amount of its contribution, especially in the light of what it is doing already under the Lomé agreement. But Europe does possess one boundless wealth: knowledge. These are a kind of riches which have the special characteristic of not decreasing when they are shared. Perhaps, therefore, the Commission should consider ways of participating more actively than heretofore in the transfer of technological know-how and scientific research on food production on a world scale. There exist here possibilities for action which are not exorbitantly costly and which give the Community opportunities for channelling really usefully its ambitions and its riches.

One last word on the problem of the 'big stick' and of some countries' use—or the possible temptation to use—food aid, that is the wealth represented by stocks of cereals, as a tool of power politics. We wish to say very solemnly that we condemn any dealings and any concealment of information, in whatever quarter; I believe that on this point our position must be as clear-cut and as impartial as the traditions of Christian Democracy dictate.

Zeller

In concluding I should like to say that basically we support the motion for a resolution tabled by Mr Glinne without necessarily sharing his regrets on one particular point since we condemn generally any dishonourable dealings in an area as sensitive as that of providing humanity with food.

(Applause)

President. — I call Lord Walston.

Lord Walston. — Mr President, I do not want to delay the House at this late hour in our proceedings; but I should be unhappy to let the occasion pass without congratulating Mr Glinne and endorsing everything that he has said.

This is a problem of stupendous importance. It is unfortunate in the first place that it is now 12 months since the Rome Conference and we have not properly discussed the subject and we have not discussed his report before now. It is also unfortunate that his report should come up at the very end of this part-session. We must never forget not only the present shortage of food in the world, the present degree of malnutrition, the fact that over 60 per cent of the people who live in this world today do not have enough food to eat; we must also remember that every day there are 200 000 children being born into this world, mouths which must be fed, mouths of babies who in the present circumstances have a very short expectation of life. And, perhaps even worse, very many of them are condemned to a life that will not permit them to develop the capabilities which are their right, but condemn them to a half-life because as babies they will not receive the right sort of food that they should have for their full development. In particular, all medical evidences makes it clear to us that a shortage of animal protein during the early years of life impedes both physical and mental development. That is a fact we cannot avoid. Nor must we forget that we have here in this rich Community of ours over a million tonnes of milk powder, which is an embarrassment to us. The storage is difficult: the costs, as we heard earlier on in this part-session, are very high indeed, and what are we doing with it? We are keeping it here in the stores.

We are making provision for 55 000 tonnes out of those 1 100 000 to be distributed in the coming year as food aid. Can that really be something in which we can take any pride? Surely we should find somewhere the will, as well as the money, to make at least half-a-million tonnes of that embarrassing surplus available to those people, and above all those children, who need

that food in order to develop to the full. We must be heartily ashamed of our attitude in this, and our general lack of interest, our lack of care. We talk about these things. We make fine speeches. Simone Weil, the French Minister of Health, made a stirring speech on this subject in Rome this week. But the French Government—and other governments; I am not picking on the French, but she happened to be the one who made the speech that was reported in the *Figaro* the other day—are not taking the action which they could take if they had the will, which the people could take if they were prepared to make some modest sacrifice which would nevertheless make a substantial contribution to this matter. I do urge upon the Commission, the Council and our own respective governments that the time has now passed for fine words, the time is long overdue for real action in this respect. We can take action today, not only in the longer term and in the most important areas of food production by helping the poor countries to grow more food of their own. We can actually combat the malnutrition and the disease, the hardships and the waste which go with them, by releasing some of the stocks that we have today in this Community.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, *Vice-President of the Commission*. — (I) Mr President, I listened with great attention and extreme interest to the speech by Mr Glinne, rapporteur, and I was naturally appreciative of the extensive data he provided for the Assembly and the arguments he produced. I also listened carefully to the speeches by Mr Zeller, Mr Sandri and Lord Walston, and I must say that the Commission fully shares the anxiety which has been expressed and Parliament's desire to see more complete action to help the peoples who are suffering from starvation.

I think that if we are to justify the aims of the common agricultural policy we must reflect on the necessity for this policy to be aimed not only at protecting agricultural producers in the Community and meeting the requirements of the Community population, but also at meeting the requirements, through food or other aid, of the poorest nations.

Having said this, and stressing once more the interest the Commission has in the points raised by the rapporteur and the other speakers, I would like to deal briefly with four aspects of the problem which have been identified this morning.

First of all the question of the International Agricultural Development Fund on which Mr

**Scarascia Mugnozza**

Glinne has represented a series of questions. I am not at present in a position to deal with all the questions raised by him because, since this matter is still at the development stage, my answer would clearly be incomplete. But I would like to say that the Commission is making every effort to get the Council to follow up the proposal for participation by the EEC as such in the International Development Fund. We believe that conditions are favourable and we feel that the meeting in January 1976 at which the desire not only of the Community countries but also of other countries to establish this fund will be expressed, could be decisive. As regards Mr Glinne's anxieties I would like to answer that there is hope for the solution which he and we desire.

As regards security of food supplies, the Community and Member States are participating in an information system and, as Mr Glinne rightly pointed out, the Commission believes that efforts to identify and evaluate production shortages will be effective only if all producer and consumer countries take part. The Commission believes that this security will be guaranteed only through the setting up of coordinated food reserves at international levels.

I firmly believe that we must make efforts to this end and I share the view of certain speakers that in spite of the delay with which the resolution is being considered by the European Parliament, it still comes at an appropriate time to make public opinion in the Member States understand the nature of the policy, and to ensure that the aims to be pursued can be clearer and more certain.

As regards food aid, Mr Glinne provides interesting information which is in line with the Commission's information. It is a question of expenditure, and I can only repeat what Mr Cheysson said in the past few days on the consideration of the budget of the Communities for 1976.

We hope that a thorough reconsideration of budgetary problems will allow action on food aid on a much greater scale than has hitherto been seen.

Finally, there is the important problem of the World Food Council. We believe that the Community should participate as such in the work of the World Food Council and we believe that the conclusions of the working party to be presented in March 1976 should lead to the adoption of a positive position.

These, Mr President, are the points I wish to deal with, and in thanking the rapporteur

once more, I would confirm that the Commission's action is along the lines he has requested.  
(Applause)

**President.** — Since no one else wishes to speak, 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 an amendment tabled by the rapporteur, which aims at deleting the second indent and adding the following:

(b) and the need to increase the aid in dairy products by 75 000 tonnes, bringing the total aid to 130 000 tonnes as suggested by Parliament in its budget proposal;

Pursuant to Rule 29 of our Rules of Procedure, I ask the House if it agrees to consider this amendment, which has not been printed and distributed in the official languages.

Are there any objections?

That is agreed.

I put the amendment to the vote.

The amendment is adopted.

I put paragraph 3 so amended to the vote.

Paragraph 3 so amended is adopted.

I put paragraphs 4 to 13 to the vote.

Paragraphs 4 to 13 are adopted.

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

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

*9. Regulation on a system of premiums for the producers of bovine animals*

**President.** — The next item is the report drawn up by Mr Bourdellès on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation modifying Council Regulation No 464/75/EEC of 27 February 1975, establishing systems of premiums for the producers of bovine animals (Doc. 340/75).

I call Mr Bourdellès.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**Mr Bourdellès, rapporteur.** — (F) Mr President, dear colleagues, in submitting this proposal for a regulation to the Council, the Commission is asking for your opinion on the transfer from the 'Guarantee' to the 'Guidance' Section of the EAGGF of 50% of the amount for premiums for producers of bovine animals for the retention of cows on holdings and for the birth of calves.

The amount of the transfer would be 62 500 000 u.a. The proposal caused a lively discussion in the Committee on Agriculture which rejected it unanimously with one abstention. It is difficult to imagine how, in the few months that have elapsed since the entry into force of Regulation No 464/75, sufficiently important developments could have taken place to justify such a radical change of the original decision—which was approved at the time by Parliament and the Council—that all premiums for producers of bovine animals should be charged to the EAGGF Guarantee Section. The Committee on Agriculture considers, moreover, that no appropriation whatsoever should be withdrawn from the EAGGF 'intervention' budget in view of the fact that the total of subsidies requested from the Fund for individual projects for laying down roads, bringing in a water supply, reallocation of land, etc., very considerably exceeds the available appropriations.

For the year 1975, 842 applications representing 368 million u.a. of aid have already been submitted and they will not all be granted. On the basis of certain reports the Commission expects this year a total of 1 067 applications, representing a total of 454 million u.a. of aid. The appropriations under the individual projects heading amount to only 145 million u.a. We consider that this is not the right moment to reduce an already extremely inadequate budgetary item. I should like to add, in concluding, that the Committee on Budgets has delivered the same opinion on this proposal as the Committee on Agriculture.

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

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Mr President, I thank the Rapporteur, Mr Bourdellès, but I must say on behalf of the Commission that we do not agree with the conclusions which the Parliament's Committee on Agriculture and its Committee on Budgets have reached. Therefore with all due reservations, the Commission does not agree with the position expressed by the rapporteur, Mr Bourdellès.

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

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

<sup>1</sup> OJ C 280 of 8. 12. 1975.

#### 10. Regulation on the classification of certain types of sorbitol

**President.** — The next item is the report drawn up by Mr Bermani on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulations (EEC) No 1059/69, (EEC) No 1060/69, (EEC) No 2682/72, (EEC) No 120/67, (EEC) No 3330/74, (EEC) No 765/68 and (EEC) No 950/68 as regards the classification in the Common Customs Tariff of certain types of sorbitol (Doc. 341/75).

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

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

#### 11. Regulation suspending CCT duties on certain products originating in Malta

**President.** — The next item is the report drawn up by Mr Corrie on behalf of the Associations Committee on the proposal from the Commission of the European Communities to the Council for a regulation suspending Common Customs Tariff duties on certain products falling within Chapters 1 to 24 of the Common Customs Tariff and originating in Malta (1976) - (Doc. 342/75).

I call Mr Spicer.

**Mr Spicer, deputy rapporteur.** — Mr President, I can be very brief in introducing this report. The proposal concerned calls for generalized preferences only, and follows exactly the same pattern as established last year. It has the full support of the Committee on External Economic Relations and of the Committee on Agriculture.

I would just draw attention to the final page of the opinion of the Committee on Agriculture, which I think is of some importance and might produce some comment from the Commission. The Committee on Agriculture wishes to point out that the agricultural products to which Malta ascribes the greatest importance as exports to the EEC are potatoes, tomatoes, onions, flowers, plant cuttings, strawberries, wine and pigmeat. None of these products enjoy preferential treatment, either under the existing regulations or, as has already been pointed out, under the existing Association Agreement. The products listed in the present proposal are of minor importance as regards quantity or value, and I would ask the Commission if it will be submit-

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

Spicer

ting a proposal during the next year for negotiations with the Maltese to extend the range of preferential tariffs. I believe that such proposals would command the support of this House. With that short comment I commend this proposal to the House.

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

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Mr President, I thank the rapporteur but would like first of all to make two points: the first is that since all the products which can interest Malta are already included in the list, an extension or revision of the list is not foreseeable in the near future. But as regards the anxieties expressed in committee about the possible negative reactions from Turkey, for example, or other Mediterranean states enjoying certain benefits, we will, as we have done in the past, take steps to ensure that the overall position is balanced for all concerned.

To summarize, for the Mediterranean countries, a balanced situation through the new provisions; as regards Malta and the rapporteur's questions, confirmation that we will not take new decisions since we believe that all the products which interest Malta are already included in the list.

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

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

#### 12. Directive on the approximation of laws relating to cocoa and chocolate

**President.** — The next item is the report drawn up by Mr Albertsen 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 amending for the fourth time Directive No 73/241/EEC on the approximation of the laws of the Member States relating to cocoa and chocolate products intended for human consumption (Doc. 322/75).

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

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

#### 13. Decision on the Customs Cooperation Council

**President.** — The next item is the vote without debate on the report drawn up by Mr Dykes on

behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a decision accepting the Customs Cooperation Council's recommendation of 1 January 1975 (SITC/BTN Rev. 2) - (Doc. 372/75).

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

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

#### 14. Decision on the simplification and harmonization of customs procedures

**President.** — The next item is the vote without debate on the report drawn up by Mr Dykes 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 accepting on behalf of the Community several annexes to the International Convention on the Simplification and Harmonization of Customs Procedures (Doc. 373/75).

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

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

#### 15. Regulation on temporary suspension of CCT duties on certain agricultural products

**President.** — The next item is the report drawn up by Mr Howell on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation temporarily suspending the autonomous Common Customs Tariff duties on a certain number of agricultural products (Doc. 370/75).

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins, deputy rapporteur.** — Mr President, this is a very technical matter and, I think, completely non-controversial. The proposal went through the committee without any dissenting voices. Should anybody wish any questions to be answered I will most certainly do so, but I suggest that the House should approve the report without further ado.

(Applause)

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

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

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

16. *Discharge in respect of implementation of the Communities' budget for 1971*

**President.** — The next item is the supplementary report drawn up by Mr Gerlach on behalf of the Committee on Budgets on the giving of a discharge to the Commission of the European Communities in respect of the implementation of the European Communities' budget for the financial year 1971 on the basis of the report of the Audit Board (Doc. 378/75).

I call Mr Gerlach.

**Mr Gerlach, rapporteur.** — (D) Mr President, I hope that there will be no need to discuss this matter. There is only one remark that I have to make about it. When working my way through the Council document on the discharge in respect of the 1971 budget, I failed to notice that the text did, in fact, contain a proposal for a discharge in respect of the 1971 budget. I must say, however, that it was in very small print, and even with my very strong glasses I failed to see it. At any rate, I did not notice it, and I must apologize to Parliament for this. In submitting this motion for a resolution I merely wish to correct this error and to acknowledge that the Council did, in fact, grant a discharge in its document. We acted on this discharge, so that there has been no change in our decision; as I say, it is simply that an oversight on my part has been put right. I should merely like to add that when it came to the vote, the Council could have pointed out my mistake—another sin of omission on the part of the Council! That makes us quits. I request that this motion be adopted.

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

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

17. *Directive on inland waterway vessels*

**President.** — The next item is the vote without debate on the report drawn up by Mr Gerlach on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a directive on reciprocal recognition of navigation licences for inland waterway vessels (Doc. 359/75).

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

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

18. *Next time limit under the budgetary procedure*

**President.** — Pursuant to Article 5(4) and Article 6(1) of the Internal Rules of Procedure for consideration of the draft general budget of the Communities for the 1976 financial year, the first time limit for tabling draft amendments to the Council's modifications and proposals for rejection of the budget as a whole and for forwarding opinions of the committees concerned to the committee responsible is set at 9 December 1975.

I would remind the House that after the report has been submitted, a second time limit will be set, and that in the meantime amendments can be drawn up and forwarded to the Committee on Budgets. However, such amendments will only be made public after the report has been submitted.

19. *Statement on action taken on two motions for resolutions*

**President.** — The Committee on Agriculture has informed me that it has examined the motion for a resolution tabled by Mrs Ewing on agricultural surpluses, which had been referred to it. The committee has unanimously decided that the problems raised by Mrs Ewing in this document will of necessity be discussed in connection with the fixing of agricultural prices for the next marketing year. The chairman of the committee has asked me to inform the House of the advisability of these problems being discussed when Parliament considers the new agricultural prices.

He also informs me that the Committee on Agriculture has examined the motion for a resolution tabled by Mr Scott-Hopkins and others on the incomes of the fishing industry, which had been referred to it pursuant to Rule 25 of the Rules of Procedure.

The Committee on Agriculture has unanimously decided to suggest to Parliament that the problem raised in this motion for a resolution be discussed in detail when Parliament is called upon to examine concrete proposals on the fishing sector.

However, should the Commission find itself unable to submit such proposals in the very near future, the Committee on Agriculture reserves the right, in agreement with the authors of the motion for a resolution, to bring this text up again for discussion.

Note is herewith taken of the communications from the Committee on Agriculture.

<sup>1</sup> OJ No C 280 of 8. 12. 1975.

**President**

Under Rule 25 of the Rules of Procedure and the texts relating to its application, the Committee on Agriculture will express its views on these motions for resolutions in its reports on these subjects.

**20. Date of the next part-session**

**President.** — There are no further items on the agenda.

I thank the representatives of the Council and Commission for their contributions to our work. The enlarged Bureau proposes that Parliament hold its next part-session in Strasbourg from 15 to 19 December 1975.

Are there any objections?

That is agreed.

**21. Adjournment of the session**

**President.** — I declare the session of the European Parliament adjourned.

**22. 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 12 noon.)*