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Report of Proceedings

from 22 to 26 September 1975

European Centre, Luxembourg

Contents

Sitting of Monday, 22 September 1975	1
Resumption of the session, p. 2 — Apologies, p. 2 — Membership of committees, p. 2 — Congratulations, p. 2 — Documents submitted, p. 2 — Authorization of written reports, p. 9 — Withdrawal of a document, p. 9 — Texts of treaties forwarded by the Council, p. 9 — Filing of two petitions, p. 10 — Limit on speaking time, p. 10 — Decision on urgent procedure, p. 10 — Order of business, p. 10 — Action taken by the Commission on opinions of Parliament, p. 14 — European Schools system, p. 14 — Aid to higher education institutions, p. 31 — Education in the European Community, p. 36 — Agenda for next sitting, p. 39.	
Sitting of Tuesday, 23 September 1975	40
Approval of minutes, p. 96 — Question Time, p. 96 — Debate immediately after in data processing, p. 41 — Hydrocarbons sector, p. 56 — Guidelines for the electricity sector, p. 77 — Time-limit for tabling amendments, p. 89 — Directive on taxes on tobacco, p. 89 — Change in the timetable for the annual report on the economic situation, p. 89 — Agenda for next sitting, p. 93.	
Sitting of Wednesday, 24 September 1975	94
Approval of minutes, p. 96 — Question time, p. 96 — Debate immediately after Question Time: Economic aid to Portugal, p. 111 — Oral Questions with debate: Aid to the shipbuilding industry, p. 121 — Membership of committees, p. 128 — Oral Question with debate: Conference on Security, p. 128 — Change in agenda, p. 142 — Report on the development of the social situation, p. 143 — Order of business, p. 175 — Regulation amending the financial regulation for the European Social Fund, p. 176 — Action programme in favour of migrant workers, p. 177 — Safety, hygiene and health protection at work, p. 201 — Agenda for the next sitting, p. 205 — Annex, p. 206.	

(Continued overleaf)

NOTE TO READER

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

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

(Continued)

Sitting of Thursday, 25 September 1975 210

Approval of minutes, p. 211 — Order of business, p. 211 — Membership of committees, p. 212 — Change in agenda, p. 212 — Limit on speaking time, p. 213 — Documents submitted, p. 214 — Oral Question with debate: European Aerospace industry, p. 214 — Oral Question with debate: Regional Development Fund, p. 219 — Fourth report on competition policy, p. 229 — Receipt of a petition, p. 238 — Situation in Spain, p. 238 — Fourth report on competition policy (Resumption), p. 253 — Change in agenda, p. 256 — Oral Questions with debate: Wine, p. 256 — Regulation on the importation of products in the wine-growing sector, p. 275 — Agenda for next sitting, p. 281.

Sitting of Friday, 26 September 1975 283

Approval of minutes, p. 283 — Documents submitted, p. 283 — Transfers of appropriations in the 1975 budget, p. 283 — Regulation on new potatoes originating in Cyprus, p. 283 — Regulations on Community citrus fruit, p. 283 — Regulation on production subsidies for cereals in the United Kingdom, p. 286 — Regulations on quotas for Port, Madeira and Setubal muscatel wines, p. 288 — Regulations on quotas for Jerez, Malaga, Jumilla, Priorato, Rioja, and Valdepeñas wines, p. 289 — Regulation on a quota for dried grapes, p. 289 — Regulation on colza and rape seed, p. 290 — Regulations on the markets in cereals and rice, p. 292 — Filing of a petition, p. 295 — Dates of next part-session, p. 295 — Adjournment of session, p. 295 — Approval of minutes, p. 295.

Resolutions adopted at sittings of 22 to 26 September 1975 appear in the Official Journal of the European Communities C 239 of 20.10.1975.

SITTING OF MONDAY, 22 SEPTEMBER 1975

Contents

1. Resumption of session	2		
2. Apologies	2		
3. Membership of committees	2		
4. Congratulations	2		
5. Documents submitted	2		
6. Authorization of reports and opinions	9		
7. Withdrawal of a document	9		
8. Texts of treaties forwarded by the Council	9		
9. Filing of two petitions	10		
10. Limit on speaking time:	10		
Mr Fellermaier, on behalf of the Socialist Group	10		
11. Decision on urgent procedure	10		
12. Order of business:			
Mr Scott-Hopkins; Mr Artzinger; Mr Durieux; Mr Meintz; Mr A. Bertrand; Mr Yeats; Mr Laban, on behalf of the Committee on Agriculture; Mr Artzinger	12		
13. Action taken by the Commission on opinions of Parliament:			
Mr Borschette, member of the Commission	14		
14. European Schools system — Report drawn up by Mr Walkhoff on behalf of the Committee on Cultural Affairs and Youth (Doc. 113/75):			
Mr Walkhoff, rapporteur	14		
Mr Laban, on behalf of the Socialist Group; Mr Pisoni, on behalf of the Christian-Democratic Group; Mr Meintz, on behalf of the Liberal and Allies Group; Mr Nyborg, on behalf of the Group of European Progressive Democrats; Mr Corrie, on behalf of			
the European Conservative Group; Mr Barnett; Mr Della Briotta; Mr Cifarrelli; Mr Borschette, member of the Commission; Mr Walkhoff		17	
Consideration of the motion for a resolution:			
Amendment after paragraph 6:			
Mr Nyborg; Mr Walkhoff		30	
Amendment to paragraph 8:			
Mr Pisoni; Mr Walkhoff		31	
Adoption of resolution		31	
15. Aid to higher education institutions — Report drawn up by Mrs Caretoni Romagnoli on behalf of the Committee on Cultural Affairs and Youth (Doc. 148/75):			
Mrs Caretoni Romagnoli, rapporteur; Mr Vandewiele; Mr Nyborg; Mr Corrie; Mr Cousté; Mr Dalyell; Mr Borschette, member of the Commission; Mr Dalyell, Mr Borschette		31	
Consideration of the motion for a resolution:			
Amendment to paragraph 3:			
Mr De Clercq; Mrs Caretoni Romagnoli; Mr Broeksz		35	
Adoption of resolution		36	
16. Education in the European Communities — Motion for a resolution (Doc. 183/75/rev.):			
Mr Broeksz, author of the motion for a resolution on behalf of the Liberal and Allies Group; Mr Pisoni; Mr Meintz, Mr Lenihan, on behalf of the Group of European Progressive Democrats; Mr Corrie; Mr Borschette, member of the Commission		36	
Adoption of resolution		39	
17. Agenda for next sitting		39	

IN THE CHAIR: MR SPÉNALE

President

(The sitting was opened at 4.40 p.m.)

President. — The sitting is open.

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament adjourned on 11 July 1975.

2. *Apologies*

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

3. *Membership of Committees*

President. — I have received from the Christian-Democratic Group a request for the appointment of Mr Schwörer to the Committee on External Economic Relations in place of Mr Jahn.

Are there any objections?

The appointment is ratified.

4. *Congratulations*

President. — The Christian-Democratic Group has informed me that it has elected Mr Alfred Bertrand chairman of the group.

I congratulate Mr Bertrand on his election.

(Applause)

5. *Documents submitted*

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 directive on the approximation of Member States' laws, regulations and administrative provisions relating to the classification, packaging and labelling of paints, varnishes, adhesives and similar products (Doc. 169/75).

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

- 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 taximeters (Doc. 198/75).

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

- the proposal from the Commission of the European Communities to the Council for a regulation establishing a system of aid to organizations of silkworm rearers (Doc. 201/75).

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

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

I. a regulation amending Regulation (EEC) No 2511/69 laying down special measures for improving the production and marketing of Community citrus fruit

II. a regulation amending Regulation (EEC) No 2601/69 laying down special measures to encourage the processing of certain varieties of oranges

III. a regulation amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables

(Doc. 202/75)

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

- 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 (1976-1978)—indirect action (Doc. 203/75).

President

This document has been referred to the Committee on Energy, Research and Technology 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 laying down special rules for the importation of products in the wine-growing sector originating in certain third countries (Doc. 204/75).

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

- the proposal from the Commission of the European Communities to the Council for a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No 02.01 A II a) 2 of the Common Customs Tariff (year 1976)—(Doc. 205/75).

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 total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey (year 1976)—(Doc. 206/75).

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

- 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. 207/75).

This document has been referred to the Committee on External Economic Relations;

- the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No 17/64/EEC on the conditions for

granting aid from the European Agricultural Guidance and Guarantee Fund—(Doc. 208/75).

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 multiannual environmental research and development programme of the European Economic Community—indirect action—(1976-1980)—(Doc. 209/75).

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

- the ACP-EEC Convention of Lomé signed on 28 February 1975—(Doc. 212/75)

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

- the proposal from the Commission of the European Communities to the Council for a directive on waste from the titanium dioxide industry—(Doc. 213/75).

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

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

I. a directive on the approximation of the laws of the Member States relating to common provisions for lifting and mechanical handling appliances

II. a directive on the approximation of the laws of the Member States relating to electrically operated lifts

(Doc. 214/75).

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

President

- two proposals for the transfer of appropriations from one chapter to another in Section III—Commission—of the general budget for the 1975 financial year (Doc. 215/75).

This document has been referred to the Committee on Budgets;

- the proposal for the transfer of appropriations from one chapter to another in Section III—Commission—of the general budget for the 1975 financial year (Doc. 216/75).

This document has been referred to the Committee on Budgets;

- two proposals for the transfer of appropriations from one chapter to another in Section III—Commission—of the general budget for the 1975 financial year (Doc. 217/75).

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 a change in the timetable for the preparation of the annual report on the economic situation in the Community (Doc. 218/75).

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 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 product intended for human consumption (Doc. 219/75).

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

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

I. a decision concluding the agreement for the implementation of a European project on nuisances on the subject: 'Research on the physico-chemical behaviour of sulphur dioxide in the atmosphere'

II. a decision concluding the agreement for the implementation of a European project on nuisances on the subject:

'Analysis of organic micro-pollutants in water'
(Doc. 220/75).

This document has been referred to the Committee on Public Health and the Environment 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 Council Regulation (EEC) No 2511/69 of 9 December 1969 laying down special measures for improving the production and marketing of Community citrus fruit (Doc. 221/75).

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 multiannual programme of the Community for the years 1976/1980 in the field of controlled thermonuclear fusion and plasma physics (Doc. 222/75).

This document has been referred to the Committee on Energy, Research and Technology 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 multiannual Community research programme on biology and health protection for the period 1976-1980 (Doc. 223/75).

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

- 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. 224/75).

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

President

- the proposal from the Commission of the European Communities to the Council for a directive relating to the quality of water for human consumption (Doc. 225/75).

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

- the proposal from the Commission of the European Communities to the Council for a regulation regarding a Community procedure for information and consultation on the prices of crude oil and petroleum products in the Community (Doc. 226/75).

This document has been referred to the Committee on Energy Research and Technology;

- the proposal from the Commission of the European Communities to the Council for a regulation on the production subsidies which the United Kingdom is authorized to retain in respect of cereals (Doc. 227/75).

This document has been referred to the Committee on Agriculture;

- the proposal from the Commission of the European Communities to the Council for a directive concerning the harmonization of systems of company taxation and of withholding taxes on dividends (Doc. 228/75).

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

- the proposal from the Commission of the European Communities to the Council on the harmonization of provisions laid down by law, regulation or administrative action concerning deferred payment of duties at importation or exportation (Doc. 229/75).

This document has been referred to the Committee on External Economic Relations 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 setting up a financial mechanism (Doc. 230/75).

This document has been referred to the Committee on Budgets as the committee

responsible and to the Committee on Economic and Monetary Affairs and the Political Affairs Committee for their opinions;

- the proposal from the Commission of the European Communities to the Council for a regulation laying down, in respect of hops, the amount of aid to producers for the 1974 harvest (Doc. 231/75).

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 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. 232/75).

This document has been referred to the Committee on Energy, Research and Technology as the committee responsible and to the Committee on Public Health and the Environment for its opinion;

- the proposal from the Commission of the European Communities to the Council for a regulation extending for the fourth time Regulations (EEC) No. 2313/71 and 2823/71 partially and temporarily suspending Common Customs Tariff duties applicable to wines originating in and coming from Algeria, Morocco, Tunisia and Turkey (Doc. 233/75).

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

- the proposal from the Commissions of the European Communities to the Council for a regulation modifying the financial regulation of 25 April 1973 applicable to the general budget of the European Communities (Doc. 234/75).

This document has been referred to the Committee on Budgets;

- the amended 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 fruit jams, jellies and marmalades and chestnut purée (Doc. 235/75).

President

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

- the amended proposal from the Commission of the European Communities to the Council for a directive to facilitate the effective exercise by lawyers of freedom to provide services (Doc. 236/75).

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 amending Regulation (EEC) No. 542/69 on Community transit (Doc. 237/75).

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

- the proposal from the Commission of the European Communities to the Council for a regulation concerning common measures to improve the conditions under which agricultural products are marketed and processed (Doc. 241/75).

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

- the 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. 253/75).

This document has been referred to the Committee on External Economic Relations;

- (b) from the EEC-Turkey Joint Parliamentary Committee:

- tenth annual report on the activities of the EEC-Turkey Association Council (1 January to 31 December 1974) — (Doc. 255/75),

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

- report by Mr Artzinger, on behalf of the Committee on Budgets, on the proposal from the Commission of the Euro-

pean Communities to the Council for a directive amending Directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco (Doc. 197/75);

- report by Mr Cousté, on behalf of the Committee on Economic and Monetary Affairs, on the communication from the Commission of the European Communities to the Council containing initial proposals for priority projects in data-processing (Doc. 199/74);

- report by Mr Pintat, on behalf of the Committee on Energy, Research and Technology, on the communication from the Commission of the European Communities to the Council on guidelines for the electricity sector in the Community (Doc. 200/75);

- report by Mr Schuijt, on behalf of the Associations Committee, on the proposal from the Commission of the European Communities to the Council for a regulation on the opening of a tariff quota for new potatoes falling within sub-heading 07.01 A II of the Common Customs Tariff for 1976, originating in Cyprus (Doc. 210/75);

- report by Mr Meintz, on behalf of the Committee on Public Health and the Environment on guidelines for a Community programme for safety, hygiene and health protection at work (Doc. 211/75);

- 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 for a decision on a change in the timetable for the preparation of the annual report on the economic situation in the Community (Doc. 242/75);

- report by Mr Frehsee, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation laying down special rules for the importation of products in the wine-growing sector originating in certain third countries (Doc. 254/75);

- report by Mr Kofoed, on behalf of the Committee on Agriculture, on the proposals from the Commission of the European Communities to the Council for

I. a regulation amending Regulation (EEC) No 2511/69 laying down special

President

measures for improving the production and marketing of Community citrus fruit

II. a regulation amending Regulation (EEC) No 2601/69 laying down special measures to encourage the processing of certain varieties of oranges

III. a regulation amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables

IV. a regulation amending Council Regulation (EEC) No 2511 of 9 December 1969 laying down special measures for improving the production and marketing of Community citrus fruit (Doc. 256/75);

— report by Mr Kofoed, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation on the production subsidies which the United Kingdom is authorized to retain in respect of cereals (Doc. 257/75);

— report by Mr Shaw, on behalf of the Committee on Budgets, on the proposal from the Commission of the European Communities to the Council for a regulation amending the financial regulation as regards appropriations for the European Social Fund (Doc. 258/75);

— report by Mr De Koning, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 657/75 on the standard quality for colza and rape seed (Doc. 259/75);

— report by Mr De Koning, on behalf of the Committee on Agriculture, on the proposals from the Commission of the European Communities to the Council for

I. a regulation amending Regulation No 120/67/EEC on the common organization of the market in cereals

II. a regulation amending Regulation No 359/67/EEC on the common organization of the market in rice

(Doc. 260/75);

— report by Mr Klepsch, on behalf of the Committee on External Economic Relations, on the proposals from the Commis-

sion of the European Communities to the Council for

I. a regulation opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Portugal (1976)

II. a regulation opening, allocating and providing for the administration of Community tariff quotas for Madeira wines, falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Portugal (1976)

III. a regulation opening, allocating and providing for the administration of Community tariff quotas for Setubal Muscatel wines, falling within sub-heading ex 22.05 of the Common Customs tariff, originating in Portugal (1976)

(Doc. 261/75);

— report by Mr Boano, on behalf of the Committee on External Economic Relations, on the proposals from the Commission of the European Communities to the Council for

I. a regulation opening, allocating and providing for the administration of Community tariff quotas for Jerez wines, falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Spain (1976)

II. a regulation opening, allocating and providing for the administration of a Community tariff quota for Malaga wines, falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Spain (1976)

III. a regulation opening, allocating and providing for the administration of a Community tariff quota for wines from Jumilla, Priorato, Rioja and Valdepeñas, falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Spain (Doc. 262/75);

— report by Mr Kaspereit, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council for a regulation on the opening, allocation and administration of a 1976 Community tariff quota for dried grapes falling within sub-heading 08.04 B I of the Common Customs Tariff, in imme-

President

diate containers of a net capacity of 15 kg or less (Doc. 263/75);

- report by Mr Kaspereit, on behalf of the Committee on External Economic Relations, on the proposals from the Commission of the European Communities to the Council for

I. a regulation opening, allocating and providing for the administration of a Community tariff quota for dried figs, falling within sub-heading ex 08.03 B of the Common Customs Tariff for 1976, originating in Spain

II. a regulation opening, allocating and providing for the administration of a Community tariff quota for dried grapes, falling within sub-heading ex 08.04 B I of the Common Customs Tariff for 1976, originating in Spain (Doc. 264/75);

- report by Mr Kaspereit, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for apricot pulp, falling within sub-heading ex 20.06 B II c) 1 aa) of the Common Customs Tariff for 1976, originating in Israel (Doc. 265/75);

- report by Mr Nyborg, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for certain eels falling within sub-heading ex 03.01 A II of the Common Customs Tariff for 1976 (Doc. 266/75);

(d) The following oral questions:

- oral question with debate by Mr Lagorce, on behalf of the Socialist Group, to the Commission of the European Communities, on the abuses and fraudulent practices of the major pharmaceutical laboratories in Europe (Doc. 238/75);
- oral question with debate by Lord Bessborough, on behalf of the European Conservative Group, to the Commission of the European Communities, on the European Aerospace Industry (Doc. 239/75);
- oral question with debate by Mr Corrie, on behalf of the European Conservative

Group, to the Commission of the European Communities, on regional authorities and the Regional Development Fund (Doc. 240/75);

- oral question with debate by Mr Scott-Hopkins, Mr Jakobsen, and Mr Corrie, on behalf of the European Conservative Group, to the Commission of the European Communities, on the incomes of the fishing industry (Doc. 243/75);

- oral question with debate by the Committee on Economic and Monetary Affairs, to the Council of the European Communities, on the adoption of a new directive on state aid to the shipbuilding industry without the consultation of the European Parliament (Doc. 244/75);

- oral question with debate by the Committee on Economic and Monetary Affairs, to the Commission of the European Communities, on the adoption of a new directive on state aid to the shipbuilding industry without the consultation of the European Parliament (Doc. 245/75);

- oral question with debate by Mr Fellermaier and Mr Radoux, on behalf of the Socialist Group, to the Council of the European Communities, on the conclusions to be drawn from the Conference on Security and Cooperation in Europe (Doc. 246/75);

- oral question with debate by Mr Cipolla, Mr Lemoine and Mr Marras, on behalf of the Communist and Allies Group, to the Commission of the European Communities, on the common agricultural policy (Doc. 247/75);

- oral question with debate by Mr Houdet, on behalf of the Committee on Agriculture, to the Commission of the European Communities, on wine policy and the situation on the wine market (Doc. 248/75);

- oral question with debate by Mr Vetrone, Mr Boano, Mr Ligios, Mr Vernaschi, Mr Mitterdorfer, Mr Brugger and Mr Giraud, to the Commission of the European Communities on French measures in the wine sector (Doc. 249/75);

- oral question with debate by Mr de la Malène, on behalf of the Group of European Progressive Democrats, to the Commission of the European Communities, on Community economic recovery measures (Doc. 250/75);

President

- oral question with debate by Mr Cointat, on behalf of the Group of European Progressive Democrats, to the Commission of the European Communities, on the monetary system applied by the Europe of the Nine (Doc. 251/75);
- oral questions by Mr Glinne, Miss Boothroyd, Mr Broeks, Mr Albers, Mr Carpentier, Mr Fellermaier, Mr Espersen, Mr Spicer, Mr Corrie, Mr Osborn, Mr Howell, Mr Ellis, Mr Dykes, Mr Kirk, Mr Dalyell, Mr Cousté, Mr D'Angelosante, Mr Terrenoire, Mr Gibbons, Mr Nolan, Mr Kaspereit, Mr Nyborg and Mr Scott-Hopkins, pursuant to Rule 47A of the Rules of Procedure, for Question Time on 24 September 1975 (Doc. 252/75).

6. Authorization of reports and opinions

President. — I have authorized the Committee on Development and Cooperation to draw up a report on the communication from the Commission of the European Communities to the Council on the Seventh Special Session of the UN General Assembly and mid-term review and appraisal of the International Development Strategy for the Second UN Development Decade.

In addition, the enlarged Bureau has authorized the Committee on Energy, Research and Technology to draw up a report on the need for a Community policy in the field of production and reprocessing of nuclear fuel elements.

I have authorized the Committee on Development and Cooperation to draw up an opinion for the Committee on External Economic Relations, which was authorized on 16 June 1975 to draw up a report on the present state of economic relations between the European Community and the Latin American Countries.

7. Withdrawal of a document

President. — At the author's request the motion for a resolution tabled by Mr Amendola, Mr Ansart, Mr Lemoine, Mr Bordu, Mr Sandri, Mr Hartog, Mr Leonardi, Mrs Iotti, Mrs Caretoni Romagnoli, Mrs Goutmann and Mr Fabbrini, on behalf of the Communist and Allies Group, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the commemoration of 8 May 1945 (Doc. 90/75), has been withdrawn.

8. 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:

- Notice of the completion by the Community of the procedures necessary for the entry into force of the agreement extending the agreement establishing an association between the European Economic Community and the Tunisian Republic;
- Agreement between the European Economic Community and the Republic of India on cane sugar;
- Agreement between the European Economic Community and the Republic of Turkey on the supply of common wheat as food aid;
- Notice of the completion by the Community of the procedures necessary for the conclusion of the two agreements in the form of an exchange of letters between the European Economic Community and the Kingdom of Laos, 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 conclusion of the agreement in the form of an exchange of letters between the European Economic Community and the Republic of Sri Lanka on trade in fabrics of silk or of waste silk other than noil or of cotton, woven on handlooms;
- Internal agreement on the measures and procedures required for implementation of the ACP-EEC Convention of Lomé;
- Internal agreement on the financing and administration of Community aid;
- Agreement between the European Economic Community and the United Mexican States;
- Commercial cooperation agreement between the European Economic Community and the Republic of Sri Lanka;
- Agreement between the European Economic Community and the People's Republic of Bangladesh on the supply of common wheat as food aid;
- Agreement between the European Economic Community and the Malagasy Republic on the supply of long-grained husked rice as food aid;
- Agreement between the European Economic Community and Ethiopia on the supply of common wheat and maize as food aid;

President

- Agreement between the European Economic Community and Ethiopia on the supply of skimmed milk powder and butteroil as food aid;
- Agreement between the European Economic Community and the Republic of Niger on the supply of skimmed milk powder as food aid;
- Agreement between the European Economic Community and the Hashemite Kingdom of Jordan on the supply of common wheat flour as food aid.

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

9. Filing of two petitions

President. — At the sittings of 18 June and 9 July 1975, I informed the House that I had received a petition from Mr Heimeshoff, Mr Nachez, Mr Kieseling and others and another from Miss Chizzola and others.

These petitions had been entered under No 3/75 and No 5/75 in the register and referred to the Political Affairs Committee for consideration.

By letter of 16 September 1975, the chairman of the committee informed me that, pursuant to Rule 48 of the Rules of Procedure, the committee had established that they fell within the sphere of the report drawn up by Mr Bertrand on European Union, which Parliament has already adopted, and that the two petitions should therefore be filed without further action.

10. Limit on speaking time

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

Reports:

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

Oral questions with debate:

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

Are there any objections?

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

Mr Fellermaier. — (D) Mr President, my group requests that an exception to the limit on speaking time you have proposed be made in the case of the Oral Question tabled by the Socialist Group on the conclusions to be drawn from the Conference on Security and Cooperation in Europe.

I believe that this request is also in the interests of the other groups. As far as we know, this Parliament is the first assembly to discuss the outcome and political value of the Conference in Helsinki, and it will be doing so with the Council and Commission. I feel that in this case five minutes is not enough for speakers on behalf of the political groups to define accurately their views on this Conference. I would therefore request, Mr President, that we should not deviate from the Rules of Procedure in this case, but proceed pursuant to Rule 47 and so allow twenty minutes for the presentation and ten minutes for each speaker. I am sure that the groups can agree on the length of the debate as a whole, but five minutes is really too short for so complex a subject. On behalf of my group I therefore request the House in all sincerity to accept our proposal that speaking time in this political debate should be limited to ten minutes rather than five. I would be grateful, Mr President, if you could agree to this request.

(Applause)

President. — Mr Fellermaier proposes that the House proceed in accordance with the normal rule in the case of this question, which is indeed of considerable importance.

Are there any objections?

That is agreed.

11. 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 questions?

The adoption of urgent procedure is agreed.

12. Order of business

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

In accordance with the instructions given to me by the enlarged Bureau at its meeting of 10 July 1975, I prepared a draft agenda, which has distributed.

President

Since that time, however, I have received a number of requests for amendments, of which I informed the enlarged Bureau at its meeting of 16 September 1975.

I would remind the House that it is in the interests of Members and of political groups, of the Administration and of the press that our order of business should not be amended at the last moment.

However, while noting that it would be unwise not to depart from the draft agenda which has been drawn up, I would propose, on the basis of suggestions put forward by the enlarged Bureau, that some amendments be accepted since they concern urgent and important questions which Parliament should deal with as quickly as possible.

The Committee on Economic and Monetary Affairs has tabled an oral question with debate to the Commission on aid to the ship-building industry.

This oral question could be debated jointly with the oral question to the Council by the same authors and on the same subject, which is on the agenda for Wednesday.

Mr Cipolla, Mr Lemoine and Mr Marras, on behalf of the Communist and Allies Group, Mr Houdet, on behalf of the Committee on Agriculture, and Mr Vetrone and others have tabled three oral questions with debate to the Commission on the wine market.

These questions could be debated jointly on Thursday after the debate on the report by Mr Frehsee, which also concerns wine.

I would also inform the House that Mr Premoli had tabled a question on this subject for Question Time. Since the agenda now includes a debate on wine, Mr Premoli has withdrawn his question.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, as you are proposing to put these extra questions on wine on the agenda, would it be possible for my oral question, Item No 168, to be debated first so that we can take all the wine questions together. So, after the question on abuses and fraudulent practices of the major pharmaceutical laboratories in Europe, we would take Item 168 and then go on to wine.

President. — We will endeavour to comply with your suggestion.

I call Mr Artzinger.

Mr Artzinger. — (D) Mr President, I should like to refer to the report I have drawn up on behalf of the Committee on Budgets on the harmonization of corporation tax (Doc. 142/75), which is down on the agenda for Tuesday. The report urges the Commission and Council to forward a proposal for the harmonization of corporation tax to Parliament as soon as possible. This has, however, already been done. The matter is thus out of date, and it is pointless to discuss it in Parliament now. On behalf and at the request of the chairman of the Committee on Budgets, Mr Lange, I should, however, like to express our regret that this item was removed from the agenda for the last part-session. It would have been useful and right to discuss it at that time; as a result of inactivity the matter has now been settled.

I am also bound to say the following on behalf of the Committee on Budgets on the report by Mr Meintz (Doc. 211/75), the report by Mr Kofoed (Doc. 221/75) and the report by Mr De Koning, if it is put on the agenda: the Committee on Budgets has attempted to put forward its opinion, but this has not been possible because the required financial review by the Commission was only available in one language. The committee therefore had to postpone the discussion of these reports and requests you to remove them from the agenda and place them on the agenda for the next part-session so that the Committee on Budgets can give its opinion.

President. — These reports could in fact be withdrawn from the agenda.

I call Mr Durieux.

Mr Durieux. — (F) Mr President, on Tuesday we are to debate the report by Mr Pintat on the communication from the Commission on guidelines for the electricity sector in the Community, Item No 155 on the agenda.

As Mr Pintat will not be arriving until after 3 p.m., he would like his report to be debated after Mr Leonardi's, so that he can introduce it himself.

President. — This change is unlikely to present any difficulty.

I call Mr Meintz.

Mr Meintz. — (F) Mr President, I would point out that my report on a Community programme for safety, hygiene and health protection at work, which you intend to delete from the agenda, has already been withdrawn once. Secondly, the financial statement was in fact

Meintz

attached, but in one language only. Thirdly — and this is the most important point — it would not have made much difference if the financial statement had been available in all the languages, since we are dealing here not with the programme itself, but with the direction it should take. The appropriations shown in the financial statement are those for the Consultative Committee, and if we again fail to discuss the direction which the work of that committee should take, we can give it no instructions.

I therefore propose that Item No 144 be kept on the agenda, since the budgetary appropriations have already been adopted or were discussed when the Consultative Committee was created.

President. — I call Mr Bertrand.

Mr A. Bertrand. — (NL) Mr President, I agree with Mr Meintz that the report should definitely not be removed from the agenda. I believe that there will be no difficulty about giving an opinion on the financial problems involved once the Commission has submitted practical proposals for the implementation of this programme to the Council.

President. — I call Mr Yeats.

Mr Yeats. — I would like to support Mr Artzinger's proposal that these reports be withdrawn from the order paper: not only were the financial details given by the Commission in only one language; they were altogether unsatisfactory, and the Committee on Budgets felt that it was not right for a document of this kind to be placed before us by the Commission without adequate financial information. It is for that reason, Mr President, that we suggest that it be left off the order paper.

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

Mr Laban. — (NL) Mr President, on behalf of the Committee on Agriculture I strongly protest against the removal from the agenda of the report by Mr Kofoed (Doc. 256/75). I am able to accept a financial statement in French, but this is really only a formality. All parties concerned have endeavoured to deal as quickly as possible with the Commission's proposal since the implementation of the agreement with Israel depends on how Parliament deals with the proposal. For this reason our committee has considered this subject as a matter of the greatest urgency and priority. I therefore strongly protest, on behalf of the Committee on Agriculture,

against the removal of Mr Kofoed's report from the agenda.

On the other hand, consideration of the report by Mr Della Briotta, Item No 167 of the agenda, could well be postponed, since the Committee on Agriculture has not yet given its final opinion on it.

Finally, in view of the fact that the Della Briotta report may be removed from the agenda, I would like to ask on behalf of our committee that the reports by Mr De Koning on colza and rape seed and on production refunds for certain starch materials used in the brewing industry should be put on the agenda for next Friday.

President. — I ask the House to decide on these reports.

The report by Mr Meintz remains on the agenda.

The report by Mr Kofoed remains on the agenda.

The report by Mr Della Briotta is withdrawn.

The Committee on Agriculture requests that a report on colza seed and a report on the organization of the market in cereals and rice be included in the agenda.

Are there any objections?

I call Mr Artzinger.

Mr Artzinger. — (D) Mr President, the Committee on Budgets has the same objection to this report as to the others. Here again, the Committee on Budgets was not able to discuss the report. I just wanted to point that out.

President. — I ask the House to decide if this report should be included in the agenda, recalling that all matters pertaining to agricultural products are of an urgent nature.

The report is included in the agenda.

I would, however, say to Mr Artzinger that I am particularly impressed by the arguments put forward by the Committee on Budgets and that they will be passed on to the Commission. I should also like to take this opportunity to read to you a letter I have just received from Mr Ortoli:

'I read with great interest your letter of 11 July, in which you stressed the importance to Parliament of the attachment of financial statements to any proposal having financial implications. I have given formal instructions to the services of the Commission to annex statements to any such documents. I hope that this will enable the Committee on Budgets and the other parliamentary committees to perform their functions in accordance with their mandates in future.'

President

We thus see that the practices of the Commission are improving. I feel that the Committee on Budgets has already achieved results.

The order of business therefore reads as follows:

This afternoon

- Commission statement on action taken on the opinions of Parliament,
- Walkhoff report on the European schools system,
- Caretoni Romagnoli report on aid to higher education institutions,
- motion for a resolution tabled by Mr Broeksz, Mr Corrie, Mr Hougardy, Mr Laban, Lord St. Oswald, Mr Knud Nielsen, Mr Pisoni, Mr Seefeld, Mr Suck, Mr Thornley and Mr Yeats, on education in the European Community.

*Tuesday, 23 September 1975.**until 10.00 a.m.:*

- meetings of political groups

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

- Cousté report on priority projects in data processing,
- Leonardi report on the hydrocarbons sector,
- Pintat report on guidelines for the electricity sector,
- Artzinger report on a directive on taxes affecting the consumption of tobacco (without debate),
- Artzinger report on a change in the timetable for the annual report on the economic situation.

*Wednesday, 24 September 1975**until 10.30 a.m.:*

- meetings of political groups

10.30 a.m. and 2.30 p.m.:

- Question Time,
- joint debate on:
 - oral questions with debate by the Committee on Economic and Monetary Affairs to the Council on aid to the ship-building industry, and
 - oral question with debate by the Committee on Economic and Monetary Affairs to the Commission on aid to the ship-building industry,
- Oral Question with debate by Mr Fellermaier and Mr Radoux on behalf of the

Socialist Group to the Council on conclusions to be drawn from the Conference on Security,

- Marras report on the report on the development of the social situation,
- Shaw report on a regulation amending the financial regulation of the European Social Fund,
- Albers report on an action programme for migrant workers,
- Meintz report on safety, hygiene and health protection at work.

*Thursday, 25 September 1975**10.00 a.m., 2.30 p.m. and possibly 9 p.m.*

- Oral Question with debate by Lord Bessborough on behalf of the European Conservative Group to the Commission on the European Aerospace Industry,
- Oral Question with debate by Mr Corrie, on behalf on the European Conservative Group, to the Commission on regional authorities and the Regional Development Fund,
- Normanton report on the Fourth Report on competition policy,
- Oral Question with debate by Mr Lagorce on behalf of the Socialist Group to the Commission on the abuses and fraudulent practices of the major pharmaceutical laboratories in Europe,
- Oral Question with debate by Mr Scott-Hopkins, Mr Jakobsen and Mr Corrie on behalf of the European Conservative Group to the Commission on the incomes of the fishing industry,
- Frehsee report on a regulation concerning the importation of products in the wine-growing sector,
- joint debate on
 - Oral Question with debate by Mr Cipolla, Mr Lemoine and Mr Marras on behalf of the Communist and Allies Group to the Commission on the common agricultural policy,
 - Oral Question with debate by Mr Houdet on behalf of the Committee on Agriculture to the Commission on wine policy and the situation on the wine market, and
- Oral Question with debate by Mr Vetrone, Mr Boano, Mr Ligios, Mr Vernaschi, Mr Mitterdorfer, Mr Brugger and Mr Girauda to the Commission on French measures in the wine sector.

President

Friday, 26 September 1975

9.30 a.m. to 12.00 noon:

- Schuijt report on a regulation concerning new potatoes originating in Cyprus (without debate),
- Kofoed report on regulations concerning Community citrus fruit,
- Kofoed report on a regulation concerning production subsidies in the United Kingdom for cereals,
- Klepsch report on regulations concerning quotas for port, madeira, and Setubal muscatel wines,
- Boano report on regulations concerning wines from Jerez, Malaga, Jumilla, Priorato, Rioja and Valdepeñas,
- Kaspereit report on a regulation concerning a quota for dried grapes,
- De Koning report on colza and rape seed,
- De Koning report on the cereals and rice sectors.

Are there any objections?

That is agreed.

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

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

I call Mr Borschette.

Mr Borschette, member of the Commission. — (F) Mr President, ladies and gentlemen, on this the first occasion I have been asked to give the Commission's views on the action it has taken on opinions of Parliament, I would like to have been able to give your more information. However, the Commission has also been on holiday, and the result is that I must limit myself to commenting on three opinions considered by the Commission.

Firstly, on the basis of a report drawn up by Mr Scholten, the European Parliament has delivered its opinion on the directive on the coordination of laws, regulations and administrative provisions governing the commencement and carrying on of the business of credit institutions.

Parliament approved the general line of the proposal while regretting its relatively modest

scope. The Commission is perfectly aware of the need to step up the coordination of national legislation in this sector, but considers that progress must be slow because of the complex nature of the subject and would thus like to proceed more gradually than the European Parliament has called upon it to do. In the circumstances, the Commission considers that this directive is merely a first step.

Although the Commission was unable to support the more ambitious aims put forward by Parliament, it adopted the amendments proposed by the Assembly. The Commission has consequently made substantial modifications to its original proposal, on the basis of Article 149(2), and the modified proposal has been forwarded to Parliament for its information.

Secondly, the Commission also forwarded to the Council a modified proposal for a directive on harmonization of the legislation of the Member States on the retention of the rights and advantages of employees in the case of mergers, takeovers and amalgamations. The Commission's text largely takes into account the amendments proposed by the Assembly during the debate on the report by Mr Yeats.

With regard to the third opinion, I am sorry to inform you that the Commission is unable to accept the amendments which Parliament proposed should be made to the directive on the approximation of the laws of the Member States relating to ceramic articles intended to come into contact with food. The reasons why the Commission was unable to accept the Assembly's opinion are given, Mr President, in a letter which was sent to you by the Commission.

14. *European Schools system*

President. — The next item is the report drawn up by Mr Walkhoff on behalf of the Committee on Cultural Affairs and Youth on the European Schools system (Doc. 113/75).

I call Mr Walkhoff.

Mr Walkhoff, rapporteur. — (D) Mr President, ladies and gentlemen, the report now being debated is intended as a contribution by the Committee on Cultural Affairs and Youth and your rapporteur to the reform of the European School system. It is the outcome of discussions with all groups involved in the European Schools. However, the purpose of these discussions was not to include in the report the widely varying points of view. I saw my task as being to obtain the necessary expert knowledge to enable me to weigh up all the various views and

Walkhoff

reach an opinion that is in the interests of the European Schools.

There is a great deal to be said for what the European Schools and those responsible have so far achieved. But as I am not speaking here in celebration of the anniversary of the European Schools, but as a rapporteur whose task it is to make suggestions for the further development of the European Schools, I should like to begin with constructive criticism straight away.

Let us first deal with the criteria governing the admission of children to the European Schools. Generally speaking access to the European Schools is granted only to the children of parents who are officials of institutions of the Community or of an authority that has gained places at one of the European Schools under a special agreement. In the 50s, when the officials of the first Community institutions were fighting for a suitable school education for their children and the first European School was established in Luxembourg, this limitation was understandable. But the situation in the 70s is different. Today hundreds of thousands of children of foreign workers from the Member States of the Community live in the industrialized nations of Western Europe. Their chances of obtaining a proper school education are low. With few exceptions, they do not have access to the European Schools. It might be objected—and it would in no way be wrong to object—that the host countries are primarily responsible for the education of the children of the migrant workers whom they have brought to their cities in the interests of their own industry and to increase their own prosperity. Nevertheless, some responsibility must be borne by the European Schools, which are financed by the Member States of the Community. Ignorance would not exactly help the efforts to make the European idea credible to the general public. That is why, while still giving priority to children whose parents are employed by a Community institution, the European Schools should be opened to the children of other foreign workers whose native language is that of one of the Community countries. As far as it is financially possible, European Schools must be set up in economic centres and areas of industrial concentration which, though not seats of Community institutions, have large numbers of foreign citizens from Community countries among their inhabitants. And where European Schools already exist, others should perhaps be set up because the number of pupils any school can take is limited. Some schools—and I am thinking of Brussels and Luxembourg, for example—are already bursting at the seams, and their administration is becoming extremely difficult.

I have just received an example of such deficiencies: in Luxembourg it is rightly complained that there are too few sports facilities, too few gymnasiums and too few teachers for these subjects. This is only one small stone in the mosaic, but if all the small stones are taken together, the picture of the situation at the European Schools in the two cities I have mentioned is extremely poor.

Opening up the European Schools to the children of migrant workers, as I have suggested, would of course be a farce if it was not accompanied by pedagogical measures which take account of the fact that the children of migrant workers often come from socially weaker families and do not have the educational basis which is a matter of course for the majority of the children of European officials.

Consequently, all children should be assured of pre-school education, which would help to break down language barriers and thus be an important prerequisite for successful attendance at school later.

In the upper school classes based on age should be replaced by classes based on performance, with the pupils taught in accordance with their specific attainment. It should be possible for pupils to be transferred from one such class to the next above or below. Classes based on age, comprising pupils of widely varying backgrounds, are, pedagogically speaking, bound to fail in the upper school. If the teacher chooses his methods to suit the attainment of the children of the 'educational middle class' who now make up the majority of the pupils attending the European Schools, he cannot do justice to those children who come from socially weaker families and have a less satisfactory educational background. If he concentrates on the children of socially weaker families, the children with a more favourable educational background will suffer, and the third possibility for a class based on age—levelling towards the middle—would not be pedagogically justifiable.

Furthermore, the European Schools should in future offer shorter courses providing the basis for training in skilled occupations. In the last twenty years the only school-leaving certificate obtainable from an international school has been the baccalaureate. This is a curious fact, and a pedagogical absurdity that does not have an equivalent in any of the Member States. In Luxembourg the European School has experimented with short training courses, and failed. I hope that experience has been gained from the mistakes that were made at that time.

The language of the host country should also be offered as a foreign language at an early

Walkhoff

stage. It should be possible for the child of an Italian living in the Netherlands, for example, to learn Dutch at an early age. The child of an official's family may have the opportunity of learning the language of the host country at home. The child of a migrant worker can often do this only in the street, and the result of such studies is usually not enough to qualify him for a satisfactory occupation.

In addition to opening the European Schools to people who have not hitherto had access, I consider a number of other pedagogical reforms to be urgently required. On the one hand, the European Schools can be congratulated on the pedagogical developments that have recently been made. On the other hand, it cannot be ignored that the pedagogical and organizational knowledge gained in the 50s and 60s was shelved for too long. While the European Schools should not get too far ahead of the schools in the Member States, they must not lag behind them, either.

I could not and did not want to refrain from mentioning in my report a number of important areas which appear to me in need of reform. Basically, however, I have limited myself to the general outlines. The details would have to be worked out by a European pedagogical institute still to be founded, which would establish the theoretical context in close cooperation with those actually involved in the European Schools. Comparative stocktaking would have to be the first step in the work of this pedagogical institute.

Cooperation between the various groups associated with the European Schools should also be the subject of renewed thinking by those responsible. Your rapporteur feels that the discussions should cover areas in which teachers, parents and pupils can be involved in the decision-making process. The scope and limits of co-determination must be redefined. The present situation in which co-determination varies from school to school and depends on the good sense or goodwill of the headmaster, on the size of the school, on local conditions and various other circumstances, is unsatisfactory. I have not said this in my report, but I should like to point to the need for the abolition of hierarchical structures in the European Schools. The strike by Brussels pupils, which in my view was only the tip of the iceberg, should give the reactionary forces at the European Schools some food for thought.

The part of my report that deals with the secondment of teachers to the European Schools has met with some opposition from those concerned. The German and Italian teachers cri-

ticized the fact that their period of secondment is restricted while other countries do not limit the period of secondment. This criticism is not completely justified, when it is remembered that in many cases the teachers who have taught at European Schools for a very long time and have lost contact with the pedagogical developments in their own countries, show little interest in the continued development of the European Schools. The criticism is justified, however to the extent that the reason given for the recall of teachers is — wrongly — that experienced European teachers are needed at home. At present the Member States do not have any need for such experience. This is why I suggest in my report that teachers should not be recalled until their skills and experience are required at home. As soon as this need exists—and I am thinking of schools coming under national authorities and having large numbers of children of migrant workers, and of the training of teachers applying for posts at European Schools—a uniform period of secondment should be laid down. This period should be such that the teacher can settle in, teach according to his qualifications and actively participate in the educational development of the European Schools. In addition, there might be an arrangement to allow highly qualified teachers to remain at a European School until retirement age.

In conclusion, we must ask why the European Schools have in the past lacked flexibility and the ability to develop. I see the principal cause in the fact that the Board of Governors, which is responsible for these schools, consists of representatives of nine different countries and in the past has frequently been unable to demonstrate a uniform political will.

In the circumstances it is not surprising that proposals for reforms, which in any case take a very long time to come though to those responsible at the top, are often out of date when the Board of Governors, which only meets twice a year, finally discusses them and comes to a decision.

The Committee on Cultural Affairs and Youth and its rapporteur feel that the European Schools system must be changed so that the organizational reforms that are considered necessary can be implemented quickly in the future.

We feel that the most efficient solution would be for the European Schools to be made the responsibility of the Commission, as the Hougardy report has already urged. In committee the Commission has expressed considerable doubts about this proposal, some of which appear justified to me. I nevertheless feel that our suggestions would improve the present situation and

Walkhoff

that there is little likelihood of other possibilities being translated into reality. The solutions proposed by the Commission were welcomed by the Committee on Cultural Affairs and Youth and to some extent included in this report, but simply as measures which can help improve work at the European Schools during a transitional period—until the European Schools become the responsibility of the Community.

I should also like to point out that the Committee on Cultural Affairs and Youth adopted the own-initiative report unanimously, and I would ask this House to approve it.

(Applause)

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

Mr Laban. — *(NL)* Mr President, on behalf of the Socialist Group I should like to make a number of observations on the motion for a resolution on European Schools which we now have before us. My remarks will be of a supplementary nature since Mr Walkhoff, the rapporteur for the Committee on Cultural Affairs and Youth, has already expressed some of the views of my group. I would, however, like to congratulate him on his excellent report.

As a member of the working party of the Committee on Cultural Affairs and Youth it was my privilege to visit four European Schools. The problems raised in talks with the administration, teachers, pupils and parents have been elaborated on by Mr Walkhoff, and solutions, where possible, put forward in the motion for a resolution. It is therefore evident that my group will vote in favour of this motion.

Mr first point concerns the admission criteria. In my opinion and that of my group the intellectual requirements are pedagogically out-dated and the requirements concerning representation of different social strata paternalistic. Furthermore, we believe that the proposed balance between language groups will lead to disparate treatment of candidates. I shall try to explain what I mean.

Intellectual ability is difficult to assess, and is certainly not a reliable indication of educational prospects. The latter do not depend exclusively on intelligence quotients and, as far as I know, there are no results available from intelligence tests from which the environmental factor has been eliminated.

Hereditary factors do have some effect, but not to the extent that some researchers would sometimes have us believe. The latest view is that the organization of the teaching, the character of

the pupil and the family environment all have a bearing on success at school. Moreover, success at school in this sense is also, I believe, an out-dated concept.

Mr group would not be too actively in favour of representation of all social strata: conditions should be allowed to vary from school to school. If certain social groups seem to be over-represented, for example the children of low-grade employees or migrant workers, we do not think this should be considered a reason for refusing admission in order to retain balanced representation. On the other hand, we must concede that marked over-representation may lead to problems for the minority. We would therefore like to see a flexible as well as sensible application of the criteria.

The insistence on a balance between the various language groups may, in our opinion, lead to unfair treatment of candidates, especially if they are all of a certain nationality.

Mr President, these criteria apply to children not automatically entitled to attend the European Schools, unlike the children of EEC officials. We therefore consider that the admission criteria for that group of children must be changed in line with what the rapporteur says in his explanatory statement. Most of the members of my group are unable to accept the idea of creating more room for other children by preventing children of EEC officials from attending European Schools in their own country. This would make the European Schools less representative since they would have no children from one of the Member States. In our opinion, this is unfair, and moreover would lead to the kind of discrimination which already exists at other levels, but would in this case be to the disadvantage of the officials of the European Community. As proposed in the Commission's memorandum on educational cooperation, there should therefore be more European Schools.

I have a few more remarks to make on the pedagogical aspects of the European Schools. Paragraph 9 of the motion for a resolution lists a number of changes which we consider indispensable if we are going to admit a substantial number of migrant workers' children. But these reforms are not only important for the children of migrant workers; they are just as necessary for all the other pupils, in view of the attitude of the children of the middle classes and their view that their own culture must be regarded as paramount. Here there is room for dispute: I do not support this view, but it does lead to an aggressive attitude towards workers' children, the children of migrant families who are

Laban

to be admitted to the European Schools. It is also true that the present-day teaching system does not meet the specific requirements of pupils whose talents are practical rather than intellectual; they lag behind without necessarily being any less intelligent than their more theory-oriented fellow-pupils. And then there is the fact that social developments and changes are bound up with education. It is being increasingly acknowledged that people will not develop fully in this society if their education is solely vocational, be it practical or more academic. If people are to take a full part in the life of the community as citizens and human beings, more scope will have to be allowed for social skills and forms of expression in teaching, and consequently in the teaching at the European Schools. In this connection, the rapporteur notes—rightly, I believe—that it is quite unreasonable that subjects such as social studies or even studies connected with European integration are virtually non-existent. The situation must, in the view of my group, be changed rapidly.

I think that in this respect the Commission must evolve initiatives for the development of attractive teaching materials, not only text-books, but also group projects, slides, film strips and so on. The Commission has already obtained considerable know-how on these subjects, and as the material is further developed, it can be tried out in the European Schools and subsequently made available to schools in the Member States.

The 'short courses' do indeed come within the necessary reforms. We regard this as a short or medium-term solution. When teaching has become more individual and ability groups have been introduced at the European Schools, things will be simpler. Then every child will be able to take a course that is suited to his or her own interests, abilities and requirements. However, any increase in the number of migrant workers' children would certainly make short courses necessary. The possibilities are there, but hardly any use is made of them.

All parents tend to see their children as swans and refuse to accept that they may be geese. Consequently, they push them in the wrong direction, causing difficulties for the school, the child, the family and the teachers. Educational and psychological consultation and advice on careers are therefore essential, and I believe that parents should be involved at the earliest opportunity.

Clearly the educational reforms we would like to see cannot be carried out overnight. This would be irresponsible, since they require thorough preparation. But it should be possible, once that preparation has been completed, to try them out, preferably, perhaps, at one of the

new European Schools, and if the experiment is successful, gradually to apply the new methods at the more established European Schools. The help of education institutions will be indispensable in the preparation of such experiments. My impression so far is that the Commission has hardly been enthusiastic about creating an institution for which it would be responsible.

Cooperation between the existing education institutions in the various Member States is encouraged and studies carried out on, for example, teacher training, student exchanges, primary school teachers and assistants. Projects relating to migrant workers' children are also envisaged. The Commission also assists the educational work of the European Cultural Foundation. How the results of the research there can be used to reform teaching at the European Schools, for example, is something I should like to ask Mr Borschette.

I agree with the idea of first letting academics from the education institutions in the various Member States work together and get to know each other in the course of practical projects. But I believe—and here I support what Mr Walkhoff has already said—that a separate institution will be required in the not too distant future, particularly if the European School network is to be extended. One good reason for this is that there is already a need for an on-going process of renovatory thinking and research to form the basis of further reforms. If the child is increasingly becoming the centre of attention in the education systems of the Member States, differences between students will in the long term become less marked, and in the future this could ease the burden of the European Schools.

There are of course other reasons why further research into new teaching methods is needed: the demand for recurrent education is increasing. In fact learning is going to extend over the whole human life span and as the resources available for this are not unlimited, new and effective teaching methods will have to be found that are more economical.

With regard to administration, my group prefers bringing the European Schools under the aegis of the Community institutions. Inter-governmental bodies financed mainly by the Community treasury cannot be properly controlled by Parliament, and this is not right. So, in our opinion, the European Schools should become Community schools as soon as the Commission has the necessary administrative machinery.

Meanwhile an expedient must be found to speed up the whole internal decision-making process of the European Schools; a single authority must be made responsible for the Schools and for

Laban

financial and educational planning in the short, medium and long term.

Lastly, I would refer to the appointment and recall of teachers. For my group the interests of the children are ultimately the main concern. We consequently remain unconvinced by any of the arguments advanced in favour of a fixed term, even with extensions, for the secondment of teachers. If refresher courses are organized for teachers and made compulsory, it will not be necessary, in my opinion, to recall them.

I would be pleased to hear the Commission's views on what I have said.

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

Mr Pisoni. — (I) Mr President, ladies and gentlemen, I rise on behalf of the Christian-Democratic Group to declare that it will vote for the report and the resolution. I, too, should like to compliment the rapporteur on the arduous task he has accomplished. We know well how much effort it involved, and how much he put into it.

This is a subject on which many observations can be made, but I shall limit myself to a few summary remarks.

First, I should like to state some reservations which I address to the Commission, the Council and the school administration. The European Schools, by the way they have been conceived and the way they are run, are in themselves a form of privilege since they only serve the children of officials of Community institutions. In so far as they are intended to produce better European citizens, these schools should become models of educational and teaching methods, and of language instruction, and be an example to the national schools. If the only problem were language teaching, it might well be that the same results could be obtained in other types of publicly run schools, at any rate in those with a high proportion of pupils of different nationalities, as is already being done in some pilot experiments in countries having a large immigrant population.

The high expenditure on these specifically 'European' institutions ought to be justified by practical, large scale results, and not be used solely for the benefit of a group of officials who, while they have every right to send their children to the European Schools, are nevertheless at an advantage with respect to others who are in greater need of aids and of special services. There can be no doubt that a wide network of European Schools would be a great contribution to an integrated Europe, by educating its future citizens.

From these general considerations I will now pass on to some specific remarks on the text of the motion for a resolution.

While I, too, am in favour of the system of European Schools, which, among other things, enables the children to be taught in their native tongue, I cannot forget that side by side with the few thousand fortunates, there are hundreds of thousands of migrant families not enjoying the same opportunities. The Commission should take responsibility for this need and try to solve this problem.

I am not making this remark casually: we insist much more vigorously than does the committee in its text that the school regulations must be changed to enable children of migrant workers to be admitted as well. As it is at present, the European School is selective: it is an élitist school to which very few children other than those of officials can go. What it should be is an image of the Community from which it stems, reflecting its composition and living its real life; and as such it can be neither a class-conscious nor a socially isolated school.

Grave dangers are inherent in the existing set-up of these schools: the regulations must therefore be changed to permit, at least up to the school-leaving age, enrolment of the children of officials and other social categories in numerical ratios reproducing as exactly as possible the social composition of the community. These schools should not be reserved for the children of officials, but should achieve a fair balance between the various sections of society. The considerable effort put into this stocktaking operation should, we believe, permit the attainment of these objectives, which are in the interests of the schools themselves.

I should like, with Mr Walkhoff's permission, to make some observations on some of the points presented in the report as conditions which would make the admission of migrant workers' children possible and profitable. Since all must be given the best possible start, teaching must be streamed to permit each pupil to reach the maximum level of attainment of which he is capable. But the division of pupils into groups even if they are homogeneous, and based on linguistic knowledge, or on the level of attainment, involves the risk of creating divisions within the school, once the children of migrants are admitted. Perhaps other ways could be found of coping with the differences of attainment among the pupils, without introducing such dangerous divisions.

I personally should be very careful about introducing any such streaming. I think it would be preferable, both for the efficiency of the school

Pisoni

and the benefit of the pupils, to have more individualized teaching. This is the feeling behind the amendment we are tabling, which aims at limiting class sizes to 25, because this is the only way it will, be possible to teach children in accordance with their abilities: not sacrificing the more gifted ones, and raising the attainment of those less advanced; this is particularly true of the last few years before school-leaving age.

I also have reservations about paragraph 9 (c) concerning the possible introduction of shorter school courses leading to a skilled occupation. Such courses must not be allowed to become identified exclusively, or nearly exclusively, with migrant children, thus creating dangerous divisions once again.

I should also like to mention the problem of the selection and training of teachers. Personally, I am not in favour of the proposal that teachers should be turned into employees of the Commission as a means of obtaining continuity in teaching methods, or stability, or greater flexibility in the schools. Judging by my own knowledge of educational problems in general, and by the content of the motion for a resolution, particularly its paragraph 13, I believe that what is needed is a continuous reassessment of the syllabus, aims and methods of the school. In this context, I do not believe that the proposed educational institute would be the means of quickly initiating or promoting the necessary reforms.

We do not wish to deny the usefulness of such an institute, but we believe, contrary to widespread opinion, that greater mobility of teachers through faster turnover would be more useful. We are not against setting up the institute as a coordinating and pioneering centre; but we believe that increased rotation of teachers could make the schools more dynamic and bring to them a new wealth of experience and more up-to-date techniques. Let the teacher-recruitment procedures be changed by all means, but care must be taken that the teachers represent what is most lively in the educational experience of their own countries. Ten or twelve years in one job is more than enough for a teacher both to establish connections and to try out new methods, and it is the European School that needs new blood from outside, rather than the reverse. For while it is true that the teachers, on returning to their countries, can use the experience acquired in the European Schools, it is also true that, by choosing better-trained teachers it would be possible to introduce into the European Schools some fresh air and more up-to-date methods.

For these reasons, I am in favour of maintaining the present regulations for the teachers, and of a more lively staff rotation, to compensate for the limited contribution and inadequate coordination provided by the school inspectors from individual Member States. This, of course, is not to say that the entire structure of the European Schools should not be streamlined as soon as possible, and made to correspond more closely to current needs.

I should like to make one last observation, on the role of parents and parents' associations. These have considerable responsibilities for the schools' policies, and actively participate in their administration. They cannot have every sector of school activity, but they could certainly be given wider scope than they enjoy at present.

Our vote in favour is subject to these reservations and remarks, and is accompanied by an irrevocable demand that we wish to see put into effect and expect to see confirmed in the periodic reports that have been asked for: the admission to the European Schools of migrant workers' children in proportions corresponding roughly to the composition of the communities where the schools are to be found. The burden, including the financial one, borne by the Community in respect of these schools requires such justification. Otherwise, we shall be singling out for privileged treatment once again those who are already better off.

IN THE CHAIR: MR BERKHOUWER*Vice-President*

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

Mr Meintz. — (*F*) Mr President, ladies and gentlemen, I should like first to make a preliminary remark. The reaction provoked in the circles concerned by this own initiative report of the Committee on Cultural Affairs and Youth, drawn up most ably on the basis of extensive and thorough preparatory work by Mr Walkhoff, emphasizes the importance of the European Schools and of their problems in a European context. All this must obviously provide the European Parliament with considerable food for thought.

However, I should like to draw attention once more to the exceptional nature of European Schools and the spirit of initiative demonstrated by the founders of the first of its kind, which was in fact set up here in Luxembourg. Some of these pioneers might have regarded one or two of the remarks made by Mr Walkhoff as

Meintz

a betrayal. I should like to reassure them by pointing out that in his motion for a resolution, the rapporteur expressly acknowledges the advantages of the experience gained and that the European Schools represent an important factor in the process of European integration. It is obvious that a system operating in its second decade must be subject now and again to some critical thinking. If new impetus is to be given, more attention must be devoted to what is in need of reform than to what operates to everyone's satisfaction.

I should now like to deal with certain questions which in the opinion of our group are of paramount importance to the future functioning of these schools.

In this connection, I should like to invert the order of the paragraphs of the resolution and the rapporteur's explanatory statement. In our view, the European Schools must become a European institution within the framework of the Community. There is no other way of making the most of a European education policy, or of preventing the European Schools from developing along undesirable lines. This does not necessarily imply that the Commission must forthwith concern itself in detail with the European Schools and replace the existing structures. Considerable progress could be achieved, however, if the Ministers of Education were to meet as the Council of Ministers of the European Community when they come together within the framework of the European Schools Advisory Board. Only then will all the Community bodies be able to play their proper part as regards education. And Parliamentarians will no longer be told, in answer to a question, that no one is responsible for this sector. We should like the Ministers to meet as the Council of the European Communities and no longer only as the European Schools Advisory Board, which escapes on the one hand the control of the European Parliament and on the other, practically speaking, that of the national parliaments because of the lack of communication between the Board and the national parliaments.

A second point I would mention is the extension of the structures of the European School. In the past it has often been, and by all accounts still is, considered as a school intended for a certain élite or at least for privileged children. This notion stems from the fact that it provides only one type of education, namely, a classical education, in the traditional sense of the word. On this point we fully agree with the rapporteur that the structures must be extended by introducing other syllabi, perhaps more technical or simply shorter ones, for instance. Such an evolution is not necessarily, as some fear it is, detrimental to the system of education which

leads to university. It is obvious that not every pupil who satisfies the admission criteria of the European School is destined to go to university. Other types of education must therefore be included in the system.

There is no doubt, however, that the political emphasis placed in the resolution on the integration and reception of children of migrant workers will also help to redefine the objectives of the European Schools and to broaden their structures. Obviously this will involve increasing the number of schools, but just how far can we go at the present stage? Must we inevitably set up new schools, or could schools currently under the control of Member States be converted into European Schools?

I should like to express my reservations concerning the amendment which has been put before us. It seems illogical to me that we should vote a resolution advocating changes which sooner or later will compel us to take in thousands of children and at the same time propose to limit the number of pupils per class. These two aims are obviously incompatible, at least in an initial stage.

The third problem concerns the teaching system. I do not intend to introduce into a political debate such aspects as methodology, curricula, subjects, syllabi, options and so on, but I do feel that here in Parliament we can help to solve the problems confronting educationalists and technicians. We must at least give them the means of solving them, all the more so since we are at present concentrating on cooperation, particularly in the Council of Europe. Bearing this in mind, we must create for the European Schools, which are a genuine instrument of our European Community, the medium which will allow them to work together, to compare their methods and so forth. This is why we are altogether in favour of setting up a European education institute, which will without doubt have considerable influence on the schools set up in our Member States.

I should like to add that the European Schools are in a good position to incorporate in their curricula new elements of learning such as questions of political economy, consumption, and in particular environmental protection, which is of obvious importance in the field of education. Here, too, the creation of a European education institute would be an important step forward.

Other questions which must be resolved are the recruitment of teachers and the participation in decisions of all the parties concerned. I shall not go into detail on these points because the rapporteur has already dealt with them at length, and I feel we must support his ideas.

Meintz

What is important as regards a teachers' statute is that a satisfactory system should be set up which would be the same for everyone in all the Member States. As regards the consultation of parents, pupils and teachers, whatever system is set up must be the same for all the Schools so as not to give rise to difficulties within the system. In conclusion, I would say that my group will certainly vote in favour of the resolution, all the more so since Mr Hougardy, and his Group, as the rapporteur pointed out, have long been fervent advocates of European Schools. Our group wants the work of the pioneers to survive and it knows very well that it can only do so by evolving continually with the times. We feel that the motion for a resolution contained in the report drawn up by Mr Walkhoff, whom I should like to congratulate on behalf of our group at this point, will give new impetus to the European Schools, provided, however, it is translated into the appropriate action and does not remain a dead letter as did the excellent report drawn up by Mr Merten in 1966.

(Applause)

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

Mr Nyborg. — (DK) Mr President, we must first of all congratulate Mr Walkhoff for producing this report, which deals with a very important aspect of the Communities; the European Schools have been and, it is to be hoped, will continue to be pioneers in certain aspects of the educational system in Europe, opening the way for better understanding among the peoples of Europe.

One topic covered in the report is the possibility of admitting the children of migrant workers to the European Schools. There are already too few places for applicants under the existing admission criteria, and it will be impossible to achieve the aims of the report unless an attempt is made to extend the system. It is therefore absolutely essential for new schools to be built and the existing ones enlarged. This would seem to be the best solution, although it could be argued that states that employ migrant workers should take the first steps towards solving the problem. The European Schools should, however, be conscious of their responsibilities and play an active part. It is therefore essential that the age limit be lowered from 4 to 3, so that children can be introduced to the proper educational environment as early as possible. Existing language and environmental barriers would thus be prevented from increasing and becoming insurmountable.

Another topic dealt with in the report, and one which the European Parliament should support by prompting the Commission and Council to take action, is the need for improvements in conditions for teachers. In other words, Member States should be urged to select teachers who are able and willing to make an active and progressive contribution to the work of the European Schools.

Secondment should be for fixed periods that may be cut short only in exceptional circumstances, for instance when the experience gained by the teachers is required in their own Member State. It is essential to ensure continuity in the work of the schools since they cannot be expected to function effectively unless they are able to plan properly.

Another problem is that some schools such as the secondary school in Luxembourg are unable to provide adequate instruction in science subjects such as physics and chemistry. Until an attempt is made to build up a qualified teaching staff the balance between some subjects could be upset in relation to the various nationalities. This can be said to be the case when Irish pupils learn more about British than Irish history and geography.

These are all problems that will have to be solved, and I hope the report will prove helpful since it highlights the problems that affect the day-to-day life of the school.

Under the present system much of the work has been left to the pupils' own initiative, and this should perhaps be changed so that there is more supervision, particularly for younger pupils.

One of the most important points in the report concerns the integration or re-integration of pupils from the European Schools into national education systems. It is absolutely essential that the European Schools should not depart too far from the conditions and requirements of national schools. If they do, it will be more difficult for the children to return to schools in their country of origin, creating personal problems for parents and children alike.

The European Schools should therefore maintain close contact with educational developments in Member States' school systems; this will also make it easier for pupils from national schools to be integrated into the European Schools. It is not advisable to introduce or maintain a system that would create losers in the education sector, but this could easily happen if there was a lack of coordination.

Then there are the prospects of pupils returning to their national education systems with a

Nyborg

leaving certificate from the European Schools. Are such school-leaving certificates recognized so that the pupil concerned can, if he wishes, continue his education at a national university or further education institute? If not, what is being done to improve the situation? It is of fundamental importance that this question should be clarified so that a position can be adopted and an attempt made to create the most equitable conditions for pupils to fit in harmoniously with another system.

Officials of Member States working in non-Community European institutions cannot send their children to the European Schools; instead they are advised to send them to local schools. This creates problems for the children, especially when they want to continue their education in their own country. In many cases they will not be able to further their education since their previous schooling and certificates obtained will not come up to the admission criteria of further education institutes in their own country. On the other hand, education at the European Schools sometimes does.

An example of this problem is that children of French officials at Eurocontrol are not admitted to the European Schools. They have to go to Luxembourg schools and cannot then go directly to higher education institutes in France. This is a serious problem, and it is essential that something be done to improve the situation so that these children can attend the European School.

I have therefore tabled an amendment to the motion for a resolution on behalf of the Group of European Progressive Democrats to the effect that a special effort should be made for the children of officials of Member States working in non-Community European institutions.

On behalf of the Group of European Progressive Democrats I recommend that, with this proposed amendment, we adopt the motion for a resolution.

(Applause)

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

Mr Corrie. — Mr President, my group welcomes this report with some reservations. The report is a result of a careful investigation by the Committee on Cultural Affairs and Youth into the question of the European Schools. In view of the fact there are only 6 European Schools with a total of just under 9 000 pupils, it may perhaps be thought that we are devoting too much attention to a comparatively insignificant subject, but the European Schools are our particular concern for a number of reasons. They serve the Community Institutions, they have

close administrative links with the Commission and they are or could be examples of practical educational cooperation between the nine Member States. There is no better way of bringing greater Community understanding than by good education.

The report proposes a number of reforms. I support in particular the proposal in paragraph 11 of the motion for a resolution that the practice of seconding teachers to the European Schools for a limited period should be ended. I support the view that this is a disruptive procedure and is not justified by the practical needs of the education systems in the individual Member States. I support the idea put forward in paragraph 29 of the explanatory statement that teachers taking up appointments at the European Schools should be given a preparatory course in the methods of teaching used there. I also welcome the proposal that the administration of the schools be made less remote and I hope the Commission will give serious consideration to the idea that individual boards of governors should be set up for each school. I believe that all these reforms should be introduced as soon as possible in the interests of the schools themselves.

But I do have reservations on one important proposal which has already been mentioned by numerous speakers. The motion calls for the admission to the European Schools of greater numbers of children of Community migrant workers. This may be all very well if only one or two children are involved but bearing in mind the existing pressure in the schools this would no doubt necessitate an enlargement of the European Schools system if a large number of children were involved. It is important for us to bear in mind the complications involved in implementing such proposals. Whether or not the European Schools are turned into élite educational establishments, they were set up to serve a practical purpose, that is to provide an education in the first instance for children of Community officials in order that such children could be educated in a way which would allow them to return to the educational system of their own country with the least possible disruption. In 1966 Mr Merten wrote in his report to Parliament that the European Schools were primarily designed to offer education to children who would not be taking up employment in that Member State where their father was temporarily employed and where the school was situated. The present structure of the European School curriculum reflects this expectation but the admission of the children of migrant workers to the schools in considerable numbers will alter the purpose of the schools. Migrants who bring their families with them from, for example,

Corrie

Italy to Luxembourg may not plan to return to Italy for some time, if at all. Economic circumstances may force their children to stay and find work in Luxembourg. In such conditions it is entirely appropriate to propose, as the motion before us does, that migrant children should be taught the language of the host country in their primary school. The question is whether the European Schools can effectively serve two purposes. First to integrate migrant children into the language and culture of the too distant future and therefore want an education for children of Community officials who expect to return to their own country in the not too distant future and therefore want an education for their children which includes many aspects of their national education system. Last week in Turkey we discussed this very problem at length and the Turkish people there strongly felt that they wanted their children to integrate into the schools of the host country, so that when they settle in that country their children are prepared for the years ahead.

I would like too to question two further suggestions made in the motion for a resolution. First, if, as is proposed in paragraph 9(b), children are to be assigned to classes according to attainment rather than age, migrant children will, as Mr Walkhoff admits elsewhere, be at a disadvantage because of their language disability. Hence he suggests teaching the language of the host country at primary schools, but I doubt whether this will be enough to counteract the effects of a comparatively deprived social background on a child's educational attainment. Many migrant children come from poor homes and in a European School they will find themselves in an atmosphere where not one but many languages are spoken. They may find this more disrupting than attending a school where the educational system is that of their host country. A system of dividing children by attainment in a multi-language school where migrant children are admitted might benefit a few such children, but there is a real danger that it would condemn many to a second-class status, which is a shocking thought. But if new European Schools are to be built in places where European Institutions do not exist, how are we to prevent them becoming the dumping grounds for the children of migrant workers—Italians, Greeks, Spaniards moving from one country to another—and thus becoming new ghetto schools where the children are not integrating into the host country? I cannot suggest any easy solution to such a problem—no one can.

I regret that the report does not examine the bicultural school system mentioned by the Commission representative in committee, which aims to educate migrant children with children of the

host country while ensuring that they also receive tuition in their own language. This is desperately important. In fact, the debate on Mr Walkhoff's report has been delayed for so long that his proposals on the education of migrant workers' children may now be compared with a proposed directive on the subject which seems to favour a bi-cultural approach with no mention of the European Schools.

To conclude, we should be extremely grateful to Mr Walkhoff for his *exposé* on the European Schools. Parliament is in fact remote from the implementation of the changes he calls for. This is a bad thing and I only hope that moral force and good sense will prevail where political power does not, to secure many of the much-needed changes he proposes. The education of our children must be a prime priority in the growth of our Community.

(Applause)

President. — I call Mr Barnett.

Mr Barnett. — Mr President, I hesitate for two reasons to take part in this debate: first, because it is the first speech that I have made in this Parliament and second, because I must admit to a degree of ignorance about this subject, not least because I am British, but also because I must also admit to never having visited a European School. But I have studied both the report which our committee has so admirably produced, and a document called *Schola Europaea*, which gave me a good deal of information on this subject.

Now, what does the committee say? It says early on in its recommendations that this school system could become an example for Community cooperation in the field of education. I believe, however, that if we are suggesting that the European Schools could become the basis for cooperation throughout the EEC, we need to make a very fundamental reappraisal of the whole system of European Schools, because if that is the suggestion, then it presumably means that whatever model we have or want to develop—and suggestions are made in this report—will become the model of cooperation in education throughout Europe.

Throughout this debate we have heard criticisms and reservations. Some of us have said that the European Schools are élitist institutions, and from all I have read, that is an impression I must admit I have gained, and I believe it is a particularly dangerous feature of these schools because they are predominantly used for the education of the children of European officials. I am afraid that if they persist in doing this, they are going to become inward-looking organ-

Barnett

izations providing for the perpetuation of an élite in the EEC. I believe that this would be a thoroughly dangerous development for us all, and I think it must have been for this reason that our committee has recommended that attempts and experiments should be made to enable the children of migrant workers to attend these schools. I am sure that that is an important suggestion, although it will not be without its difficulties. Some of these have been pointed out in this debate, but despite these difficulties it is something that needs to be investigated a good deal more than the committee has already done.

If I am critical of the report, perhaps we can at least take comfort from the fact that in paragraph 20 our committee asks to be allowed to keep a watching brief on the development of European Schools and to report to Parliament as necessary. I very much hope it will do so. It has taken what I consider to be a few faltering steps in the right direction. I do not think they have found the right answer, but I believe if they continue in this direction, there is a chance that we will reach some proper solutions.

I now wish to refer, Mr President, to a matter of detail, but one which is of importance to my own country. In paragraph 3 the impression is given that the European Schools safeguard the possibility of reintegration of children into their home countries' system. This is not correct in the case of British children since there is no provisions, I am told, in these schools for children to take British Certificate of Secondary Education or GCE examinations, which are essential for entry to higher education in my country. Secondly, there is, I believe, a certain amount of dissatisfaction amongst British parents about the possibilities open to their children for learning other languages. But I do not want to go into this matter in detail.

Another thing I want to say is this: some Members have expressed the view that it is not our business as Members of this Parliament to say anything about the syllabi and curricula of these schools. The teachers might object. I am an ex-teacher; I have no doubt I would object. Nevertheless, I think it is our business as politicians to express our view and to give the sort of guidance that we believe is necessary.

I also gather from documents I have read that the history, geography and other subjects taught are limited in many respects to the European context. I hope we will go wider than that; I hope we shall pioneer world history, world geography and study things in their world context. What on earth, for instance, is our relationship with associated territories supposed to be about unless we teach our youngsters to see

that we are members of one world and therefore need to learn about peoples of every land and not just European lands.

Again, I hope we shall experiment with mixed ability as is being done in British comprehensive schools. The development in schools in Britain and in other European countries is towards a wide range of ability, a wide range of courses, and I hope that as the European schools develop, they will get away from the old fashioned academic attitude towards education and introduce a wide range of subjects, both academic and technical subjects which are surely relevant to the future development of Europe.

(Applause)

President. — I call Mr Della Briotta.

Mr Della Briotta. — (1) Mr President, ladies and gentlemen, the European School does not have a good name in any respect: at the material level it can be reproached with costs disproportionate to results, and, at the educational level, with not providing as it should and could have done, any useful example or guidance to other schools.

Major reservations can also be expressed about the system of staff recruitment, especially in the light of the economic advantages enjoyed by that staff in comparison with teachers working back at home. And, finally, it can be asked whether only the children of officials of the various European institutions should be considered as citizens and hence deserving of admission to what had been created as *avant-garde* institutions, designed to pioneer modern educational systems and methods, but has since become a preserve of the privileged.

Mr Walkhoff's report makes a significant contribution not only because it bears the imprint of his high academic attainment and professional knowledge, but also, and above all, for the analysis and the policy guidelines it contains. I do not intend to discuss the report in detail, since, as I have already stated in committee, I am not in agreement with its general tenor. But I should like to dwell on some points which in my opinion require definite action on the part of the Commission.

The first concerns—and you may think it is an obvious point—the admission of migrant children originating in other Community countries, which is dealt with by Mr Walkhoff in paragraph 6 of the motion for a resolution and again, rather fully and with factual detail, in the explanatory statement. I think it is not enough to hope that the European Schools will open their doors to migrant children—and leave it at that. I do not know how many migrant children

Della Briotta

of school age there are in the Europe of the Nine. It is estimated that there are over 250 000 Italians, but the exact figure is not known, not even by the Foreign Minister of my own country. We do not know how many there are; we obviously do not know what happens about their schooling.

I shall confine myself, therefore, to those migrant workers that I know best. What happens to their children? A small minority are lucky enough to go to Italian schools; then there are those who go to schools run by institutions, usually catholic missions. Of course, among the many possible solutions, there is also that of sending them to their national schools set up in the host country, but this is the last solution to be chosen, for it is in nobody's interest to confine migrant workers and their children to a ghetto.

But having said that, it would be hypocritical not to mention the limited benefit of the schooling they obtain due to differences of language and customs and difficulties in adjustment, or to overlook the social alienation arising from the situations in which migrant children find themselves in the host country. Would it be an exaggeration to speak of migrant children as 'educationally displaced persons'? I do not think so. A Swiss researcher, describing the situation in his own country, which has exact counterparts in a number of Community countries, maintains that migrant children can be said to live in a 'schizophrenic world'.

I believe that the proposals made in paragraph 9 of Mr Walkhoff's report are justified, and, I definitely support them. The children of migrant workers, while benefiting from cultural variety, are also subject to the traumatizing and alienating effects of shifting between two antagonistic environments. While adults have some cultural background, however limited, to support them, children are totally vulnerable and in danger of becoming drop-outs either with respect to their country of origin or of the country of residence. The necessary osmosis between the cultures of host countries and the countries of origin will not operate. And we might as well recognize that the day is still distant when out of the EEC will be born a Europe which puts an equal value on everybody's cultural heritage and in which the economically stronger countries give up 'cultural colonialism'.

It is right then to give thought to the European Schools, but not to consider them as a general solution, for it would be sheer demagoguery to promote such an idea today: we must be realistic above all! But it is right to consider the European Schools as a Community solution to the problems of education and vocational train-

ing for which the European Schools should be a standard, a laboratory, a test bench, before more general solutions are found.

The European School—as Mr Walkhoff seems to be saying clearly enough—must not become inward-looking. It should develop as a new type of school. And here I should like to make the following remark: paragraph 8 speaks of the need to build new European Schools, a problem which is of relevance to several countries and in particular—as our French colleagues well know—to France. Paragraphs 10 and 11 are concerned with the recruitment and staff regulations for teachers. In this connection I should like to mention particularly the position in my own country where teaching staff for Italian schools abroad, as well as for the Italian sections of the European Schools, including that in Ispra, are recruited from among leaders recognized by the Ministry of Education after an aptitude test before a selection board held annually by the Ministry of Foreign Affairs. Their employment is governed by a series of regulations which lay down limits for the duration of their foreign engagement in accordance with the opinions put forward by consultative committees advising the Italian authorities. These rules on the rotation of teachers in foreign postings are intended to ensure that national schools benefit from the experience they gain in Italian schools abroad and in the European Schools, and for the Italian authorities the problem, if any, is how to use these people more extensively in ordinary Italian schools abroad, which are somewhat different from the European Schools. The tendency now is to standardize the provisions governing recruitment for schools abroad, before a general regulation is introduced. In any case, I believe that the fact that so far only Italy and Germany make a practice of recalling their teachers after a tour of duty in European schools does not affect the essence of the matter: the present statute of the European Schools recognizes the primacy of national provisions over Community ones. It is, therefore, hardly necessary to point out that the recall of teaching staff, quite apart from the merely economic aspects raised by the Community, can only promote the educational and methodological development of the European Schools, threatened as they are above all, by the danger of becoming ghettos or privileged havens for teaching staff.

This is what I wanted to say, Mr President, on a problem which deserves more attention both from the Commission and from Parliament, and I wish to thank Mr Walkhoff once again for the essential contribution he has made.

(Applause)

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I feel emboldened by your question to change my mind. Not being a member of the Committee on Cultural Affairs and Youth and not having taken part in the preparation of this report, I had not in fact intended to take part in the debate. If I do so now, Mr President, it is because I feel an imperative need for a clarification.

It emerges from the speeches of our colleagues that considerable confusion has been here introduced between European culture, the European Schools and the problem of educating the children of migrant workers. These are three completely distinct subjects, and to try to mix them is, I should say, counterproductive. What is more, when a little while ago Mr Della Briotta was saying that it would be desirable for the children of migrant workers also to be admitted to these European Schools, he felt it necessary to explain that the implementation of this objective would require a mammoth-sized machinery given the demand for places, and that in reality, in the end nothing would be done. It does not worry me, Mr President, that the Community should have taken measures to set up European Schools for the children of its own officials. Every country has to face the problem of the children of its officials resident abroad, and it seems right to me that this category should be so privileged in view of the long tenure of their foreign posts, by no means comparable with the length of postings of ambassadors and other diplomatic officials.

To say that these European Schools could be better organized, that they should be made less costly, that they could be made more efficient and perhaps be used to work out improved educational models is certainly right, but that, as I see it, has nothing to do either with the methodological or cultural development of a European School or, much less, with the problems of the migrant workers.

The problem of the workers that are called migrants should in fact be dealt with in a bilateral context, between the state from which they originate and that in which these people are obliged to work. Besides, it has already been pointed out by Mr Corrie that these workers' families do not wish their children to be sent to special schools. The problem of the fastest possible teaching of the language—and here the mass media, special intensive courses or some forms of localized social help may be appropriate—is one thing, and cultural preparation is quite another.

Let us consider the example of an Italian in Germany or in Belgium, and compare him with the child of a Turkish or Yugoslav migrant family in one of these two countries. Why should

ghettoes be created for the children of workers of one of the countries of the Nine, while the other nationalities are desegregated?

This obviously is the root of the confusion. To try to advance a social policy that is a Community policy, and applicable throughout the Community, to meet the needs of workers originating both in the Community and countries outside the Community is to tackle a vast and very costly problem, but one which was absolutely nothing to do with the six European Schools and their possible extension. Even if their number were to be quickly doubled, these schools could at most accommodate some 18 000 children. Compared with the size of the problems at the back of this discussion, this is not a figure that deserves too much consideration.

The third problem, Mr President, is that of educational and cultural policy. Perhaps I shall be called a fanatic because when speaking on any subject I tend to repeat over and over again that we should make an utmost effort to unify Europe and to create a United States of Europe. But the experience of countries, not only with a confederal but with an actual federal structure, tells us that the very aspect that is least subject to federalization is the cultural structure, the variety of languages and customs, the specific cultural trait. And what makes Europe alive is the fact that these national particularities are respected. Woe betide us if they should see European unification as the introduction of a kind of Esperanto of culture! I have the greatest respect for those who believe in Esperanto, but history tells us that there are some natural languages which, in the course of historical events, in turn best meet the general cultural needs of Europe. The people, even the most ordinary like ourselves, who wanted to create the Community and the European institutions, certainly did not need the benefit of a special training course.

So, by all means let us have an educational institute which will help to improve the functioning of the six or ten European Schools, but Heaven help us if we believe that this is how we are going to build some kind of ministry of education for the whole Community, and some kind of ministry of cultural affairs for the Community. I am in favour of a most rapid unification in every other sector, but not in this one, because here we are in danger of either destroying what should be preserved, or of creating irrelevancies.

(Applause)

President. — I call Mr Borschette.

Mr Borschette, member of the Commission. — (F) I should first like to thank Parliament for

Borschette

today's debate, which is the culmination of a series of oral and written questions and which demonstrates this Assembly's interest in the European Schools policy.

I should also like to say that the Commission intends to play an increasingly important part in the formulation and application of this European Schools policy. In this connection I should like to make first a statement of principle.

It is not as a matter of principle that the Commission is opposed at the present time, and I do mean the present time, to the European Schools being brought under the Commission's responsibility. It is a question of time and of desirability.

I, too, wish to thank Mr Walkhoff for his report and I should say straightaway that the Commission endorses most of his suggestions and proposals, although on certain points it does not entirely share his views, as I will explain later.

As regards the Commission's current position concerning the decisions to be taken in the matter of the European Schools, I consider that it is not without influence, even if it does have only one seat on the Board of Governors. In addition, Commission representatives sit on various committees, in particular the administrative committee, the financial committee and, as from this year, the pedagogical committee, which prepares the meetings and decisions of the Board of Governors.

However, the Commission does acknowledge that the decision-making procedures no longer correspond to reality and should be improved and speeded up. In this connection I would refer to a suggestion made by Mr Meintz regarding the gradual conversion of the Board of Governors into a board composed of representatives of the governments of the Member States meeting in Council, that is, as a European Council of Ministers. Although this is in my opinion a question of procedure and of form, it would have a considerable psychological and political impact due to the fact that education ministers would also be responsible to this Parliament.

The Commission also feels that in order to be properly represented and to be able to make valid proposals, it should have an adequate staff at its disposal; however, I shall not press this point, Mr President, as I feel it is one which you will be dealing with sooner or later in a different debate.

The Commission considers that greater decentralization than in the past should be achieved by giving the administrative board of the various schools responsibilities in other fields besides the administrative one, in particular the peda-

gogical field, under the authority of appropriate chairmen. I agree entirely with Mr Walkhoff that both parents and teachers should be represented and have the right of vote. Thus the Commission is in favour of full consultation between the parties concerned and, particularly in the light of the experiences referred to by Mr Walkhoff, also in favour of humanizing daily relations by means of increased decentralization. I should point out in this connection that the staff representatives, in a survey carried out by the Commission itself, have shown themselves to be satisfied with the possibilities open to them at this stage for influencing decisions and the decision-making procedures.

The Commission also feels that it is necessary to set up a strong secretariat which, under the authority of the Board of Governors and with the powers delegated to it by the latter, could take the everyday decisions needed to ensure the satisfactory running of the schools. This would enable the Board of Governors to confine its discussions to really important matters, as all the others would be solved by the secretariat under the Board's authority.

As regards syllabi, I agree entirely with Mr Walkhoff's proposals. However, I should now like to express my views on some of the more political problems raised in the resolution and in today's debate.

First, the question of migrant workers. Although the Commission agrees that the European Schools are principally designed to provide an appropriate education for the children of officials of the Communities and of the teaching staff of the European Schools, it is in favour of a more liberal admission policy, even if this does obviously imply a considerable increase in the number of schools.

With regard to the problems which confront migrant workers, the European Schools should no doubt be able to do more to help improve the present situation, but these problems will not be solved satisfactorily unless other measures are also taken. In the action programme in favour of migrant workers and their families, on which your Parliament is being consulted, the Commission has devoted a special chapter to the question of the education of children of migrant workers. In fact, the Commission forwarded to the Council in July 1975 a proposal for a directive laying down that Member States should take the necessary measures to ensure that the children of migrant workers receive accelerated teaching in the official language or languages of the host country and to organize lessons for them in the language and culture of their country of origin. To achieve this, Mem-

Borschette

ber States would also have to take corresponding measures in the field of teacher training.

I should nevertheless like to warn Parliament most earnestly against the danger of wanting to resolve the major human problem of migrant workers' children through the medium of the European Schools. We have six European Schools in the Community, some of which are not very favourably situated. We have more than one million children of migrant workers. From a material point of view alone, can anyone really believe that this problem can be solved with six European Schools? I hope my point has been taken, Mr President, as I consider it a most essential one.

As regards the recruitment of teaching staff, I shall be more flexible than Mr Walkhoff was in his report, because the Commission recommends two different methods of recruitment: one for teachers wishing to make their career in the European Schools and the other for those wishing to be temporarily seconded for a period of four or five years. In the latter case, the teacher returns to his country of origin where he is able to allow other, less fortunate colleagues and the pupils to benefit from his experience in a European School.

As regards educational reform, I consider this a permanent task, taking into account both the progress achieved in this field and the experience of European Schools and international schools. I fully agree with your committee as regards the need for instruction in current and social affairs. The Commission has already raised this point in the pedagogical committee and will not hesitate to do so again. In this connection, Mr President, I should like to say that I personally find it intolerable that in a European School neither civics nor European affairs are taught. Such an omission cannot possibly be justified today.

As regards vocational guidance, I have already said that the Commission approves the main points made by Mr Walkhoff in his report.

With regard to implementation of the budget, I also endorse the suggestion that Parliament should be informed on this matter in periodical reports from the Board of Governors of the European Schools.

Finally, as regards the Commission's policy concerning the European Schools, I would say that the Commission does not regard the European School as a school for privileged children or a pilot school, but as a human experiment in European integration which remains so far the only one of its kind.

(Applause)

President. — I call Mr Walkhoff.

Mr Walkhoff, rapporteur. — (D) I should like to take up some of the remarks made by Members and Mr Borschette.

Mr Pisoni, I completely agree with you when you say that there should be no discrimination against the children of socially weaker families at these European Schools. But the proposals which are put forward in the report are intended to help prevent such discrimination arising when more children of migrant workers are admitted to the European Schools. And the proposal for the extension of pre-school education and for the introduction of classes based on attainment in the upper school seem to me to be very important in this context. Classes based on attainment do not mean élite groups, leading to discrimination against weaker groups. Classes based on attainment mean that pupils will be kept in as small groups as possible and given individual attention so that they can perform according to their educational backgrounds. In other words, the advantages enjoyed by the children from the 'educational middle class' will be levelled out as far as possible by this form of tuition. I do not therefore consider your fears justified.

I also completely agree with you when you say the shorter training courses, of which we have just spoken, should not, of course, be provided only for migrant workers' children. I believe that if the upper school works on the principle of attainment and if from the outset the pre-conditions are created by means of appropriate pre-school education, your doubts will prove to be unjustified.

And now a few remarks on what the Conservatives have had to say. Here again I feel that there must not be two different classes of children at the European Schools. These two classes—the children of the 'educational middle class' on the one hand and the children of the socially weaker families on the other—will exist if increasing numbers of children of migrant workers are admitted to European Schools without the necessary organizational and pedagogical reforms being made at the same time. I believe we should recognize this danger and jointly call for the reforms outlined in the report.

If I have understood Mr Cifarelli correctly — I stress, if—he questions the European Schools as a matter of principle on the grounds that the children of the officials of the European institutions should be the responsibility of their own countries and the children of migrant workers the responsibility of the host countries. That, at

Walkhoff

least, is what I understood. I do not think that we can put it as easily as that. You cannot deny the officials of the European Community the right to have their children educated at schools which after all were established in the fifties on their initiative—I would even go so far as to say as a result of their fight for them. I would agree with you when you say that the European Schools cannot alone solve the problem of migrant workers' children and their training and tuition. You are quite right in that respect. I also feel that the main burden, the main responsibility in this question must be borne by the host countries, which of course benefit from the work done by the migrant workers they have brought to their countries. Nevertheless, I repeat what I said just now: we cannot release Europe, the European Schools from their responsibility, even if only a small contribution is made. What is at stake here is credibility.

I cannot quite understand your reproach about cultural Esperanto, which you say is to be found in this report. My impression is in fact that you have produced this European homunculus from your hat and rather than from this report. Your rapporteur at least, Mr Cifarelli, is among those who have no time for a uniform European culture and feel that in spite of joint policies and common understanding we should pursue our national cultures. This principle in itself prevented ideas of the type from which you have proceeded, from creeping into the report.

As regards the European institute, here again the rapporteur does not feel—nor does such an assumption seem borne out by any part of the report—that the objective is to be a uniform European school system. The function of the European institute is clearly defined in the report. I do not need to go into that any more.

With regard to what Mr Borschette had to say, I agree with his warning that we should beware of expecting too much of the European Schools by assuming they can solve the migrant worker problem. I have already said quite a deal on this, but I feel you will agree with me if I say that we must not release the European Schools from their responsibility, although we surely both know how limited the opportunities are, and that also applies to the financial possibilities.

The structure of the European Schools, the question as to whether they should be converted into a Community institution or maintain their present structure, has been discussed very often in this Parliament and in the committee responsible over the last few years. The various points of view have been put forward. I feel we

should not continue the discussion here, but allow Parliament to decide again on this question. It has taken a decision on this once, possibly even more than once. I would, however, refer in this context to the vote on the Hougardy report.

In conclusion I should like to thank the committee secretariat for its assistance and also the Commission and the representative of the Board of Governors and finally the representatives of the various groups at the schools, whose cooperation and advice have been a very great help to the rapporteur.

(Applause)

President. — The general debate is closed.

We shall now consider the motion for a resolution.

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

The preamble and paragraphs 1 to 6 are adopted.

I now have Amendment No 2 tabled by Mr Nyborg on behalf of the Group of European Progressive Democrats and worded as follows:

After paragraph 6, insert the following new paragraph:

'6a. Feels that, until such time as a general system of schooling is introduced, a special effort could be made for the children of officials of Member States working in non-Community European institutions;'

I call Mr Nyborg to move this amendment.

Mr Nyborg. — *(DK)* Mr President, in the speech I made earlier I gave the reasons for our amendment. I should merely like to add—in reply to one of the Members who has just spoken—that the purpose of our amendment is to prevent discrimination. What we propose is that account should be taken of a certain group of people who work within the Community's frontiers, but who are transitional cases—people who cannot be regarded as what we normally call migrant workers, but who work in various organizations that do not come under the direct control of the Community. It is these people we have in mind.

I recommend that you vote in favour of our amendment.

President. — What is the rapporteur's position?

Mr Walkhoff, rapporteur. — *(D)* Mr President, ladies and gentlemen, I would ask you to reject this amendment. I would draw Mr Nyborg's attention to the fact that there are already

Walkhoff

special agreements between various authorities, including NATO and Eurocontrol, and the European Schools or rather the Board of Governors. Under these agreements the children of parents working at these authorities are allowed to attend European Schools. If we stress this again here, I feel we will be putting a second group of privileged persons in the forefront, while generally speaking the objective, if you recall the tenor of this report, is to allow as many foreign children as possible, children who come from a Community country or speak the language of a Community country, to attend a European School wherever possible. I feel we would be acting counter to this objective if we agreed to the amendment and stressed that safeguards must be provided for a certain group.

President. — I put Amendment No 2 to the vote.
Amendment No 2 is not adopted.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

On paragraph 8 I have Amendment No 1 tabled by Mr Girardin, Mr Pisoni, Mr Vernaschi and Mr Noè and worded as follows:

Amend the last two lines of this paragraph to read as follows:

'...that the generally accepted optimum pupil figures per section, per school and per class should not exceed a maximum of 25;'

I call Mr Pisoni to move this amendment.

Mr Pisoni. — (I) I only have a word to add, Mr President. As I have already explained, if the children of migrants are to be admitted to the European Schools, then to meet the need for differentiated teaching with as much individual attention given to each child as possible, the size of classes must not exceed 25. This is why we want to impose this limit.

President. — What is the rapporteur's position?

Mr Walkhoff, rapporteur. — (D) Mr President, I sympathize with this amendment, but I cannot agree to it. I sympathize because good tuition can only be provided in small classes. But I cannot agree to the amendment because such details cannot be decided by politicians sitting around tables. Mr Pisoni, classes may vary in size, depending on the age involved, that is, on the stage and subject being taught in, for example, a given course. These decisions should really be left to the pedagogues, who have to decide on such problems in the practical context. I feel that we would be overtaxing ourselves if we included such distinctions here.

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

Amendment No 1 is not adopted.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

I put paragraphs 9 to 21 to the vote.

Paragraphs 9 to 21 are adopted.

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

The resolution is adopted.¹

15. *Aid to higher education institutions*

President. — The next item is the report drawn up by Mrs Caretoni Romagnoli on behalf of the Committee on Cultural Affairs and Youth on the information memo from the Commission of the European Communities concerning the allocation of aid to higher education institutions (Doc. 148/75).

I call Mrs Caretoni Romagnoli, who has asked to present her report.

Mrs Caretoni Romagnoli, rapporteur. — (I) Mr President and honourable colleagues, the distribution of aids to institutions of higher education is not a matter of the greatest import, since the amounts involved can be said to be insignificant. The Committee on Cultural Affairs and Youth has nevertheless examined that aspect because it seemed to us that it might provide the opportunity for some considerations of principle. The information memo from the Commission has its origin in an initiative of this House, or more exactly, in an amendment tabled by Mr Seefeld, the draftsman of our Committee's opinion on last year's budget, as well as in the request from Mr Vandewiele for an increased contribution to the European College in Bruges, and finally, in a fairly detailed speech by Mr Aigner.

On the basis of these initiatives of our illustrious colleagues, our Committee, in January of this year, unanimously approved the request for an allocation to the College of Europe, and proposed the setting up of an overall programme of aid to institutions of higher education, though making a distinction between European institutions and those having only a chair of European studies.

The Commission in its communication supplies details on the size of the allocation. I have begun

¹ OJ C 239 of 20. 10. 1975.

Carettoni Romagnoli

by saying how small the total amount involved is, for it comes altogether to 3 250 000 BF. The Commission's memo contains also information on procedures and criteria, and I must say that these make it very clear that as far as the Commission is concerned this is only intended to be partial temporary aid, a kind of incentive. And that, apart from the estimates of allocations for 1974, is all that the Commission's document does contain.

Our Committee has requested, and obtained, other data which are shown on page 8 of this report, and which, given the lateness of the hour, I shall not repeat here. But I should like to say quickly that searching out these data was quite a difficult task for the Commission, because in fact the Commission's facilities in this area are rather fractionated, and not fully co-ordinated. I should like to take this opportunity, therefore, to thank the Commission's officials for the great patience with which they have retrieved various budget headings to make up the overall picture which we now have before us.

But once we examined these figures we saw that after deduction of all the overheads under various headings, what remained for distribution among new applicants was 1 625 000 BF

It is true that the 1974 appropriation of 3 250 000 has been increased to 4 million Belgian francs for 1975, but it does not take a genius to see that these are still just crumbs. Our Committee is not discouraged, however, by the modesty of this amount, in the knowledge that the Community cakes are generally substantial.

We have considered, therefore, whether it would be right to maintain the present criteria, and whether or not the criterion distinguishing between European institutions and institutions with a European chair should be added. We have also considered—I would refer you again to page 8 of the report—whether article 410 should not be divided into two expenditure items. We have thus initiated a general debate, both on the criteria and on the basic problem, which is whether the Commission should provide for this type of activity, and whether it should provide finance for institutions of higher education. If, as we believe, it ought to do so, then we must tackle the problem of how the budget can be improved.

Our Committee is aware that its modest report is but an initial approach to a much larger problem which is bound to grow as the Community and Europe grow.

We now submit to Parliament the conclusions at which our Committee arrived. To the question whether the Commission should grant this type

of aid, we reply in the affirmative, and we are agreed that, in principle, such financing should be done by way of incentive, but we add at once—and say so also in the resolution—that as long as the financing remains on this modest level it is obvious that the Community's activities in this area will have little credibility.

When one sees, for example, some grants of the order of 25 000 BF, it is totally inconceivable that any institution of higher learning could do anything at all with an amount as small as that. Perhaps it could afford to put up a plaque commemorating the recognition it has received, but that is about all. These amounts are less than symbolic, and this seems to us the fundamental point. What is needed, therefore, is a review of the grants and the inclusion of the necessary appropriations in the budget.

We believe, nevertheless, that as long as the Community's resources in this field remain so limited, we should try to concentrate and not disperse them. It is, in fact, absolutely absurd to grant to anybody such derisory amounts. And so in this field, too—a very restricted field, as we see it—we must watch carefully where grants are made and see to it that they are given to those institutions that most need them. In our resolution we propose that institutions that are already financed from public funds should be excluded. I see on this an amendment from Mr Premoli, aiming to delete this condition. I fully appreciate Mr Premoli's intentions—I am dealing with the amendment now so as to avoid spending much time on it later—I understand that he has in mind some institutions which, with the best of intentions, because they don't have finance from public sources should like to obtain these grants: but it seems to me that there is so little money available that really it would be better to restrict the number of those competing for it. When later, as I was saying, our cake gets bigger, then we can see what can be done.

The first point, then, is this: the grants are too small and if we are agreed that this action should be undertaken, then we must work out a different allocation scheme.

The second point is publicizing the scheme. When we were drawing up the report we had occasion to read letters from a number of institutions who told us that, although they met the required conditions, they had never known that there existed a possibility of financing from Community sources. To our objections on this, the Commission replied, reasonably enough, that given the limited resources available, full-scale publicity for the scheme would only result in a mass of applications that it would be impossible to meet. But it seems to our committee that

Carettoni Romagnoli

while this reasoning is justified in practical terms, we must not depart from the general principle that when funds are available—be they extensive or limited—those who may be entitled to claim them must be informed of the fact. If this is done for study grants which are advertised in university halls there seems no reason why the same practice should not apply to these funds. I must admit that I am perfectly aware of the difficulties involved, but I must also stand up for the principle though I know that if the Commission were to publicize these funds properly I suspect it would spend all the money available on the publicity itself. For, let us be frank, these are the kind of sums that are involved. As regards Article 410, I must also say that really we have not fully understood—that is, least I have not yet understood—what form the publicity could take.

It also seems to us—and this is emphasized in the report—that while, until now, the management of aid to education could, in view of the small amounts involved as we have said and their insignificant practical effects, be left in the hands of the Commission's Secretariat, it should now become the responsibility of the appropriate Commissioner and the Directorate-General for Education. We believe that if, as is hoped, there is a general review of the amount of allocations then we should also have this changed and achieve coordination between the information departments and those concerned with education.

You will see that the report contains also another observation which is not original but does merit repetition on every possible occasion, and which stresses the importance of an effort to inform secondary school students on what goes on in the Community and on the progress of European integration.

To conclude, Mr President, the allocations are very modest indeed, but modest though they be, they need transparency, they need adequate publicity, and we urge that aid be granted only to serious projects. Otherwise, if we are not very careful, the credibility of the action, already low because of the low amounts involved, would be in danger of further diminution. Nevertheless, your committee, and your rapporteur, accept the criteria proposed by the Commission for the allocation of these aids, even though at this stage the subsidies are essentially in the nature of incentives.

There are two things I must say before I sit down. The first is, that, as far as possible, the Member States should be made aware of their responsibilities in respect of institutions which have a European cultural role. The second is,

and I should like to make in my own name because it has not been debated in committee the following: I believe that at this stage of our development and increasing sophistication which are taking place in a number of sectors, there is need for ordering the Commission's various activities and therefore a need to distinguish between the socio-educational, the strictly cultural and the propoganda aspects. Not only the Commission but all of us are frequently guilty of confusing these matters. I am perfectly conscious that all these activities are very closely interlinked, especially in a Community such as ours, and we also know that any human activity has cultural implications; but if we wish to discuss seriously the possibility of the Commission taking up activity in the cultural field, we must in the first place have a clear definition of sectors and responsibilities.

(Applause)

President. — I call Mr Vandewiele.

Mr Vandewiele. — *(NL)* I am grateful to the chairman of the Committee on Cultural Affairs and Youth for having taken account of a request made last year by a number of colleagues: he has devoted no less than three meetings of his committee to considering the appropriations under Article 410 of the budget, amounting to approximately BF 3m. My first point is that this amount is too small. I hope that the committee will follow Parliament's opinion and propose an increased appropriation for aid to higher education institutions. I am grateful to the rapporteur for having made such an effective plea for increased funds.

My second point concerns the final form of the amendment proposed last year. In this, Parliament expressly reaffirmed that apart from the special chairs at some European universities, there is one institution which deserves our special attention, namely the College of Europe in Bruges, with which we are all familiar. For many years Belgium has provided 95% of the cost of this institution, although its students are almost exclusively nationals of other Member States. For this reason the chairman of the Committee on Cultural Affairs and Youth was asked to consider whether there should not be a special arrangement for Bruges, if necessary by way of an Article 410A.

Now there are moves throughout the nine Member States to appeal for chairs and all kinds of subsidy arrangements, and I find this most regrettable. I therefore ask you to keep as far as possible to the practical proposals contained in the motion for a resolution. I would simply like to ask the rapporteur to think twice be-

Vandewiele

fore rejecting Mr Premoli's amendment. What Mr Premoli says is, why stop Member States which are already making an effort? Are those Member States which are already doing something to be automatically ineligible for an Allocation at European level? Or conversely, the amendment could, as I see it, read: 'in those Member States where something is already being done supplementary assistance shall be given by the Community in proportion to the national effort made.'

This seems to me to be much more logical, and I would therefore request this Assembly to adopt the Premoli amendment and in this spirit to adopt the resolution. At the same time I should like to express my sincere gratitude to the Committee on Cultural Affairs and Youth.

Mr President, the Christian-Democratic Group will support the resolution in this same spirit.

(Applause)

President. — I call Mr Nyborg.

Mr Nyborg. — *(DK)* Mr President, it is to be welcomed that the Committee on Cultural Affairs and Youth has taken the initiative in making it possible to clarify the basic criteria for allocating aid to higher education institutions.

In my opinion, the most important question discussed in the report is whether financial aid should generally be granted to higher education institutions for the purpose of organizing courses in subjects related to European integration.

If this is to be done—and we think it should—the sums so far made available are far too small. To put it bluntly we are about to make ourselves laughing-stocks. If any progress is to be made there must be general rationalization—we must ensure that aid is given to only a few institutions, but that enough is given to be really effective instead of such ridiculously small amounts here and there that produce no results whatsoever. We feel that 25 000 BF, the amount mentioned for specific cases, is no good whatsoever. We must therefore, as I have said, either rationalize and increase the amount of aid or stop it completely.

My group endorses the report.

President. — I call Mr Corrie.

Mr Corrie. — Mr President, I will be very brief. I would just like to ask the rapporteur a question. An amendment to paragraph 3 of the motion for a resolution has been tabled by Mr Premoli on behalf of the Liberal and Allies Group proposing the deletion of everything after

the words 'to certain existing institutions'. It appears that the meaning of the French and Italian texts of the motion for a resolution might be regarded as slightly different from the English wording. In English it reads 'whose activities are not already financed by the national authorities', while the French and Italian texts apparently read 'so long as their activities...' and this is much stronger.

In the light of the English translation, may I ask the rapporteur whether she really intends that institutions of higher education which are already in receipt of a national grant should not be able to receive a Community grant? If this is so, I should probably support Mr Premoli's amendment. One good reason for doing this is that educational institutions which do receive national grants may not necessarily be willing to consider courses within the general context of European integration, and this is the general criterion applied for giving grants. In such cases grants from the Community could act as an incentive to establish new European courses.

I hope that the rapporteur will be able to clear up this point.

President. — I call Mr Cousté.

Mr Cousté. — *(F)* Mr President, I would like to take this opportunity, as we vote in favour of this resolution and Mr Premoli's amendment, to tell the Commission that we include among the higher education institutions dealing in subjects concerning European integration, those institutions known as business schools. There are European business schools, such as INSEAD at Fontainebleau, the Milan Institute and other institutions in other Community countries. We must ensure that aid is given not only to the bodies which we know, such as the College of Europe, the BIT Institute of Social Studies, the CEDECE, the International Association of Comparative Law and the institutes which hold courses on customs legislation, but also to higher education institutions concerned with the training of management in Europe, so as to arrive at a European form of conduct for managers of private and public undertakings. That seems absolutely essential to me.

I know that there have been talks between the governments and Mr Ortoli and that a study group has also been created. I would like to be very firm on this point and support my colleagues, while extending my congratulations to Mrs Caretoni Romagnoli. The 1976 budget must contain an entry of more than a few thousand Belgian francs; in my opinion, it should contain at least ten times the sum laid down in 1975. I would propose at least BF 40m, for 1976.

President. — I call Mr Dalyell.

Mr Dalyell. — We may be dealing with modest sums but there are important principles involved. First of all I would like to ask the Commission what their view is of the distinction between European institutions and institutions with a European Chair. I refer to page 8 of Mrs Romagnoli's report.

Secondly, the reason why some of us think that the principles are important is that sooner rather than later they may be extended to institutions whose operations involve large sums of money. I refer to CERN, to EMBO, the European Molecular Biology Organization being set up in Heidelberg under Sir John Kendrew, the Nobel prize winner, and which could become very valuable and very expensive. Indeed this Parliament will soon be dealing with documents on fusion research already before the Committee on Budgets. Such research should be done on a European basis. Principles are going to matter a lot when we talk about the expenditure of large sums of money.

President. — I call Mr Borschette.

Mr Borschette, member of the Commission. — (F) Mr President, in reply to your request and also in the interests of economy I shall be very brief. First, the sum which we have at our disposal is an extremely modest one. A Community education policy cannot be financed with such a sum!

Secondly, there are a number of different budgetary items. I, too, sometimes have difficulty in finding my way through the labyrinths of the budget, but I must say that it closely resembles a national budget.

Thirdly, if your Committee on Cultural Affairs and Youth wants more openness, I have no objection. I would simply say that illusions are arising which are unnecessary in connection with such a modest sum.

Having had occasion in the Commission to administer a fairly sizeable aid budget in the past, I can state that one of the least secret pieces of information is that on subsidies available to the various parties concerned. In any case, Mr President, I had no need to resort to publicity to ensure that I received requests.

If you wish to have publicity for a sum of 4 million, then I am entirely in agreement, but I would repeat the sum is not enough to allow us to finance a policy.

President. — I call Mr Dalyell.

Mr Dalyell. — May I again ask the Commission what their view is of the distinction between European institutions and institutions with a European Chair? I am afraid the Commission did not answer this question.

President. — I call Mr Borschette.

Mr Borschette, member of the Commission. — (F) In answer to that question, Mr President, I would like to state that the Commission makes no distinction. We treat them both in the same way.

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

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

The preamble and paragraphs 1 and 2 are adopted.

On paragraph 3 I have Amendment No 1 tabled by Mr Premoli and worded as follows:

In this paragraph, delete the following:

'... whose activities are not already financed by the national authorities'.

I call Mr De Clercq to move this amendment on Mr Premoli's behalf.

Mr De Clercq. — (NL) Mr President, one wonders whether paragraph 3 of the motion for a resolution as it reads at present is supposed to be an incentive or a disincentive. I therefore believe that the best thing would indeed be to delete the last part, since ultimately those authorities which fully subsidize such institutions will be penalized for creating and financing them. I would also like to ask in accordance with the letter and spirit of Mr Premoli's amendment that the part of the paragraph reading '...whose activities are not already financed by the national authorities' be deleted, in line with the request made by Mr Vandewiele and other speakers. I would therefore ask the rapporteur and Parliament to adopt this amendment.

President. — What is the rapporteur's position?

Mrs Caretoni Romagnoli, — rapporteur. — (I) Mr President, it would take a long speech to deal with this amendment because it is not as simple as it seems. But you have rightly told me to be brief. I should only like to remind our colleagues of the fact that, originally, our resolution did not contain that passage. It was added because, in view of the limited resources

Carettoni Romagnoli

available, the committee thought it right that they should be rather applied in the form of incentives to projects which were not otherwise able to obtain finance. Given that, were the available resources really large, I personally would be inclined to delete this part, I prefer to leave the decision to the House.

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, as chairman of the Committee on Cultural Affairs and Youth I would like to point out to Mr Vandewiele that the support he requests for the Bruges institution cannot be provided from this appropriation. As he said himself, a separate item would have to be created for this, and here I fully agree with him. But the present item can only be used as an incentive for new projects. Why should we offer an incentive for projects which have already been in existence and have been financed for some time? There has been a misunderstanding: the amount available is very small. We must use this small amount to support new projects which we consider to be important, until this support is taken over by national authorities.

I am opposed to Mr Premoli's amendment. I find it incorrect. And your committee deliberately included the phrase which you are now wanting to delete.

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

Amendment No 1 is adopted.

I put paragraph 3 so amended to the vote.

Paragraph 3 is adopted.

I put paragraphs 4 to 8 to the vote.

Paragraphs 4 to 8 are adopted.

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

The resolution is adopted.¹

16. Education in the European Community

President. — The next item is the motion for a resolution tabled by Mr Broeks, Mr Corrie, Mr Hougardy, Mr Laban, Lord St. Oswald, Mr Knud Nielsen, Mr Pisoni, Mr Seefeld, Mr Sück, Mr Thornley and Mr Yeats on behalf of the Committee on Cultural Affairs and Youth on

education in the European Community (Doc. 183/75).

I call Mr Broeks.

Mr Broeks. — (NL) Mr President, ladies and gentlemen, never before has so much trust been placed in institutionalized education and learning. Never before have there been such generous and expensive education institutions as today. This is why our society is called the society of learning, the school society, names which have a very true ring for those who use them, despite the undertones arising from the association with the consumer society, the success society and so on. Learning, more learning, more rapid learning, in fine new schools with efficient teaching materials, always improving one's education, throughout life, and if possible learning through play, with learning successes, the learning process, learning aptitude, learning achievement. In short, our language is shot through with formulae and concepts which imply potential to solve what others, despite their efforts, have not been able to achieve.

On the other hand, technical progress in the field of travel and communication has brought the nations closer both physically and spiritually, or at least created the possibility of doing this. In the light of the formation of economic and political blocs in recent decades to look after common interests, the two factors I have just mentioned, should, had they received greater attention, have led to the consolidation and improvement of spiritual alliance in the European Community.

This has unfortunately not been the case, and we have not yet come to the manifold neglect of teaching facilities for children of migrant workers. We want further integration of Europe and are deploying all our resources to create a political and cultural Community. Yet we find to our regret that Europe is not over-active when it comes to education. When on 6 June last year, partly as a result of certain judgments by the Court of Justice on freedom of establishment, the Council at last adopted a number of guidelines on the mutual recognition of diplomas as the basis for proposals for directives—and fortunately the right of free establishment has now been accorded to doctors — a decisive and, for the European Parliament, gratifying step was taken towards a Community education policy.

On that same day, 6 June 1974, the Ministers of Education adopted a no less important resolution on cooperation in education. Point II of this resolution states that at the present stage cooperation in the field of education will relate to the following seven priority spheres of action:

¹ OJ C 239 of 20. 10. 1975.

Broeksz

better facilities for the education and training of nationals and the children of nationals of other Member States of the Communities and of non-member countries; promotion of closer relations between educational systems in Europe; compilation of up-to-date documentation and statistics on education; increased cooperation between institutions of higher education; improved possibilities for academic recognition of diplomas and periods of study; encouragement of the freedom of movement and mobility of teachers, students and research workers in particular by the removal of administrative and social obstacles to the free movement of such persons and by the improved teaching of foreign languages; and, finally, achievement of equal opportunity for free access to all forms of education.

An Education Committee was also set up, composed of representatives of the Member States and of the Commission, to foster action in the seven spheres of action mentioned. The Committee should have reported on this work to the Education Ministers meeting within the Council before 30 June 1975. On behalf of the Committee on Cultural Affairs and Youth I am now submitting a motion for a resolution to this House, not only because of the delay in the work of this Education Committee, but mainly because we have learned from press reports that no agreement has yet been reached on the institutional aspects of Community activities in the field of education, in other words on the framework within which the proposed action is to be approved and implemented by virtue of the mandate given to the Education Committee by the Ministers of Education meeting within the Council.

The Committee on Cultural Affairs and Youth feels that the seven priority spheres of action are a Community responsibility and should be dealt with by the Ministers of Education meeting within the Council. We see this as a matter of great importance, and the object of this resolution is to express this fact; we hope it will meet with general approval.

President. — I call Mr Pisoni.

Mr Pisoni. — (I) Mr President, I shall be very brief. Without wishing to repeat what the chairman of our committee has said, I do think it is rather difficult to get a clear picture, given the variety of educational systems in the various states. The differences between them should be preserved, because this diversity is our wealth; but at the same time we should give everybody the chance of maximum advancement. It is in this spirit that the motion for a resolution urges the holding of a meeting of

the Education Committee which was envisaged in the resolution of the Ministers of Education meeting in the Council of Ministers on 6 June 1974, so that the institutional tasks of the Community may be defined, and guidelines be laid down which at the same time will enable the Committee on Cultural Affairs and Youth to have a legal basis for its work in an area where such a great diversity prevails. Some of the paragraphs of the motion for a resolution are relevant also to the movement of all categories of citizens of the Community, and will be taken up in the report on migrant workers and in Mr Albers' report, because these are concerned with extending as far as possible the benefits of these actions to migrant workers as well.

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

Mr Meintz. — (F) Mr President, my group willingly supports the motion for a resolution which has been tabled. Since Mr Hougardy has been submitting reports and resolutions on this subject for a number of years, we are perhaps all the more disappointed by the attitude of the Council of Ministers. As has been said, the idea is not to achieve a unified system of education; we are all proud of one aspect or another of our own systems. We must go further than simply cooperating in the fields mentioned by Mr Broeksz and legislate, especially as we have one instrument which is unique in education policy: that accorded to us by the European Schools, which puts us in a favourable position for achieving our aim.

To implement this resolution, the Commission must naturally have the necessary appropriations, methods and staff. This is, of course, a question which requires analysis. I recall that in one of the paragraphs of the final communiqué of the Paris Summit, which gave rise to hope for all those concerned with education, it was stated that the Heads of State and Government agreed education should be made part of the Treaty of Rome, which should be amended in consequence. I hope this resolution will allow progress to be made in that direction.

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

Mr Lenihan. — Mr President, I will also be very brief. On behalf of my group I would like to express my strong support for the motion for a resolution that has been so ably presented by Mr Broeksz.

Lenihan

There is no question about it: there has been a serious lack of progress within the Community in the whole area of cooperation in education. This is happening at a time when there is considerable concern among parents and young people throughout the Community about the lack of job opportunities and the seeming incapacity of our educational and vocational training programmes to give the necessary enlightenment and positive guidance to help cope with this enormous and, in my view, very important problem. As Mr Broeksz has said, the Community's Ministers of Education decided, as far back as 6 June 1974, on a seven-point programme of action. Very little has happened since then. I feel it is not unfair to say that there has been real neglect in this area on the part of the Ministers of Education at both Community and national level.

I believe it is imperative to make a start on achieving the free movement of teachers, students and research workers. It also is essential to tackle the integral question of equivalents in the recognition of academic qualifications, diplomas and periods of study and training. There is a growing and fundamental interplay between education generally and development in vocational and technical training.

There is no evidence whatever of this interdependence being reflected from June 1974 to now in the development of programmes of action, either nationally or at Community level. I would suggest in very strong terms that the Ministers of Education and Labour in the Community should, as a matter of urgency, commence regular meetings to coordinate action in their respective and interdependent spheres. I am therefore very much in favour of the resolution that has been moved by Mr Broeksz urging our Ministers of Education to meet and take action along the lines of their resolution of June 1974. The fact is that time and the basic difficulties of our current economic and social position are rapidly making the activities of our Ministers of Education and Labour in the field of education and training appear irrelevant when it comes to facing the problems in Europe now, particularly as they relate to our young people.

President. — I call Mr Corrie.

Mr Corrie. — It is sad that, just because it is 8 o'clock in the evening, so little interest is taken in an educational debate. After all, the future of Europe is in the hands of those people who are teaching in our schools at the present time. And progress can only come from education. It is a shame that more Members are not present to take part in this debate, even if it is late.

Cooperation and coordination amongst the Member States in education is of prime importance. It is extremely unfortunate that a meeting of the Ministers of Education of the Member States did not take place in June. I sincerely hope a meeting will take place in the very near future. This motion for a resolution probably arises from a feeling of frustration within the Committee on Cultural Affairs and Youth and perhaps in particular for myself. The committee has frequently found itself proposing motions which have little likelihood of implementation and questioning Commission officials who seem, I am sorry to say, to have little sense of purpose or urgency as far as education is concerned. This situation really cannot be allowed to continue, Mr President. Something must be done.

Of course we realize that every country wants to keep its own cultural and educational standards and any levelling of educational standards must be upwards. But if Europe is to become truly united—and this is what we all want—then this unity can start in no better place than in the education of our children. With the greatest respect to the Commission, Mr President, it would seem that as yet not nearly enough importance is attended to education within the structure of the Community. It would appear that the Treaty itself is partly responsible for this as there is no provision which specifically deals with education. Surely the time has come for this serious omission to be corrected and some guidance on educational standards to be given by the Commission.

President. — I call Mr Borschette.

Mr Borschette, member of the Commission. — (F) Mr President, I would like to intervene briefly, first of all to thank Mr Broeksz and his committee for their motion for a resolution, with which the Commission is entirely in agreement, and also to give you some information, particularly with regard to the institutional aspect of the problem.

First of all, however, in connection with the subject itself, I would like to say that the Education Committee set up by the Ministers of Education about 16 months ago is about to conclude its work. It is due to meet again at the end of this month and beginning of next month. It will then report to the Committee of Permanent Representatives and of the Council, so it is reasonable to hope that the national Ministers of Education will meet before the end of the year.

What will their work deal with? The seven fields which they themselves laid down as having priority last year. I do not intend to list

Borschette

these various fields at this time, but I would like to say that the committee's work is concerned with basic solutions in those seven fields and not just with a list of priorities. Finally, the question of who does what, that is, the institutional problem, has been mentioned but so far not solved. I would repeat that the Commission will ask for a meeting of the normal Council of Ministers, as laid down in the Treaty, and not of the national Ministers of Education meeting in the Council.

Secondly, whatever solution is finally adopted by the Council of Ministers or by the governments meeting in the Council, there is one point on which the Commission will insist very strongly, the point we mentioned just now concerning the education of the children of migrant workers. The Commission hopes that that question will in any case be dealt with by the Council of Ministers and not by the representatives of the governments. That is all I have to say, and I once more thank Mr Broeksz and his committee.

President. — The general debate is closed.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

18. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Tuesday, 23 September 1975 at 10.00 a.m. and 3.00 p.m. with the following agenda:

- Cousté report on priority projects in data processing;
- Leonardi report on Community policy in the hydrocarbons sector;
- Pintat report on guidelines for the electricity sector;
- Artzinger report on taxes affecting the consumption of tobacco; (without debate)
- Artzinger report on a change in the timetable for the annual report on the economic situation.

The sitting is closed.

(The sitting was closed at 8.05 p.m.)

¹ OJ C 239 of 20. 10. 1975.

SITTING OF TUESDAY, 23 SEPTEMBER 1975

Contents

<p>1. Approval of minutes 41</p> <p>2. Documents submitted 41</p> <p>3. Priority projects in data processing - Report drawn up by Mr Cousté on behalf of the Committee on Economic and Monetary Affairs (Doc. 199/75):</p> <p style="padding-left: 20px;">Mr Cousté, rapporteur 41</p> <p style="padding-left: 20px;">Mr Lautenschlager, on behalf of the Socialist Group; Mr Andreotti, on behalf of the Christian-Democratic Group; Mrs Kruchow, on behalf of the Liberal and Allies Group; Mr Rivierez, on behalf of the Group of European Progressive Democrats; Mr Norman- ton, on behalf of the European Con- servative Group; Mr Leonardi, on be- half of the Communist and Allies Group; Mr Osborn; Mr Dalyell; Mr Cifarelli, Mr Spinelli, Member of the Commission; Mr Dalyell; Mr Spinelli, Mr Dalyell; Mr Spinelli, Mr Cousté .. 43</p> <p style="padding-left: 20px;">Adoption of resolution 56</p> <p>4. Hydrocarbons sector - Report drawn up by Mr Leonardi on behalf of the Committee on Energy, Research and Technology (Doc. 122/75):</p> <p style="padding-left: 20px;">Mr Leonardi, rapporteur 56</p> <p style="padding-left: 20px;">Mr Lautenschlager, on behalf of the Socialist Group; Mr Springorum, on behalf of the Christian Democratic Group; Mr Hougardy, on behalf of the Liberal and Allies Group; Mr Krieg, on behalf of the Group of European Progressive Democrats; Mr Norman- ton, on behalf of the European Con- servative Group; Mr Burgbacher; Mrs Ewing; Mr Osborn; Mr Hamilton; Mr Simonet, Vice-President of the Com- mission; Mr Dalyell; Mr Simonet; Mr Leonardi 58</p> <p style="padding-left: 20px;">Consideration of the motion for a reso- lution:</p>	<p style="padding-left: 20px;">Amendment to paragraph 9:</p> <p style="padding-left: 40px;">Mr Leonardi; Mr Springorum, chair- man of the Committee on Energy, Research and Technology; Mr Corona; Mr Normanton; Mrs Goutmann 75</p> <p style="padding-left: 20px;">Adoption of resolution 77</p> <p>5. Guidelines for the electricity sector - Report drawn up by Mr Pintat on behalf of the Committee on Energy, Research and Technology (Doc. 200/75):</p> <p style="padding-left: 20px;">Mr Pintat, rapporteur 77</p> <p style="padding-left: 20px;">Mr Ellis, on behalf of the Socialist Group; Mr Vandewiele, on behalf of the Christian-Democratic Group; Mr Cointat, on behalf of the Group of European Progressive Democrats; Mr Osborn, on behalf of the European Conservative Group; Mr Cifarelli; Mr Simonet, Vice-President of the Com- mission; Mr Pintat 80</p> <p style="padding-left: 20px;">Adoption of resolution 89</p> <p>6. Time-limit for tabling amendments .. 89</p> <p>7. Directive on taxes on tobacco - Report drawn up by Mr Artzinger on behalf of the Committee on Budgets (Doc. 197/75) 89</p> <p>8. Change in the timetable for the an- nual report on the economic situation - Report drawn up by Mr Artzinger on behalf of the Committee on Economic and Monetary Affairs (Doc. 242/75):</p> <p style="padding-left: 20px;">Mr Artzinger, rapporteur 89</p> <p style="padding-left: 20px;">Sir Brandon Rhys Williams; Mr Hafer- kamp, Vice-President of the Commis- sion; Mr Artzinger; Sir Brandon Rhys Williams. 90</p> <p style="padding-left: 20px;">Adoption of the resolution 93</p> <p>9. Agenda for next sitting 93</p>
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IN THE CHAIR: MR SANTER

Vice-President

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

1. Approval of the minutes

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

Are there any comments?

The minutes of proceedings are approved.

2. Documents submitted

President. — I have received from the EEC-Turkey Association Council the Tenth Annual Report on the activities of the EEC-Turkey Association Council (1 January - 31 December 1974) - (Doc. 255/75). This document has been referred to the Associations Committee (Turkey delegation).

3. Priority projects in data processing

President. — The next item is the debate on the report drawn up by Mr Cousté on behalf of the Committee on Economic and Monetary Affairs on the initial proposals for priority projects in data processing (Doc. 199/75).

I call Mr Cousté.

Mr Cousté, rapporteur. — (F) Mr President, ladies and gentlemen, some time ago the Commission communicated to the Council its initial proposals for priority projects in data processing.

This was the first practical application of the resolution adopted by the Council of Ministers on 15 July 1974, which approved the idea of a Community policy on data processing and its promotion. It is therefore only right to point out that in line with the Council's decisions, we, the people of Europe, want to see a fully viable and competitive European-based industry in the 1980's and that one of the ways we can achieve this is in fact to ensure that priority proposals form the basis of a genuine policy. As you know, these proposals cover projects of European interest, collaboration on standards and applications and on public procurement policy, as well as the promotion of industrial development projects on areas of common interest involving international cooperation.

Today—and I emphasize this, so that there may be no misunderstandings ladies and gentlemen,—we are only concerned with an initial set of proposals on priority projects. In other words, the communication is only the first of three sets of proposals. It requires us to examine a number of common projects of European interest in the field of applications of data processing. To make things quite clear, I should like to run over the five projects in question, the means involved and the final objective which we are determined to achieve.

The first project selected is the creation of a central file to determine organ and blood group compatibility for transplants and transfusions. The creation of such a data bank at Community level has become medically imperative. A file of at least 50 000 individuals is required for there to be a reasonable chance of finding an identical donor/recipient combination for a transplant or transfusion, particularly for the rarer combinations. In addition, it is estimated that in western Europe some 10 000 to 12 000 people suffer from irreversible kidney failure each year and require treatment by haemodialysis or preferably transplantation. Apart from its social and medical benefits, this project can clearly be justified on economic grounds. Indeed, the Commission estimates that the total investment cost can be offset in a little over two years by the savings in current national health budgets made possible by the system.

The second project is a study of existing or proposed data-processing systems in the Community for information on imports and exports, and on the management of agricultural market organizations and their financial control with the objective of determining a framework for compatible and coordinated Community-wide development.

The third project is a study of requirements of users (Member States, public authorities, universities, practising lawyers) and systems both existing or being developed in the Community with the aim of defining a framework for compatible development giving access to Community law.

I hardly need point out that in view of the rapid development of Community legislation (4 000 new texts were added in 1973 to the existing corpus of 25 000 texts), a Community retrieval system for legal data is urgently required.

The fourth project covers data-processing systems for air traffic control and common European requirements to identify the developments and actions necessary to establish projects for replacing data-processing systems in the

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1980s. It thus concerns the very important matter of increasing air traffic safety.

Finally, the fifth project, a far more technical one, is for development studies in computer-aided design techniques—better known as CAD—in two areas: electronics and construction.

The Committee responsible, the Committee on Economic and Monetary Affairs, fully appreciates both the importance of the projects submitted to us and their prospects. It therefore approves the choice made which is based on sound criteria. All the projects meet an international need and combine at the technical level a concern for health, human safety, efficiency, rapidity and economic use of public funds, with a desire to promote the European data-processing industry, to make it more competitive and widen the market available to it.

We therefore consider that the Commission was right in choosing these projects although it could have increased the number of projects, bearing in mind the need to foster the development of a genuine data-processing industry.

As regards the second part of the report I should like to consider both procedure and financing. In regard to procedure, it is quite clear that four separate phases are involved in the identification and implementation of a project: the selection phase, which always requires an exploratory study; a basic study of the various requirements, the strategies to be selected or the system to be used; the development of the project, that is the implementation of all or part of the system, and finally the utilization phase. Here we would point out that projects 2, 3, 4 and 5 are at the basic study phase, while project 1, the one on organ transplants, has fortunately already reached the development or implementation phase.

However, a suitable body had to be appointed to manage a programme of this type, and this was achieved by setting up a Consultative Committee on Data-Processing Projects with which will be associated, for each project, a project leader and a Technical Committee representing the users. In addition, the projects will require the assistance of European firms specializing in data processing.

Finally, while considering the procedure for choosing or implementing these projects, I should like to point out that although the European Parliament considered it desirable for research and development to be conducted in industrial establishments situated in the Community—as stated in my report of 2 July 1974—it also felt that because of the present weakness

of the data-processing industry in Europe and the dominance of the American computer industry, the promotion of a European data-processing industry required the conclusion of cooperation agreements with non-dominant companies in Europe.

This raised the question of financing. Bearing in mind that the estimates of expenditure were based on the assumption that the projects would begin in July 1975—and I hope that as July has already come and gone the Commission can give us its assurance that they will start very shortly and in any case before the end of the year—the Committee on Economic and Monetary Affairs considers that the implementation of these five projects over a three-year period will require financial intervention totalling approximately 4 million u.a.

The greater part of this expenditure is allocated to projects 1 and 4. In this connection, it seems likely that the amount of the Community financial intervention will have to be increased if there is a real desire to promote the European data-processing industry, a key sector, which is expected to become the world's third largest industry by 1980, after the oil and motor vehicle industries. Increased financing would enable a greater number of projects to be carried out in the area of computer-assisted design leading to more rapid technical advances in European data processing.

In any case, I think it is quite clear that when submitting projects to us, the Commission should break down expenditure into two groups:

- technical and implementation costs, which would be the higher of the two because they include the costs of the contracting party as well as development, equipment and installation costs, and
- administrative costs: Consultative Committee and Technical Committee.

Finally, it has been stressed—and you will find this same concern expressed in our resolution—that the Commission should ensure that work is assigned to industry in order to increase the competitive position on the market and the area of competence of European firms, while in return industry could be asked to assume responsibility for some of the financial risks.

I shall now turn to the last point in this introduction, and in so doing I must repeat the concerns expressed in the first report on data-processing which I presented on behalf of the Committee on Economic and Monetary Affairs, namely that the central objective is that, in this as in other spheres, Europe must be enabled to create a fully viable and competitive European-

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based industry as soon as possible. We have already approved this objective and must therefore remind the Commission that in addition to choosing projects of European interest in the field of data-processing applications, it also has the clearly defined task of coming up with a real Community data-processing programme, in other words it must constantly ensure that the priority measures laid down in the Council resolution accelerate the Commission's work on standards where insufficient progress has been made until now, and in this connection we should always remember not only the world dimension of data processing, but also the originality of the European situation and of European inventiveness.

In addition, particularly at a time when Europe, like the rest of the world, is faced with an economic recession, provision will have to be made for a genuine public procurement policy in Europe. This must be put forward by the Commission and approved by the Council.

While commenting on these basic points, I should like to stress that the report referred to by the Committee on Economic and Monetary Affairs as the committee responsible has in fact been the subject of careful study in five parliamentary committees. On behalf of the Committee on Budgets, Mr Pêtre has expressed a number of reservations. Among other things, he quite rightly points out that the expenditures in question should be considered to be non-compulsory, in other words this House should have the final say in their approval.

As for the Legal Affairs Committee, Mr Lautenschlager has presented an extremely clear report on the project for applying data processing to the legal sphere and thus to the harmonization of Community legislation—that is, the CELEX project. This committee has quite rightly produced a favourable opinion pointing out that it hopes that the Consultative Committee to which I referred earlier may include members of the European Parliament, which has a considerable interest in expressing its views and opinions on legal and legislative harmonization projects. It is of course Parliament's duty to issue opinions on harmonization matters and I believe that we have done good work in this connection. Furthermore, the Legal Affairs Committee was right to emphasize that each year the Commission must submit a report to us on the progress made and difficulties encountered in implementing data-processing policy.

The rapporteur for the Committee on Regional Policy and Transport, Mr McDonald, justly stresses the importance of the air traffic control project. In his letter, which you will find

on page 29 of my report, he reminds us that the Eurocontrol system, of which we hear so much, will only be useful for so long and that we should already be thinking of extending its scope in the interest of increased efficiency and safety, the very aim of project 4 on air traffic control.

In addition, Mr Della Briotta on behalf of the Committee on Public Health and the Environment quite rightly states that a data bank on organs should not be restricted solely to the Community but should be given a scope extending beyond the Community of the Nine in order to put us in the forefront of progress in the field of public health and organ transplants.

Finally, Mr Zeller on behalf of the Committee on Agriculture, emphasizes how useful the second project will be for studying imports and exports, particularly of agricultural products.

In closing, I should just like to say that the Community data-processing policy forms part of a larger Community policy, namely the European industrial policy. It is only one part of a whole, and we should never forget that despite the importance of the projects referred to us today, our main concern is to make Europe a true industrial power which can create jobs, and that this same Europe, with its monetary and energy problems should, wherever necessary, strive to become a source of inspiration and imagination for the constant benefit of mankind.

(Applause)

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

Mr Lautenschlager. — *(D)* Mr President, Parliament is concerned today with the particularly important area of data processing. Data processing already affects the life of the European citizen far more than he knows. All the discussions in the media about computers and their consequences for the individual indicate how little the ordinary man realizes their influence on his way of life.

We therefore welcome the initiative taken by the Commission, yet not without a word of criticism. We feel that the Commission's proposals have come very late in the day, as the Community data-processing industry has developed in different directions and it will be extremely difficult to achieve harmonization, even in part.

What then in our opinion, is the main point at issue? It must be remembered that as far as large-scale equipment is concerned the Ameri-

Lautenschlager

cans have acquired by far the largest proportion—well over 90%—of the market owing to the fact that the leading American firm has not granted any licences to non-American firms for 10 years. This means that the whole world has now become almost entirely dependent on computers from this one American firm. As a result of this, European industry must strive to develop corresponding equipment, with all the difficulties this involves. It is therefore essential for the Community to become active in this sector and help the European computer industry to maintain, if not increase its present share of the market. As I said, I am referring here to large computers. As regards small- and medium-sized machines, the market situation is rather different.

Today we are concerned with large computers and systems for use with them. We were therefore sorry to learn that it was not possible to finalize the inter-European cooperation agreement between three computer firms—one French, one Dutch and one German—which was aimed at joint research and development. Owing to the influence of an American firm, the French firm has unfortunately opted out, and we must now consider how we can prevent this situation from ruining the first attempts to promote a European computer industry.

What our industry now needs is a survey of the trend of future requirements of the individual, private enterprise, industry and public bodies, both in the Member States and in the Community as a whole. Part of this information is contained in the Commission's communication to the Council which sets out the sectors which the Community now considers should receive the assistance of automatic data processing.

The rapporteur, whom I should like to congratulate on an excellent report, has already described the five projects in question and I have no need to indulge in repetition. The important thing—or so it seems to me—is that the European Parliament with its administration, its archives, etc. is also very much involved and must not be excluded from the Consultative Committee. Parliament also has to contribute a substantial amount from its own budget. If we participate in the costs, we should also be given a voice. Parliament must therefore insist firmly on its inclusion in the Consultative Committee.

As regards the projects themselves, I have nothing more to add except that we approve them. No doubt we could think of other things that might have been included, but I am convinced that the user, an importer or exporter for example, will be happy to have a means of

discovering which and how many of the hundreds or even thousands of regulations he must respect when, for instance, he wishes to export or import a given product. There are already specialists who concentrate on knowing which regulations apply in specific fields, and I am prepared to wager that in the entire Commission there is probably no longer anyone who can say which regulations are to be respected in individual areas. And that is why we need this electronic moron, the computer, to tell us exactly which regulations apply to any particular sector.

The introduction of a computerized blood-donor data bank is an excellent idea, as we have all learnt from the press, radio and television how many lives can be saved if the necessary blood is available.

We regret that the Commission has taken this initiative so late in the day, particularly as far as assisting our computer industry to achieve a certain degree of independence is concerned. That is all I have to say on behalf of my Group, Mr President. We shall vote in favour of the report and the motion for a resolution.

(Applause)

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

Mr Andreotti. — *(I)* Mr President, the detailed and convincing character of Mr Cousté's report, together with the fact that an unusually large number of committees have reported favourably on it, means that I can be brief in explaining why the Christian-Democratic Group will support this motion.

The view put forward by the rapporteur, and repeated just now by Mr Lautenschlager on behalf of the Socialist Group, namely that we have been too dilatory in tackling this important and decisive question, is undoubtedly true, but it would surely be illogical to wait until we have a more complete and detailed programme before putting these projects into effect.

However, in view both of the importance which data processing will assume in the future (it has been estimated that in a few years this sector will be the third biggest in the world in terms of turnover) and of the effect which progress in data processing will have on the quality of life, I think that we should urge the Commission to submit, as soon as possible, new proposals aimed primarily at defining a European data processing policy.

I should now like to make two brief comments of a political nature.

Andreotti

The first is that ever since the European Community was set up we have been faced with considerable difficulties in coordinating the existing sectors. Nor can it be said that our attempt to tackle a new sector, that of nuclear energy, in a coordinated and unified manner by means of the Euratom Treaty, has met with much success. We should nevertheless do all in our power to ensure that our efforts to coordinate and concentrate our energies and our means yield positive results in the data-processing sector which, if not brand-new, is still a relatively young sector in which new breakthroughs are being made at an ever increasing rate. Since there are as yet no vested industrial or labour interests in this sector in the various countries of the Community, we should try to work together, thereby profiting from this, admittedly only partial, advantage over older and more firmly established sectors. The second observation I should like to make concerns the quality of the programmes in the light of an objective which should always be given top priority, namely the need to show the peoples of Europe and the rest of the world that the Community is an entity which tackles real problems, and consequently to improve its public image. For example, the application of scientific methods to the problems of air safety—which already poses terrible difficulties—must in future be greatly intensified in order to permit a development in air safety commensurate with its importance.

Another question is the practical awareness of Community law. We hope that by becoming more efficient we shall be able to reduce the number of regulations by a few thousand each year, so that it will be easier to know what the Community law is, even without the help of data processing.

However, we realize the need for the various laws and regulations to be clearly known and harmonized. We therefore feel that the programme covering this sector is satisfactory, with particular regard to the needs of researchers and other users.

Finally, I consider that the most important item, also particularly as regards demonstrating the usefulness of Community effort is the programme concerning a data bank for transplants and transfusions. I agree that it would be an extremely good idea, both from the humanitarian and political point of view, if these data were made accessible to users outside the Community too.

If we succeed in putting these programmes into practice, in recognizing the importance of making use of the new possibilities which data processing and other advanced operational and

research techniques open up for mankind, we shall not only be performing a useful task within the area of our general responsibilities, but also demonstrating to a world which is perhaps not interested in political problems on the abstract level, the value of concerted effort. We hope, therefore, that we shall be able to make up for lost time in the field of data processing and that we shall succeed in this joint European venture.

(Applause)

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

Mrs Kruchow. — *(DK)* Mr President, I should like on behalf of the Liberal Group to express our agreement with the view that the five proposals for priority projects reflect a need. We feel, however, that the Commission communication regarding the financial basis for the implementation of the projects is not sufficiently clear. Furthermore, there does not appear to be much chance of achieving one of the objectives—i.e. the creation of a viable European data-processing industry at the present time, however important this may be, in view of the American data-processing industry's domination of the world markets and the European market, particularly since the merger of CII and Honeywell-Bull.

The Liberal Group supports the proposals, but, unfortunately, does not feel that they are likely as they stand to strengthen the European data-processing industry vis-à-vis the big companies, either in Europe or on the world market. On behalf of my Group however, I should like to thank Mr Cousté for his report, which clearly highlights the major problems. I hope the report will lead to initial results on which we can build in the future.

(Applause)

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

Mr Rivierez. — *(F)* The Group of European Progressive Democrats will of course be voting in favour of the motion for a resolution contained in the very full report drawn up by our friend Mr Cousté.

After what he himself has said and after the considerable amount of work done by the committees consulted on this project, the importance of which has quite rightly been emphasized by one of the earlier speakers, I have very little to add.

Rivierez

The projects in question constitute the initial phase announced by the Commission following the basic report of 1974, which was also presented by Mr Cousté, and Parliament's subsequent resolution.

The Commission has therefore fulfilled its commitments. Though it has been criticized for taking rather a long time to do so, I believe we now have an action programme which will grow as time goes on, since, if we are to believe the press, the projects before us today will probably shortly be followed by even more important ones. In this connection, I see that the 9 September 1975 issue of a specialist journal on European problems, after emphasizing how formidable the IBM challenge continues to be, reports that Mr Spinelli, the Commissioner responsible for industrial policy, has stated he will continue his efforts to promote a European data-processing industry. The journal lists five projects for which the 'industrial policy' department is seeking the Commission's approval, and I see that among these there is a standardization project for the development of a common real-time programming language and other equally important projects which go to the very roots of the problem, as described by earlier speakers.

We are therefore dealing with a continuous action programme which respects the wishes of this Parliament and which we therefore welcome.

As regards the projects under discussion today, there is really nothing more to say. A few matters have attracted the attention of my Group, particularly the Eurocontrol problem, on which reservations have been expressed by the Committee on Regional Policy and Transport. We would endorse these reservations as it is quite clear that the problems go beyond Eurocontrol.

Before concluding these brief observations, I must remind you that in its report the Legal Affairs Committee mentioned the need for the European Parliament to be represented on the Consultative Committee for Data Processing Projects, and stressed that there must be concertation between the Community and the Member States if further harmonization in the data processing sector is to be achieved. As those who have already spoken have emphasized, the objective is to promote a European-based data processing industry, and Mr Cousté is right in saying that cooperation with non-dominant American firms will not present any obstacle to this promotion.

(Applause)

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

Mr Normanton. — Mr President, I have been asked to reply on behalf of the European Conservative Group and to extend our warmest congratulations to Mr Cousté, the rapporteur, for the excellence of the report despite its limitations. I must at the same time, however, assure him that the European Conservative Group will give him full support when it comes to the voting at the end of this debate.

Having said this, however, I must stress on behalf of my group that we have very deep misgivings about the Commission's fundamental thinking as presented to us in the basic document which Mr Cousté has reported upon. The basic premises of that document, the basic objectives it sets, leave very, very deep anxieties and misgivings in the minds of all the members of my group and, to judge from the course of the debate so far, of many of our colleagues in this House.

Firstly, the basic objective as set in the Council's resolution is to establish within the Community 'a fully viable and competitive European-based industry by the early 1980's'.

We have to ask ourselves here, is it realistic, is it perhaps star-gazing, for us or the Commission and the Community to hope to establish a really viable, all-embracing computer industry in that space of time? Viable as far as technology is concerned, viable from the point of view of manufacturing capacity, viable from the point of view of fundamental and ongoing research and viable from the point of view of industrial development?

And when it comes to the question of a competitive industry, if we are at this stage unable to compete with the giant organizations of the world, on what basis can we expect a nascent and newly developed European Community computer industry to compete in the world in five or ten years' time unless we are prepared, as a Community, to forego such basic objectives as the liberalization and extension of trade throughout the world? Even if this were possible technically, even if it were possible economically and commercially, we should ask ourselves what will be the cost in monetary terms of trying to work in that direction and who will pay?

Each and every Member State, when we consider the history of the computer industry in the last 15 or 20 years, has poured out directly or indirectly millions of units of account, and I cannot see that this is a realistic policy to pursue for the future. Moreover, the basic premise that by funding a particular series of Community data-processing projects we can create

Normanton

the right industrial climate, the right technological climate for such a commercial development to take place, is, I venture to suggest, also highly unrealistic.

In the report upon which Mr Cousté has drafted his proposals there is a reference to consortia of European computer companies. But where in Europe at this moment can one truly identify a healthy, a virile, a confident consortium of European companies unless it has the dominant partnership of an American computer giant.

To the basic proposals themselves, the five projects on which Mr Cousté has been asked to comment, we would of course unreservedly give our support in detail and in principle, so long as these are not based upon the Commission's objectives and premises. The grave misgivings arise, I think, from a very brief study of the computer industry and its history in the last 20 years, not only in Europe but also in the United States itself. History will show that we can derive considerable satisfaction from the fact that Europe has been extremely effective, extremely skilled, in its fundamental research in many technological areas, and the computer industry is no exception. But when it comes to the development and the application of that research at industrial level it is invariably the United States which picks up the ball and runs with it faster and more effectively than any other country in the world. I do not deplore this, I do not indeed object to this, but it would be irresponsible for the Community to ignore that fundamental fact as far as hardware is concerned.

We still have, though, one area in which current and recent past experience shows that Europe has, technologically speaking, an expertise which I believe we can and should explore and expand, namely the software aspect of the industry. But if the Commission is really telling this House that these five proposals, costing a mere 4m u.a., are going to be in the vanguard of a move to create an all-embracing, comprehensive computer industry, I think its basis is completely without justification, and we as Parliamentarians should ask it to take another look at that basic objective. We have, certainly in the field of software, great scope and great expertise, and I am bound to suggest to the Commission that, on the basis of its proposals, it might feel that a reflection on what it means by an all-embracing computer industry may well bring it to the view that there should and must be concentration on the software. This is the one aspect which really is important so far as strategic, tactical, commercial and financial operations of computer technology are concerned.

In this context only we, the European Conservative Group, will therefore give our support to Mr Cousté's proposals and hope that they, though modest, will in fact be adopted by the Commission. But having said this, again may I ask the Commission to rethink its view of what it means by a viable and competitive computer industry for Europe and urge it once again, as we have done in this Assembly on many previous occasions during this last calendar year, to speed up the process of producing an industrial policy, an industrial philosophy for the Community of Europe, in which computer technology will undoubtedly be a key industry. *(Applause)*

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

Mr Leonardi. — *(I)* Mr President, ladies and gentlemen, as regards the five projects before us, my Group too can only agree with the views put forward by other Groups. These are projects of limited scope which may serve as the basis for considerable future developments. I should merely like to make a number of remarks on two points contained in the motion for a resolution. Firstly, in paragraph 3, the rapporteur points out that the European Parliament has considered it desirable in view of the weakness of the European data-processing industry, to conclude cooperation agreements with non-dominant undertakings outside Europe. I am not, of course, questioning the principle underlying this paragraph, but rather drawing attention to past experience, and I should like to ask the Commission to give us details concerning the fate of Unidata—in particular the consequences of the fact that the French CII has elected to cooperate with Honeywell. Perhaps on the basis of this type of association, Philips will also try to remove Unidata from the group, if it has not taken steps in this direction already.

The idea contained in paragraph 3, to which, I repeat, we have no general or theoretical objections, should thus be reinforced and clarified in practical terms by the Unidata affair.

In addition, paragraph 6 stresses the importance of norms and standards for a public procurement policy in the field of data processing. Although here too we have no general objections, we should like to raise a specific question. We feel that it is possible to promote the development of the data-processing industry within the Community with the current public procurements deriving from fields covered by proven techniques and large non-European groups which have already largely managed to recover their costs. In this connection I am critical of

Leonardi

the comment on page 10 of the explanatory statement, that the projects proposed come within phases 2 and 3 and not phase 4 (utilization) since

'the rôle of a Community data-processing policy is to act as a catalyst and not to provide user support'.

Now I am not quite sure what this is supposed to mean. Indeed, from the little I know about this subject, it would seem to me that utilization was the very thing which would permit the guidance and development of a data-processing industry. We know, after all, that the data-processing industry owed its birth and much of its early growth to military utilization. This is only true to a limited extent today, but it is how things were originally.

Now it strikes me that we can best perform the rôle of a catalyst, on which we agree, by ensuring utilization—here I am going back to what Mr Normanton said concerning the relationship between software and hardware—and I should therefore be grateful if this matter could be further explained, since I feel that if we are to achieve our objective of developing a Community data-processing industry, we must pay more attention to utilization.

But what kind of utilization? In the field of data processing, as in the energy sector, we must be able to ascertain exactly what the Community can achieve for itself and for the world as a whole by the application of new techniques. We do not by any means feel that these achievements must necessarily be in the military sector; they may well include civil matters together with questions of health and, probably, education.

As I said before, I am not qualified to speak about the technicalities of this subject but I should like to express a purely personal opinion. I feel that our Community is faced with a major educational problem, that of language learning. We shall never have a Community based on one official language. Consequently, we must make it easy for the various peoples of the Community to learn the languages of the other Member States, which will not only promote cultural development, but also improve the prospects of achieving political unity. This strikes me as a specific task for our Community and at the same time a field in which data processing could well be applied. Why does the Commission not adopt it as a specific objective for the utilization of data processing and let it serve as the basis for a massive development programme for the data-processing industry itself? I repeat, this is an entirely personal opinion, but it should not be forgotten that whereas the Swiss Confedera-

tion has had to solve this question in the considerably smaller context of a few million inhabitants, the problem facing the Community, with its 250 million inhabitants, is qualitatively different, and as such requires qualitatively different instruments. Why do we not tackle this problem which is, after all, not peculiar to us alone, but one which is of world-wide significance. We could in this way occupy a position within the data-processing industry similar to that which led to the developments in data processing for military purposes. But the resultant developments will, in this case, have been for the sake of a vast undertaking, not only in the cultural field, but, I repeat, also in the respect of peace and unity within the Community, for once the knowledge of the various languages is accessible to millions, to the tens of millions of inhabitants in our Europe, it may serve as one of the foundations of political union. We cannot, however, hope to solve a problem of this magnitude by means of the traditional methods and instruments, since these were designed for the use of a small élite.

As I said, this is a purely personal suggestion, but one which stems from my failure to understand the difference between utilization and catalysis. In my view, I am acting as a catalyst in a development if I indicate a major goal—otherwise I cannot stimulate any development.

(Applause)

President. — I call Mr Osborn.

Mr Osborn. — Mr President, I would like in this debate to contribute from my own experience and perhaps lack of experience in other parliaments, including the Council of Europe. Debates on this subject see national parliaments as well as international bodies operate at their best and at their worst. This in no way implies that I am critical of Mr Cousté's report because he faced a difficult task, and I congratulate him on the way he has tackled it. But complex scientific issues make the motion a little difficult, and sometimes reason is also difficult to discern as well.

The first point I should like to make is that the communication from the Commission appeared in November 1973, which means that we have taken roughly two years to choose what should be handled in a field which is moving very quickly. I notice that the Committee on Budgets, the Legal Affairs Committee, the Committee on Regional Policy and Transport, the Committee on Public Health and the Environment and the Committee on Agriculture have all looked at the Commission's communication, but paragraph 10 on page 10 of Mr Cousté's report asks wheth-

Osborn

er research should be conducted in industrial establishments. I would like to ask, Mr President, why it is that Parliament has decided not to discuss energy, research and technology, because if choice of projects does not involve research and technology, I do not know what does.

This leads me to comment on the committee structure. I have discussed this with the chairman of the Committee on Energy, Research and Technology, and there is no doubt about it, this committee is already overworked. Perhaps this is regarded as an industrial matter.

My second point concerns the various issues that must be considered at the present time. The Commission's report mainly concerns the structure of the industry and sets certain objectives. Mr Cousté's report is on how we spend some money and make progress. In paragraph 1 of the motion for a resolution he states that expenditure arising from the projects is non-compulsory and also regrets that the Commission's proposals do not contain clear and verifiable data on their budgetary and financial implications. There is criticism, therefore, as to how we are going to spend this money, and I would like to elaborate on this later.

When we talk about a data processing policy or policy for a computer industry outside the United States of America, there is no need for us to pull our punches. The Commission's document states that some 60% of the European market is held by a single dominant firm based outside Europe, IBM. This is our concern, and I am surprised that in this debate IBM has not yet been mentioned. I am no supporter or opponent of IBM, but in terms of philosophy and sheer scale over the last ten to fifteen years there is no doubt that it has dominated the scene. This fact was faced by the Commission two years ago, and we as a Parliament should face it. This has been tackled in the Council of Europe, and a colleague of mine, Mr Ewan Lloyd, when he was on the Committee on Science and Technology, produced a report on the European industry. We should therefore view this not only as a Community problem but perhaps a wider, European problem.

The question I would like to ask is to what extent does the Commission see this purely as a problem concerning the Nine or as a wider problem that includes or excludes the United States of America. I mention this because I was chairman of the Sub-committee on data processing of the Council of Europe. There was a report produced by Klaus Richter, a German Social Democrat, on the use of computers in government and computers in parliament and

there was an IPU conference on back-up for members of parliament and the relationship between parliament and governments, including the role of computers in this field. There have been conferences on the whole question of communication of information and knowledge and how this can be dealt with. Perhaps in Europe the Germans have made the most progress, although we have certainly made progress in Britain. In fact, just over 15 months ago I had the privilege of chairing a meeting on these problems, assisted by the British Government, and on what can be done in governments and what can be done through governments to help parliaments. It became clear that each government is jealous of its own development. Not only that, each ministry within a government is jealous of its own development. Trying to achieve coordination between those who control the computers within a ministry department in any country or between, say, the Member States of the EEC or the Council of Europe is something in which we parliamentarians should take an active interest. This is perhaps one of the subjects which is being neglected.

I should now like to turn to the subjects that have been put forward. I do not know the extent to which these subjects have been examined. There is a question of blood-matching. How much is already being done in each country? To what extent is this a problem of coordination? There is the question of imports and exports. Every country in the EEC and Europe records imports and exports, particularly those that involve the CAP and other policies. To what extent is this a matter of coordinating what governments are already doing? To what extent is this something new? There is no comment in Mr Cousté's report on this.

In legal documentation retrieval perhaps the leader is Canada, where computerized type-setting is used to record all the acts in data banks for subsequent retrieval. Her Majesty's Stationery Office in Britain uses computerized type-setting to publish every new act. The machinery already exists, and I therefore see nothing new in this report. Governments are already using computers for such purposes.

Finally, we have the question of data-processing for air traffic control. I happen to know that Europe has produced some remarkable hardware for the leaders in the field. The project that I have seen in the United States of America seems to be dominated by IBM. What I saw being developed 18 months ago near Washington seems to have so appealed to the CAA of Britain that it chose this type of equipment. We should face up to this. Why is it that IBM technology with hardware back-up from Europe is so

Osborn

advanced? If we are lagging behind, we should perhaps cooperate more closely with IBM.

Then we have a computer-aided design project. I do not know what is new about this, but computerized back-up equipment enabled Boeing to produce the 727 shortly after the Trident on the original Trident design because they had the technological back-up in computers at that time. I have seen oil refinery engineering construction aided by computer design. I do not know whose computers they were, whose software it was, but it is already happening. In connection with these five projects, therefore, I hope the Commission will comment on what governments and industry are doing to implement them. What do we want these 4m u.a. for? I do not want to be critical, Mr Cousté, but I am a new boy in this field. I do think we want to look in this Parliament very closely at what we are blessing and proposing.

Having said this, I welcome the fact that we are taking a step forward. I do not want to stop it. We have to decide who pays. We have this 4m u.a. in the budget. I support the concept put forward by my colleague Mr Tom Norman-ton: if there is a technological lead in the United States of America, let us sign agreements with it. Let us work with it. Someone using a computer is going to seek out the person who provides the most effective and most efficient service and equipment. If I am running a company, I do not want to try out a new machine tool that is under trial. I want one that is proved. For us as a European Parliament to suggest we ask our friends to carry out experiments in technology that is unproved is surely a policy of madness. To that extent I support Mr Norman-ton.

Now I come to the Commission and the Council. What action now? Obviously, something must be done to build up this industry in Europe as outlined in the Commission's report of 2 years ago. How much aid is going to be contributed to this 4 million by us and for what? How much will national governments put in? Are we going to spend this on study groups as has been indicated? Are we going to give this to specific laboratories to get on with? All this is fine documentation, Mr President, and I welcome a step forward, but I very much hope the Commission will spell out how the 4 million we are allocating will be spent and above all how the governments and industry will add to it so that we go forward on a scale that will mean that our industry can compete at all levels with others.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, I shall vote against the Cousté report, because I believe it is based on a fundamental confusion. We are dealing with two entirely separate matters: firstly, the five projects and secondly, an entirely different subject, the computer industry. With regard to the five projects, none of us can doubt that they are worthy; no one can quarrel with the priority; each of us may have his own pet subject, and as one who has five times in the British House of Commons, introduced legislation on the transplant of human organs and data banks, I very much welcome the first priority being given to this question of kidneys, because we all know the human suffering behind many of these stories. That is not in doubt.

It is, however, an entirely different matter when we find on page 11 of the report that these projects must be viewed against the background of the central objective defined in the Council resolution of 15 July 1974: 'a fully viable and competitive European-based industry by the early 1980's.' And here I echo the doubts that have been put forward by Mr Norman-ton and Mr Osborn, and ask whether in fact we are not living in what the British call cloud-cuckoo-land, because frankly it is preposterous to suggest that by the early 1980's with all the good will in the world, we in Europe can have some kind of a computer industry to match not only IBM but also Honeywell.

Furthermore, I suppose I had better declare an interest straight away in that I do represent quite a number of people who work at the huge Honeywell plant in central Scotland. But having said this, there is a fact that has to be faced: neither IBM nor Honeywell is in the accepted meaning of the word an American multinational company. The truth is that they do a significant proportion of their advanced research in their international divisions. If they were purely organizations that did only simple work in Europe and reserved their advanced work for the United States, one might take a different attitude. But the truth is that Honeywell is not entirely run from Minneapolis, that IBM is not entirely run from the United States as far as advanced technology is concerned. They are in effect European companies.

I have a question to put to those of our French colleagues who doubt my words. Why on earth was it that the French Government, which is not exactly American-orientated, allowed an agreement to go ahead with Honeywell behind the backs, one might say, of a number of other European governments?

Dalyell

They allowed it for the very good, self-interested, understandable reason that this was the way to get the most advanced technology. No one looking rationally at it can wholly blame the French Government for its action since it was taken in the interests of technology in France.

I do not therefore think that we should do more during this debate than to put a direct question to the Commission. Some of us would like to ask the Commission if it believes it to be realistic—and I quote from page 11 of the document—that we should have ‘a fully viable and competitive European-based industry by the early 1980’s’. What are the Commission’s views on this critical point?

(Applause)

President. — I call Mr Cifarelli.

Mr Cifarelli. — *(I)* Mr President, I shall be very brief and not go into the possibility of these projects contributing to the establishment of a European data-processing industry when they have been put into practice and others developed. The problem is a vast one and one which, in my view, should not be approached with the usual preconceptions which, whether we like it or not, are all in terms of ‘Community nationalism’ or ‘Community self-sufficiency’, which is not necessarily the best solution to our problems, particularly those relating to the most advanced industries.

However, the idea put forward by the Commission, and already adopted by Parliament—i.e. that the establishment of a data-processing system at Community level could lead to the emergence of a great user market throughout the Community—is, in my view, a concrete statement of what we might achieve in the future and is deserving of serious attention. In other words, although I am far from being naively optimistic, I am equally far from advocating a wait-and-see policy in this field.

But it is something else which I primarily want to say. Each of these data-processing projects, all of which are acceptable, all of which have, I believe, the support of a wide majority in this House, in addition to that of the committees and the rapporteurs who have put forward their views—each of these projects is a reflection of a modern movement towards the use of adequate techniques to meet specific needs. I personally should like to draw your attention to another specific need in addition to those mentioned, and one of particular significance, namely the protection of our art treasures. The meaning of this phrase is extremely clear in Italian (*beni*

culturali) and I am confident it will remain so when translated into the other languages of the Community

By our ‘art treasures’ I mean those works which, by virtue of their spiritual value and the esteem in which they have been held through the ages, transcend the life and work of the individual. They are the testimonies of civilization, they are the works of art which bear the imprint of the course of history and of the creativity of the various peoples, and which in the countries of the Community have assumed a significance undoubtedly greater than that found in any other part of the world.

These art treasures, which have too often fallen into oblivion or been subjected to terrible attacks of various kinds, ranging from those resulting from wars, revolutions and civil unrest to those stemming from a society obsessed with consumption for its own sake and from the blindness of a humanity which is growing in numbers but all too often not in educational or cultural awareness—these art treasures, I repeat, should be valued and protected in a fitting manner. For example, in my country, Italy, where there is much to be said about this problem, but where in particular there are so many art treasures to know, value and protect, I have been told by experts that the number of items to be catalogued, i.e. entered in catalogues of paintings, sculptures, works of architecture, etchings—what we refer to as the ‘major’ and ‘minor’ arts—is over the 90 million mark. But however much the Italian state may talk, however much help is granted at Community level, which might involve an effort taking years and years—with the risk that, as has happened so often in the course of history, while the doctors are talking the patient dies—data processing is available as a method of cataloguing these 90 million items, and I urge the Commission to consider this possibility.

Finally, I should like to thank Mr Leonardi, who also made a suggestion to Parliament this morning touching on novel requirements. Mr Leonardi spoke about the languages of the Community and how, by the use of modern methods, people could learn the languages of others, which would of course lead not to a single common language (since this is history’s secret), but to a better, easier, and more satisfactory knowledge of the various languages spoken in the cities of the Community. This is an idea which I support, but I also regard the establishment of a major programme for the application of data processing to the enormous field of art treasures as both justified and urgent. I have spoken of Italy, but in the Community there are many Tuscanyes, many regions

Cifarelli

of no less historical significance, such as Sicily, Venice, Flanders, Paris and its environs, the valley of the Loire, the Rhineland: every corner of our Community—and I mean every—bears the imprint of the passage of fascinating and interconnected civilizations. Unfortunately these interconnections have not been merely cultural in nature, Mr President. There are also criminal networks, and there would not be so many art thefts if there were not banks which accept, collectors who conceal and governments who do not cooperate sufficiently in an attempt to combat this scourge in which Italian criminals are undoubtedly involved, but not without the assistance of accomplices in other countries, including those of the Community.

This is a long story to which I should merely like to draw your attention today, but I am confident that my suggestion will not fall on deaf ears. If a data-processing programme can permit us to tackle the new problems of society with novel means which extend the potentialities of the human brain, one of the major objectives which the Community can and must adopt is the implementation of a data-processing programme for the cataloguing, protection, evaluation and general awareness of the vast heritage of art treasures which Europe possesses.

(Applause)

President. — I call Mr Spinelli.

Mr Spinelli, Member of the Commission. — (I) Mr President, on behalf of the Commission I should like to thank the rapporteurs of the Parliamentary committees, as well as all those who have spoken, for their suggestions and criticisms, which I feel are of the greatest importance.

I shall not go into each of these five proposals in detail, since this has already been done at length, but I should like to state the Commission's views and intentions with regard to the comments made and the problems raised.

We realize perfectly clearly that the five projects proposed cannot have any great effect on the data processing sector. In submitting them, the Commission's aim was to speed up the taking of some initial practical steps in view of the need felt by user circles. This move was also in line with the explicit wishes of the national authorities responsible for this sector!

However, we never lost sight of the need to create a general framework for the Community data processing policy. In fact, Mr President, I have pleasure in informing you that the Commission has just adopted a second series of

proposals much more far-reaching than those we are discussing today, and that it is preparing, for next year, the elements of a medium-term general programme. For your information, I would point out that the second series of projects—which will be submitted to Parliament as soon as possible—will concern the following:

- standardization by means of a project to develop a language for real-time applications;
- the development of software for a range of projects on programme transferability;
- aid for utilization and for cooperation between research centres, with assessment studies of data banks and programming methods and a study of the confidential nature of data;
- two projects involving the application of documentation and high-speed data transmission.

As regards the medium-term general programme, which will of course include the above-mentioned proposals, this will involve, in particular, activities in the fields of leasing, industrial development contracts, standardization and public procurement contracts.

Our projects thus concern the development of data processing in those very fields in which there are not yet any major established interests, and in which—as Mr Andreotti pointed out—we can start from scratch.

The statement in the report to the effect that the Commission does not intend to give aid to users must be understood as meaning that we propose not to subsidize users, but rather to further the development of a method of satisfying certain requirements. We want to compile a series of requirements and identify common specifications which would be worth promoting in the forms we would put forward—development contracts, leasing, etc.—so as to stimulate the development of the industry indirectly without giving subsidies to the users. This is what was meant, Mr Leonardi, by the statement that there would be no user support.

In this context, I would like to point out to Mr Dalyell that we have never and nowhere stated that we wanted to bring European industry up to the level of IBM and Honeywell by 1980, but we did say, more precisely and more concretely, that if the national governments and the Community can develop a coherent and intelligent plan, in place of the uncoordinated and short-sighted activity we have had up till now, it will be possible to create a viable and competitive industry by 1980. We never said anything about the scale;

Spinelli

it is possible to be viable and competitive without being as big as IBM, and this will help to reduce the dominant position of IBM and other companies. I therefore feel that Mr Dalyell's criticism is directed against something which neither the Commission nor, as far as I can see, Mr Cousté implied.

I think this also answers Mr Osborn's criticism and Mr Normanton's remarks. To Mr Osborn, however, I should also like to say that an action programme is one which is continually developing, but which is obviously limited to several individual activities. However, it is not true that we have disregarded the fact that European data processing is part of an international data processing scene and that it sometimes forms a European aspect of an international problem. This is one of the essential factors in the analyses drawn up by us and discussed here with you in the report accompanying the document submitted to the Council in 1973 and approved in 1974. If Mr Cousté's report does not mention this document, it is because we have now got as far as starting upon a phase analysed elsewhere.

But let me turn now to some more specific points raised in Mr Cousté's report. As regards the financial implications, the Commission regrets the difficulties encountered in the course of the work, which were due to incomplete financial forecasts. I supplied the missing information in discussions with your committee, and I can assure you that from now on we shall include detailed information in our proposals, as you have requested. The Commission is also anxious to confirm the non-compulsory nature of the proposed expenditure. This statement has been incorporated in the new series of proposals which we have already approved and submitted to the Council. I can therefore affirm that, in this text too, the Commission will exercise its right to make an amendment introducing the concept of non-compulsory expenditure which is already included in the second document.

I thank Parliament for having drawn our attention to this point, since we can see from the way the debate on the 1976 budget has started that there are major difficulties with the figures, modest though they are. It is therefore better for Parliament to have some power to assess whether they are justified or not.

There were requests for information on the timetable of the budget. It is our intention not to submit supplementary budgets, but to include in the 1976 budget what the Commission feels must be spent if its programme is approved. This is the right way to draw up a budget, since otherwise all that happens is that budget-

ary 'approval' is requested for something that has already been decided upon. Let me also draw attention to the fact that in advanced technology, where development is particularly rapid, it is extremely important that our decision-taking machinery should be flexible. I therefore think there should be sufficient funds for us to be able to act with the necessary speed within clearly-defined terms of reference.

Let me turn now to cooperation agreements with non-dominant companies outside Europe. It is obvious to the Commission that the activities are designed not only to meet the requirements of the users, but also to strengthen the competitive capacity of European companies in the sectors concerned. If, however, for reasons of know-how, European industrialists feel they must cooperate with a non-dominant company outside Europe in order to submit a tender, the Commission will give this cooperation its consideration.

In general terms, the principle of cooperation between European companies and non-dominant companies outside Europe has always been accepted by the Commission for reasons of marketing and access to technology. Our proposals do not deal with the problem of the organization of the industry, since all we are aiming at is to create conditions which may favour mergers between European industrial firms. In this connection, there were requests for information about Unidata and the recent decisions involving cooperation within companies outside the Community. You will know that decisions were recently taken by the French government on the merger between the CII group and Honeywell, details of which are not yet available. Since this merger will result in two production ranges, it has raised major cooperation problems and has plunged Unidata into a crisis.

We believe that cooperation between European producers in the field of large and medium-scale data processing is always valuable, necessary and possible. We regret the apparent break-up of Unidata, but I would remind you that talks are still in progress. I repeat that we do not exclude the possibility of cooperation with American producers, provided it is well-balanced. It must help to reduce certain dominant positions and not to strengthen them. In any case, the problem of some major companies which hold a dominant position is not so much that they are American, as that they are multinational, that they escape all control and hold a dominant market position which we must try to brake.

May I point out that in the new communication we shall be submitting we shall also emphasize the importance of pure data processing and

Spinelli

distributed data processing. The medium-term programme will contain major moves in these fields, aimed at promoting the formation of new groups.

Let me just say a few words about the presentation of other practical projects, with particular regard to computer-aided design techniques. As I have already mentioned, the Commission has proposed two new applications in its second set of proposals. It is also continuing its talks with a group of experts in the field of computer-aided design techniques, and it now seems certain that it will be able to submit suitable proposals under its medium-term programme. Mr Cousté made a formal request for us to send the European Parliament the annual report on the progress of our moves. We agree to this and shall submit the report regularly.

One problem raised by both Mr Cousté and Mr Lautenschlager was that of Parliament's participation in the Consultative Committee. I shall transmit this proposal to the Commission, but I would point out that the Consultative Committee will have to consult with and advise people who—let me put it this way—are administrators of national policies. It is thus a committee of a certain administrative and executive level, and its activities are not easily reconcilable with the type of supervision normally exercised by a Parliament. Parliament can always have access to all the information it needs, using all the means available for this purpose—from questions to general debates and the discussions in its committees. I am therefore somewhat puzzled by this request, but I shall nevertheless ask the Commission to consider it with the respect due to a request from Parliament.

I think that, at least as far as the essential aspects are concerned, this answers the questions and remarks which have been made.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — The Commissioner will acquit me of discourtesy if I say that his reply was vague. I would like to put four specific questions.

First of all, has the Commission now gone back on the resolution of 15 July 1974? I again refer to page 11 of Mr Cousté's report. What it says is: 'a fully viable and competitive European-based industry by the early 1980's'. Now, if this is no longer the policy let us be told, but frankly we cannot have it both ways. Either the Commissioner is right or else Mr Cousté's report is right. It cannot be both, and I emphasize that

this is referred to as the central objective. So my first question is on this resolution of 15 July 1974.

Secondly, the Commissioner talks about supporting development contracts. Is the implication here that the Commission would support by development contracts a European-based industry which might be more expensive and less technically sophisticated than either Honeywell or IBM? If this is not the case, there is frankly no sense in talking about supporting development contracts. Could that be clarified?

Thirdly, could I ask him precisely what he means by calling on the governments to take intelligent action together? What action should we be pressing for in our national parliaments when we go to see our own ministers?

Fourthly, and finally, what exactly does he mean by braking the dominant position of the American companies? You see, some of us represent a great number of people who get their daily bread and butter by working for precisely these companies and knowing something about it. I do not think there is very much evidence of abuse. People who elect me to the House of Commons get their bread and butter by working for Honeywell. Am I to go back and say a brake must be put on the activities of Honeywell? If that is the case, and if we take what goes on here in this European Parliament seriously, I am going to be asked some very awkward questions by my electors. Now, if we are serious, and I take it all of us are, we really must have an explanation from the Commissioner as to what he means by putting a brake on firms which, we all know, have their economic problems at the moment and where those who elect us earn their daily bread and butter. Could I have a comment on those four questions please?

President. — I call Mr Spinelli.

Mr Spinelli, Member of the Commission. — (I) Mr President, I shall reply briefly to Mr Dalyell's four questions.

The Commission holds to the report and the decisions of July 1974 aimed at achieving a fully viable and competitive European-based industry by the 1980's. This, of course, does not mean that we feel that, by this date or any other, European-based industries must dominate the entire European market. All we are aiming at is to have competitive industries—which is something the European countries are not at present, since in this sector most of them, from CII to Siemens, survive only thanks to large subsidies.

Spinelli

We must apply a policy which helps them to become competitive, i.e. which increases their scope for action. When we say that European industry can have adequate scope for development in the developing countries, we are of course also thinking of the need to aid and support European industry with adequate means.

In reply to Mr Dalyell's third question, I would point out that you yourself, Mr Dalyell, stated at the beginning of your speech that you thought the five projects were worthy. These are the first five, but I informed you that five more—which I listed—will soon follow. I also outlined to you some of the features of a wider programme to be presented later. You cannot ask me whether we already have the precise wording for a future policy which is in the process of evolving and which is based on a guideline accepted by the Community only at the end of last year. The activities we are proposing now are those which I have mentioned.

And now to the last question—the dominant positions. I do not have to spell out to that side of the House the fact that the possibilities for control and exploitation in certain positions by certain concerns, whatever their origin, are serious and dangerous for the whole of the Community. Laid down in our Treaty and in the legislation of every country there is the obligation to take action against the abuse of a dominant position. The abuse of a dominant position is, however, the extreme case. The fact is that, in a well-balanced system, alongside the industrial giants there should also be other companies capable of competing with them. This can be achieved without having to shut down or destroy either IBM or ICL. In our background documents we have shown what enormous development prospects there are, not only in the European market but in the entire world market for data processing. Several speakers today have stressed that, within a few decades, this will be the world's third largest industry. However, if the European industry continues to be organized as it has been up till now, if there is not at least some resolve to make progress and to collaborate to some extent in implementing a joint programme and developing and correcting weak points, this entire field will be occupied by the dominant concerns. This is not in our interest, nor is it in America's interest, and it is not even in the interest of the dominant concerns, since such a development may very well rebound on them. What is certain, however, is that if we continue with the present policy, the entire field will be occupied by whoever is equipped to do so, and certainly not by others who are handily or badly equipped. It is thus not our desire to close or advocate the closure, within the Community, of production or research

centres belonging to the major multinational concerns who hold a dominant market position. All we want is to have viable and efficient competitors. That is all.

President. — I call Mr Dalyell.

Mr Dalyell. — With respect, the Commissioner is carried away by his own language and his waffling. Can I give notice that I shall seek to persuade my colleagues on the Committee on Budgets to ask him to come before that committee and explain how the Commission thinks that one can be 'competitive with IBM' without spending the kind of money that IBM spends. One cannot be competitive with IBM on the cheap, and the sooner the Commission understands that the better for us all.

President. — I call Mr Spinelli.

Mr Spinelli, Member of the Commission. — (I) Mr President, I shall be glad if Mr Dalyell manages to get the Committee on Budgets to agree to this suggestion, since I feel this subject is worth discussing in greater detail. We shall contribute all the arguments and data at our disposal, and we are sure that the contribution of the members of the Committee on Budgets will be extremely useful in clarifying ideas.

President. — I call Mr Cousté.

Mr Cousté, rapporteur. — (F) Mr President, ladies and gentlemen, this has been a debate in the true sense of the word. For more than two hours now we have been examining five draft proposals from the Commission to the Council, yet on the basis of this limited subject matter, we have inevitably had to consider the general prospects of a European data-processing industry. I think we have every reason to be pleased at this. Each of the six groups has spoken, and three of our colleagues even took part in a commendable dialogue with the Commissioner and the rapporteur, for which I offer them my thanks.

I should like to let the Commissioner know that we are gratified to hear that he plans to submit new projects, which is what we want too, and to produce a comprehensive medium-term plan, which is what we had asked for, and that he agrees to the idea of an annual report. In this connection, I should like to point out on behalf of this Parliament, which, perhaps with a few abstentions, will shortly approve this resolution of ours, how appreciative we are of the cooperation between the Commission and ourselves. It is indeed in this way, in a spirit of European resolve, and by the initiative of our companies and the intelligence of their management and

Coûté

workers, that we shall create a genuine European data-processing industry. We are well aware that IBM exists, and I would even add that its very presence and development in Europe mean that it shares our desire to see Europe a Community capable of offering European data-processing facilities. I say this because I believe IBM is a stimulus rather than an obstacle, for we should never forget that apart from free Europe, there are countries in the Eastern bloc with considerable data-processing requirements. And I am not afraid to state quite openly that if we are capable, as I believe we are, of planning and, with the help of active, forward-looking companies and a truly European research programme, establishing a data-processing industry satisfying a multitude of requirements, even if it occasionally raises serious questions, we shall have taken up a veritable challenge, not just an American challenge but one which we have set ourselves as human beings.

And in this context, I feel it would be appropriate to raise one final point. I expect a great deal of the Commission and the Council in the very important area of individual freedom and data processing. A powerful instrument like this, which enables data to be collected and processed, must not be allowed to become a threat to the future of the citizens of Europe and the world. One day we shall have to have a debate on this issue. In any case, in adopting such an important resolution as this, we should emphasize the progress it represents. It is not, however, an end in itself; it is only one step on a long and difficult path, and each and every one of us, working together with the Council and the Commission, will have to continue our efforts if the objective of a European data-processing industry is not to remain a dream but, as we all hope, become a reality. This depends on the will to achieve this fundamental objective, which I know we all possess.

(Applause)

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

4. Hydrocarbons sector

President. — The next item is the debate on the report drawn up by Mr Leonardi on behalf of the Committee on Energy, Research and Technology on the Communication from the Commission of the European Communities to the

Council on a draft Council resolution concerning a Community policy in the hydrocarbons sector and the financial aspects of Community hydrocarbon projects (Doc. 122/75).

I call Mr Leonardi.

Mr Leonardi, rapporteur. — (I) Mr President, ladies and gentlemen, on this particularly complicated and constantly changing issue I have to present a report which was prepared some time ago. It may therefore be felt that some of the information it contains requires updating. Nevertheless, in the report and the accompanying motion for a resolution, we have attempted to identify the most important and, as it were, the most enduring aspects on which we believe Community efforts should be concentrated.

For simplicity's sake, we have also sought to select those points which are most likely to gain general approval. This will of course not be unanimous, given the diversity of political views in this Assembly. Nevertheless, we have done our best to provide as large a basis as possible for agreement in order to solve this problem which is a fundamental one for the Community. As rapporteur, I shall of course be presenting the opinion of the majority of the Committee, which I shall now attempt to summarize.

Our point of departure was an objective fact of life in the Community, namely our quite disproportionate dependence on external energy sources. We are all well aware of the change which has taken place in the Community's sources of energy over the last twenty years. Whereas solid fuels accounted for 75% of our supplies in 1950, oil now represents an almost identical percentage, most of it—90 to 95%—imported. Our resolution therefore stresses the need to reduce this excessive dependence in respect of energy supplies, not by aiming at self-sufficiency, which would be absurd, but rather by making better use of our internal resources.

This point has already been raised in other debates particularly in connection with coal and gas, and was, I believe, accepted by all.

To achieve progress in this direction, we must first concentrate on reducing our consumption of crude oil, most of which, as I have just said, is imported. We should then cover future increases in energy consumption by making use of other sources, including atomic energy, and by continuing the exploration and production of domestic oil deposits. Indeed, the Commission proposes that these operations should receive more Community assistance than in the past.

With this objective, the European Community which, as you know, is the world's major con-

¹ OJ No C 239 of 20. 10. 1975.

Leonardi

sumer of imported oil, will be helping not only to solve its own problems but also to assist energy conservation by halting the increase in the consumption of certain sources of energy. This consumption must no longer be allowed to rise as it has done over the last twenty years, if we are not to deplete or exhaust our vital oil resources, part of which at least should be reserved for qualitatively more demanding uses.

This being so, we consider that in view of possible supply problems, the free movement of oil and its derivatives must be ensured throughout the Community. Indeed, we believe that one of the fundamental and inalienable rights of the citizens of the Community is to ensure that oil and its derivatives can be moved freely throughout the Community like any other product. It must be emphasized here that it is up to the peoples of the Community to decide on this via their own democratic processes.

Continuing our examination of points on which there is a general agreement, we believe that much could be done towards solving our problems by rationalizing the use of energy and eliminating waste. I should like to draw the attention of this House to the fact that our experience during the last twenty years and perhaps even before has led us to consider energy as a cheap, and thus easily expendable commodity.

We thus no longer show the same concern as our elders probably did for the rational use of energy, in whatever form. It has also been forgotten that as well as increasing consumption of energy technical progress requires better use to be made of it. The amount of energy required to produce a kilowatt/hour is far less now than twenty years ago. Nevertheless, owing to the enormous increase in the number of kilowatt-hours consumed, the amount of energy used in their production has also increased. However, the rise in the consumption of energy for developing human needs should not be confused with wastage.

The fact that technical progress brings about increased energy consumption also means that energy utilization has to be improved if stability is to be maintained. Thus, while our motion for a resolution emphasizes the need to eliminate wastage, we are certainly not opposed to increases in energy consumption, but only seek to draw the attention of this House and of the peoples we represent to the need to change our attitudes to energy and to show greater respect for this valuable resource than it has received in the past as a result of being available for decades at extremely low cost.

This action programme obviously forms part of a policy and it is therefore essential to ensure adequate information so that the policy can receive general agreement and support.

In the past the Commission has produced a number of proposals aimed at improving information. We should be grateful to learn what results have been achieved, and in this context it may be worth mentioning the Commission's promise to tell us something—not later than October I think it was—about the report it is currently preparing on the major oil companies. We should thus be grateful if the Commission could tell us where its proposals stand, and maintain its basic commitments on information.

We should of course remember the different positions and interests of the Member States. For example, while nearly all the EEC countries are now large oil importers, it is probable that within a few years one of them will be much less of an importer and may even become an exporter. Yet though such differences of interest exist, they must certainly not be used as an excuse for failing to work vigorously towards achieving a common position.

We therefore call on the Council and Commission to act, bearing these national differences in mind, but not using them as an excuse for failure to take a common stand.

Apart from possible developments in individual Member States, the Community as a whole will always be a major consumer of imported oil and it is therefore out of the question that it will ever gain independence in supplies. The Community has therefore both external and internal responsibilities, and this should encourage the Council and the Commission to overcome the existing difference of interest. The Community's special position here should always be remembered when dealing with the oil producers and with the other consumers. This is why paragraphs 8 and 9 of the motion for a resolution stress that the special position of the Community should take precedence over non-Community cooperation agreements and that the Community should speak with one voice within the International Energy Agency.

As regards the structural aspects, the committee does not feel, after looking at the question in general, that the problems will be solved by an across-the-board infusion of public funds. In this, as in other sectors, there are both public and private interests and such assistance should be based on exchange of information and on concertation, which will allow the public authorities to direct this mixed sector towards objectives which are in the interests of the Community and those of its citizens.

Leonardi

For this reason we feel that the public authorities should provide substantial aid to finance Community research projects in the hydrocarbons sector, provided adequate democratic controls are ensured.

Opinions on these matters have also been given by the Committee on External Economic Relations and the Committee on Economic and Monetary Affairs.

Before concluding this brief introduction, I should mention that the motion for a resolution also refers to the matter of price controls and more extensive information on price trends. These trends are of course also related to the problem of inflation. Naturally, no-one here would wish to maintain that inflation is due to the increase in the price of oil and petroleum products. That would be absurd, as we all know. We do however certainly need more information on price trends. We are all well aware that public opinion has been pressing for more information in view of the crises and high increases in the cost of oil and oil products over the last two years. Indeed, some parliaments, including the French National Assembly, have conducted interesting surveys and produced some interesting reports on the matter.

As regards financing, we believe that the common energy policy requires Community instruments which will allow the weakest members to be helped, even if only temporarily. Something of this sort is essential since if the weaker countries in the Community have to seek external financial assistance from countries with different interests in order to remain in the system, one of the basis principles of the energy policy will be indirectly undermined.

We therefore need to use and develop Community instruments. Something has already been achieved in this direction, although insufficient use has as yet been made of it. Considerable headway in solving this problem could be gained by greater cooperation with the oil-producing countries and the less developed countries.

We believe indeed that the enormous sums paid to the oil-producing countries could be satisfactorily recycled by using them for the benefit of the currently less developed countries. As you know, conditions are worse than ever in these countries, as they have now to pay higher prices for oil without being able to offset these increases by raising the price of industrial exports.

These are the main points contained in our motion for a resolution. I believe they constitute a wide basis for agreement, as for the most part they reflect objective situations and comprise

proposals which could be carried out within the present structures, used in a rather different way. Of course, as I have already said, although the motion for a resolution sets out objectives which we can all accept, we do not expect that there will be agreement on how these are to be attained. Our different political views will obviously be a factor here. My Group therefore reserves the right to submit what we believe to be a well-founded amendment on one point.

Nevertheless, we feel it is most important for the Parliament of a developing Community to look for points of agreement on which Community efforts may be concentrated, even though our assessments of these may vary owing to our different political positions.

(Applause)

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

Mr Lautenschlager. — *(D)* Mr President, I would like to say on behalf of my Group that Mr Leonardi's report represents an excellent summary of the discussions held and results obtained by the Committee on Energy, and we are therefore able to give it our approval. I say this by way of introduction in order that the criticisms which I am about to make may be set in their proper context.

First and foremost we deeply regret that the Commission and the Council did not consider it necessary to ask Parliament's opinion on these matters. We can produce evidence to show that Parliament has always been the driving force behind the demand for a common energy policy, and we feel that the position of the European Parliament in the legislative process deserves better than that it should be excluded, right from the preparatory phase, from the task of devising this policy.

We fully endorse, of course, the report's insistence on the need to reduce our dependence in the hydrocarbons sector and its demand that consumption should first be stabilized and then restricted when newly developed substitute sources are introduced.

We also appreciate the need for the Community to have powers to monitor trade in oil and oil by-products in order to be able to intervene where necessary. We still admittedly lack the necessary instruments.

The call for a much more rational utilization of energy also meets with our full approval, since in this area considerable quantities of energy can be saved without imposing restrictions on

Lautenschlager

the consumer. The Community might, however, contribute more to this if it were to grant regular aid to research and development in the rational utilization of energy.

The Community can only monitor trade in oil and oil by-products, however, if there is an extensive information flow from the oil-producing and refining industry. But the obligation to provide information must also cover costs and not just forecasts. The demand that the policy in the hydrocarbons sector should give priority to Community interests is also self-evident.

The large-scale consumption of energy and the guarantee that it should be available to everyone at all times in sufficient quantities and at acceptable prices imply that the Member States and the Community will have to play a much more positive rôle than hitherto in its development. The rules of the free market economy also are no longer sufficient to satisfy the requirements of consumers. International and national monopolies are able to interfere in the economic process to a degree that amounts to political influence.

The Community and its Member States must be provided with adequate instruments allowing them, in the event of risks for the consumer arising from domination of the market by certain sectors of the oil-producing and refining industry, to lay down regulations preventing inroads from being made in all sectors of production and distribution. In addition to this the Community must also be able to keep a watchful eye on price developments.

A final remark, Mr President. If the industrialized countries are to continue granting their share of development aid the energy sources must be available to them at prices enabling them to sell their own products at competitive prices and to afford the corresponding investments in the developing countries, capital aid and individual aid.

The over 300% increase which the non-European oil-producing countries have obtained in the price of their crude oil has brought these countries revenue which they cannot utilize within their own frontiers. It is therefore necessary to prevent these vast sums of money from upsetting the monetary equilibrium of the industrialized countries. The best way of using this capital would be to invest it in those developing countries which lack raw materials. We therefore expect that at international conferences on monetary systems, the removal of barriers to trade, customs tariffs and the like, the Commission and the Council will use every means in their power to ensure that the oil-producing

countries give much more support to the developing countries.

Those are the brief comments I wanted to make on the report which has been submitted to us.

(Applause)

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

Mr Springorum. — *(D)* Mr President, ladies and gentlemen, on behalf of my Group I congratulate Mr Leonardi on his excellent report and the exemplary attitude he showed in compiling it. His original report and the opinion of the Committee on Energy, Research and Technology did not agree on every point. But Mr Leonardi showed an unflinching willingness to cooperate on the parts which needed to be redrafted—with one exception, as will be seen from the amendment tabled by my Group. I thank Mr Leonardi for his democratic readiness to follow the majority opinion.

Ladies and gentlemen, this is our first energy debate since the holidays and the concern we voiced in Strasbourg before the holidays has not receded. 13 October will see the resumption of the preliminary conference of industrialized countries, oil-exporting countries and developing countries which was suspended in April. Our position, the position of the industrialized countries, has alas not grown stronger; if anything it has become much weaker. The oil-exporting countries and the developing countries have, it would seem,—and this is something we must not lose sight of—found it easier than we have to agree on a common policy. Although two years have passed since the Yom Kippur war and its effects on the oil market, practically nothing decisive has been done to coordinate efforts to safeguard our energy supplies and to reduce our dependence on Middle East oil. The only real achievement, however—and here thanks are due to the Commission which fought tooth and nail to bring it about—is the ninety days' reserve stocks regulation, which, however, seems to have come to a complete standstill in the International Energy Agency.

The industrialized countries have shown themselves incapable of developing a common energy policy strategy or even a line of defence against the price policy of the OPEC cartel. Surely it is absolutely vital for us, the countries of Europe, the largest raw materials importers in the world, to show a united front, instead of inviting the raw materials producing countries to set up similar price cartels at will by displaying our disunity, helplessness and defencelessness. In this connection I should like to point to a fact which has attracted scarcely any public atten-

Springorum

tion, namely that last spring the iron ore exporting countries, and it is interesting to note which they are, Australia, Algeria, Chile, India, Mauritius, Peru, Sweden, Sierra Leone, Tunisia and Venezuela, founded the Association for Iron Ore Exporting Countries. The relevant treaties have not yet been ratified. Brazil is about to join. These countries will then control 70% waterborne exports, which is the only type of export of importance for Europe, other export volumes being insignificant. This agreement seems to have had an initial effect already: despite the slackness of the market European steelworks are this year paying 45% more for Swedish ore than they paid last year. The successful example set by the OPEC will doubtless be followed by others unless the European governments start learning from their mistakes.

This line of defence which we need so badly implies the setting up of protective machinery—of what type matters little. The Commission is calling for this and so are the Americans. But the Member Countries of our Community and their governments are not able to reach agreement on the matter. And it is certainly no accident that large American oil concerns are already pulling out of the outer areas of the North Sea because they are no longer sure whether their capital investments will ever pay off. They certainly would not pay off if the price of oil were to fall 2 or 2 1/2 dollars below current prices. And if the cost of exploration in the North Sea continues to rocket up as it has since 1973 the whole North Sea project will have been a miscalculation. We must look the truth in the face. I have a few figures here. Drilling costs per day in dollars at a depth of 100 to 200 m: 1973—20 000 dollars, 1974—40 000 dollars and 1975—80 000 dollars. The same applies to the cost of the rigs and field development costs. I will not bother you with the figures. In the last two years, therefore, costs have almost trebled. Nevertheless, Europe still needs North Sea oil. But the British government and the British economy should not delude itself that North Sea oil will cure all its ills. The revenue generated will not suffice to do that.

The second requirement for the construction of a line of defence is the more rational use of available energy, as Mr Leonardi clearly indicates in his motion for a resolution. The energy consciousness generated by the oil crisis among the peoples of our Community has given way everywhere to complete indifference, both among the governments of the Member Countries and among individual citizens. The energy-saving drive of the 1973/74 winter has been forgotten. Our peoples are no longer in the least worried about supplies of petrol, heating oil and other forms of energy, though, despite the Israel-

Egyptian agreement, the situation could be transformed overnight.

Thanks to our impotence the Arab oil weapon is as deadly as ever, a fact which we do not realize at the moment but will do when the economy begins to recover again.

But, one might wonder, why should the citizens behave any differently when all the governments can do is talk instead of acting? An economic, rational utilization of energy requires precise thinking, accurate planning and clear programmes and I am pleased that the Commission at least, in its rôle as the executive, will soon be proposing an action programme as we requested.

I would add a third comment, which demonstrates how ridiculous, how absolutely absurd is the European energy policy conducted by the national governments and the Council.

What a lot of talk there was about protecting indigenous energy sources when the oil crisis first broke out! Instead of this millions of tons of European coal are today being dumped on slag heaps again. Indeed in my country there is even talk of the possibility of putting miners on short time.

Fuel oil, heavy fuel oil is again taking the place of coal in the power stations. I admit that heavy fuel oil is a by-product of petrol and gas oil manufacture. It cannot be dumped on the slag heap. But when the oil crisis broke out this very Parliament and this very Commission expressly demanded that the conditions should be created in the member countries for the conversion of heavy fuel oil into light products i.e. gasolines and gas oils, which we are now compelled to import at high prices somehow. Some of these installations could already have been operational. We would be less sensitive to imports and European miners would have more job security. But nothing has been done.

After the crisis large-scale, impressive nuclear power station programmes were worked out in the Member States. These programmes were then pruned and today nothing more is heard about them. There are even countries and Member Governments which will have nothing more to do with nuclear energy. They are beating a retreat under pressure from the tub-thumpings of would-be protectors of the environment. A few days ago the construction of a coal-fired power station was prohibited by a German court on the basis of current legislation because of the toxic nature of sulphur dioxide. We all want electricity, everyone wants it and at the cheapest possible prices. But the governments seem to have forgotten that this electricity does not come out of the power point of itself but has to be produced somewhere.

Springorum

Allow me to make a prophesy. If this entirely reasonable, indeed essential, concern for environmental protection degenerates into a kind of ecological hysteria and if the governments fail to adopt clear positions on it, more of this world's people will perish as a direct or indirect result of inadequate energy supplies than would have been possible or conceivable by a rise in the temperature of rivers or an increase in the amount of radioactive particles and sulphur dioxide in the atmosphere.

It is sometimes depressing for the members of our Committee to have to admit that in our countries madness seems to be replacing method. And it was equally depressing, let me be quite blunt about this, for us to hear the Commissioner responsible say at the last sitting that the Community's energy policy could not be in a worse state.

The Treaty gives the European Parliament no rights, and no responsibility either. But we ought to try and feel involved and do whatever we can. We have on one occasion already asked Parliament to sound the alarm. The House decided, however, to tone this down to a mere warning. This warning, which was initially very effective, was then quickly forgotten.

I hope Parliament will keep to its resolution to suspend cooperation in a consultative capacity in energy policy if the Council continues to be reluctant to act in accordance with its responsibilities towards the Community. My Group fully supports Mr Leonardi's report.

(Applause)

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

The House will rise.

(The sitting was suspended at 12.50 p.m. and resumed at 3 p.m.)

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

President. — The next item is the resumption of the debate on the report drawn up by Mr Leonardi on Community policy in the hydrocarbons sector.

I call Mr Hougardy to speak on behalf of the Liberal and Allies Group.

Mr Hougardy. — *(F)* Mr President, ladies and gentlemen, I think one can say about Mr Leonardi's report that both its letter and spirit are

consistent with the Commission plan for 1975/85, which was designed to deal with the energy crisis and to make Europe more independent in this sector. Mr Leonardi's report also proves that the implementation of this strategy for 1975/85 was absolutely essential. But I do not think that there is any doubt about the fact that since Mr Leonardi's report was drafted and discussed in committee the energy policy has made no progress whatsoever and that we are behind schedule. Furthermore, I am convinced that if Mr Leonardi were to rewrite his report today the motion for a resolution contained in it would be completely different.

Mr President, in view of the failure to act of the Council and the governments of the Nine I believe that it is the European Parliament's responsibility today to point out that the implementation of the 1975/85 plan now lags so far behind schedule that the plan itself is in serious jeopardy. And while the European Parliament has no responsibility in this area, as Mr Springorum rightly said, the Liberal and Allies Group believes that the Council must take stock of the delay in the implementation of this 1975/85 plan. Contrary to what some people think, and this seems to apply to both the Council and the various Community countries, Europe is not immune to another energy crisis and could overnight find itself in renewed difficulties which would compromise the economic recovery when it comes about.

I would like to take this opportunity to say to the members of the Commission and in particular to Vice-President Simonet, that the European Parliament is grateful to him for the frank and precise way in which he described the energy problems facing Europe. And I think it is the duty of the European Parliament to condemn the failure to implement the 1975/85 plan and to say quite bluntly to the Council that it is an intolerable state of affairs—and this is one example among many—that proposals submitted by the Commission to the Council last June may perhaps be examined at the end of September.

Mr Springorum was right this morning to emphasize the fact that the Commission was responsible for the adoption of the resolution obliging the Member States to have 90 days' reserves, but I should like to ask the following question. This directive has perhaps been adopted, but has it been implemented by the nine countries of the Community? This is a question which I think deserves to be examined and to which a precise answer should be forthcoming.

For these reasons, and as I do not wish to repeat the excellent speech made by Mr Springorum this morning, the Liberal and Allies Group urges, not that the 1975/85 plan should

Hougardy

be reviewed, but that we should know exactly how far its implementation has got, in other words how far it is behind schedule, and that this new position be debated as soon as possible by the European Parliament.

Although I regard Mr Leonardi's report as out-of-date, I would like to make a few remarks which I believe are of general relevance and point out, since I do not think that this is stated very clearly in the report, that the soaring increase in the price of oil over the past two years is mainly attributable to the action taken by the oil-producing countries. And for the purposes of future reference I think it would be a good thing if Mr Leonardi were to have another look at the figures on pages 10 and 11 of the French edition and perhaps also indicate the sources of these figures. Finally, I would like to say that when talking of the expansion of public and independent operators side by side with the big companies which, according to the rapporteur, have hitherto dominated this sector, one must specify the figures and the trend in the shares of the production market controlled by the various types of operators. I was curious enough to make certain enquiries and discovered that the total market in oil products in 1964 was 259 million tonnes, 56% of which was controlled by the main oil companies and that in 1974 the figures dropped to 46%, with the independent operators' share being 10% higher.

As regards the problem alluded to by Mr Leonardi when he recommended the extension of intervention by the public sector and the overall financing of Community projects in the hydrocarbon sector within the framework of the proposal from the Commission to the Council, I would like to point out to him that at the meeting of the Council of Finance Ministers of the Community held yesterday the Ministers slashed the expenditure which the Commission had proposed for next year with a view to achieving the energy policy objectives adopted by the Ministers for Energy. The research budget in the hydrocarbons field was cut back from 40 to 25 million u.a., and the 10 million u.a. earmarked for the exploration of hydrocarbon resources were dropped, as were the appropriations intended for uranium prospecting and the loans intended to finance atomic power stations.

Mr President, ladies and gentlemen, I think I was right to begin by saying that if Mr Leonardi had to write his report today he would have written it quite differently and that the 1975/85 plan has been seriously jeopardized. I do, however, pay tribute to the Commission for its efforts to defend this plan and ensure its implementation, although so far I see no concrete results which would justify hope for the future.

(Applause)

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

Mr Krieg. — (F) Mr President, ladies and gentlemen, I have been a Member of the European Parliament for only a few weeks, but before taking my seat here I participated for several years in the work of the Assembly of the Western European Union. In December 1973 in Paris I was invited to submit a report on Europe's energy supply. At that time the Middle East conflict was just reaching its close, the situation was already serious but was destined to get even worse, and I can tell Mr Leonardi that as one who produced a report on this subject almost two years ago I was very pleased to read his report to Parliament today. It sets out, with a more up-to-date slant, a number of ideas which were put forward at that time and which were included in a resolution adopted by the Assembly of the WEU and, with the exception of some conclusions with which I cannot entirely agree, it seems to me that Mr Leonardi has made an interesting and effective contribution in this report to a problem which concerns us all and which is, let us make no mistake about it, of the utmost importance.

But the report which Mr Leonardi has presented today also provides us with the opportunity of again sounding the alarm to the Member States. I do not want to go over the technical details of this question; these have already been dealt with and will probably be dealt with again. I just want to make one very brief comment of an exclusively political nature on behalf of my Group, namely that the feverish activity which followed the oil crisis in 1973 and 1974 did not, in the final analysis, result in anything constructive, as might have been hoped, and that while this crisis plunged the whole of the Western world into a state of grave anxiety it did contain a germ of hope, the prospect of European solidarity, a hope which, we must now confess, has been sadly betrayed.

For years Europe had been awaiting the implementation of a real common energy policy. It continues to wait in vain. The setting-up of Community machinery, the fixing of common objectives, and the creation of a Community agency have all turned out to be no more than pipe dreams. And yet in 1973 and 1974 it seemed possible that the crisis affecting Europe and which continues to affect it without our being able—let us be honest—to do anything about it, would prompt the Member States to produce a coherent energy policy at last. Indeed at that time the Commission redoubled its efforts in this area.

With the full support of the European Parliament behind us we had high hopes, hopes which were

Krieg

in proportion to the extent of the crisis. Today we are compelled to acknowledge that the extent of the ultimate failure is also proportional to the loftiness of our former hopes. Despite the unrelenting and combined efforts of the Commission and the European Parliament, projects have materialized only very slowly and their realization has been even slower and more incomplete.

The Member States have not succeeded in providing the necessary stimulus for the setting-up of what one might call a real common energy market. A number of fundamental objectives were, of course, agreed upon, such as the need to reduce Europe's dependence in energy supplies, the need to develop substitute energy sources, coal, nuclear energy, geothermal power, and to curb all the forms of wastage with which we are familiar. But the Member States have remained prisoners of their individual interests and have not been able, or willing, whichever word you prefer, to get down to producing real Community programmes.

Once the Member Countries had recovered from the initial shock of the crisis their sense of purpose gradually evaporated. The crisis, however, is still there, lurking in the shadows, and we know it. Unfortunately this sort of crisis is like road accidents: every driver thinks the accident will happen to somebody else, and similarly everyone thinks that the crisis and the consequences of this crisis will affect everyone but themselves. This is unfortunately not the case. Despite the dangers, everyone is now beginning to feel that he is not directly concerned and consequently we are becoming complacent and sliding back into our former bad habits. And at the same time people try and reassure each other by spreading all sorts of rumours about the discovery of fabulous reserves of that liquid which is today more precious than ever. For some, salvation will come from another Venezuela, for others from China; alas, there is far more fantasy than fact in all this.

No sooner has this been suggested, however, than the Member States start questioning the few decisions on which agreement had been reached. The coal policy which was supposed to receive a real boost is, to put it mildly, stagnating. It looks as if the trend towards pit closures is destined to continue. Nuclear energy, which had aroused such great hopes and which, whether we like it or not, is still essential if we are to have adequate energy supplies in the future, is being combated by an ignorant, credulous and frightened public opinion whipped up by anti-nuclear campaigns, without any objective, effective information being provided in any of our countries. And yet a close examination of the

situation reveals that the improvement in our energy situation over the past few months has been brought about—and we all know this—not by a coherent policy but by weather conditions. It is not our fuel saving but two mild winters which have affected the market and helped us to economize. The cutback in the demand for energy has had the direct result of easing the oil markets somewhat and, together with the recovery of the dollar, has encouraged moderation among the OPEC countries.

But let us be quite clear about the fact that this feeling of security is only illusory and that any increase in demand stemming, for example, from an economic recovery or a harder winter would be immediately exploited by the oil-producing countries. Now, neither the Community nor the individual Member States are at the moment prepared for an appreciable increase in the price of oil or for its inevitable effects. It is with great sadness that we find ourselves forced to admit that the hard lessons of the last year or so have ultimately been of no avail and that Europe is being lulled into a false sense of security by the deceptively favourable nature of present circumstances. Of that there can be no doubt.

What can be done in a situation where there is such a flagrant lack of political purpose? What is the point of continuing to draw up plans for a community energy policy if they are left on one side to collect dust? One last thought before I conclude this brief speech: once upon a time the companions of Ulysses were enchanted by the song of the sirens. I do not wish to compare our political leaders to Ulysses' companions, nor can I compare this Parliament to an assembly of sirens, since whatever anyone may say we are obliged to admit that we have nothing like the power over our leaders that the sirens had over the companions of Ulysses.

(Applause)

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

Mr Normanton. — Mr President, we certainly extend to Mr Leonardi our sincere congratulations upon the substance of his report, and we assure him that we will be voting in favour of the motion for a resolution.

As a member of the Committee on Energy, Research and Technology, I will give and have given every possible support to any move towards the creation of positive, clear proposals aimed at dynamic coordination of an energy policy for the Community. To fill the dangerous void on the brink of which the western world now stands, we, the Community, have to adopt

Normanton

courageous and forthright measures, and the Committee on Energy, Research and Technology, under the chairmanship of Mr Springorum, has continuously been drawing the attention of the House to this fact. I must confess our efforts have met with lamentable and regrettable lack of response at the appropriate level—namely the Council of Ministers.

The House, I know, will wish to support the motion for a resolution contained in Mr Leonard's report. But I believe that this motion does not go far enough. And here, from this point onwards, I propose to be as critical in my views on the energy policy as it is courteous and appropriate to be in this debate, but I hope that the criticisms will be interpreted as being constructive in character.

We cannot ever hope to go back to the point in our industrial and economic history when Europe was completely dependent for its energy upon its own internal indigenous resources. But although we cannot go back to that state of affairs, we cannot continue a minute longer than necessary in a situation where, to all intents and purposes, we are still completely dependent for our energy—the lifeblood of everything and everyone—on supplies from areas over which we have virtually no effective control. The Community must adopt a crisp and clear approach to solving the problem by means of Community policies. I divide these policies into two parts. First, there are the short and medium-term policies. Above all, these involve speeding up by every means at our command the process of exploration on the continental shelf for reserves of oil and of gas. Having located these sources, I believe we have to extract the oil and gas from this continental shelf at the maximum rate of production. It is no good discovering a well and saving it, so to speak, for a rainy day. The rainy day is now, and it is now that we want that oil and that gas to flow.

The second part of the policy—and the two parts will have to run concurrently—must be the medium to long-term part. The Community, as a Community, must launch a massive nuclear power programme. Equally, we need a massive programme for the establishment of a uranium enrichment capacity. And, thirdly, since the atomic energy programme will give rise to an increasingly large volume of dangerous waste, which has to be dealt with, the Community, as a Community, has to establish appropriate and adequate means for waste disposal or safe storage. Lastly, because we have no intention, surely, of repeating the traumatic experiences of the last two years, the Community has got to take the broadest view in acquiring supplies

of the key element, namely uranium, from non-hostile parts of the world.

Mr President, let us be quite frank amongst ourselves, the Community has no policy for energy—only proposals. The credit for those proposals must go to the Commission and the Commissioner responsible, Mr Simonet. He cannot implement proposals if the political leadership of Europe does not have the courage to take the decision. If we are to have a policy, it must involve a number of measures.

Firstly, oil and gas from the continental shelf must flow at the maximum rate of production, as soon as possible. Conservation and depletion rates are certainly important, but Europe will continue to be exposed to the economic crisis and to be at risk until it is once more free from the political blackmail to which we have been subjected and continue to be subjected. So much for external forces.

Secondly, the Community must adopt on a Community basis a price-fixing policy for energy and for oil in particular. If those who are injecting finance and know-how into oil exploration, are going to continue to use their enterprise and their dynamism for the benefit of the Community, underpinning of the energy policy of Europe by price regulation is a must. That is again a key element in the political and economic policy of the Community.

Thirdly, the Community and the Member States must eschew at all cost the adoption of attitudes, stances or political and fiscal measures which might inhibit this rapid and urgently needed progress towards the re-establishment of a viable European industrial economy. The European Conservative Group, Mr President, is and will continue to be highly critical of those little Englanders, those petty nationalists, or should I call them tribalists, who by their behaviour are bringing uncertainty and anxiety into the minds of the very people upon whose efforts we in fact depend. We are highly critical of those jingoistic little Englanders. We are highly critical of the attitude of those dogma-ridden political fanatics as regards the acquisition and the control of oil and other sources of energy by the state. They adopt the attitude of 'hands off our oil', and they forget that oil, like other commodities which move around in the course of world trade, is a world commodity and no one who is anxious to see a prosperous economy and a rising standard of living in the Community, or indeed in any country, can ignore that fact. If they do, they do so at their peril. You cannot isolate yourself from market forces if you are dealing with commodities, and oil is just pre-

Normanton

cisely one of those. In that context we would certainly strongly support paragraph 4 of the motion for a resolution. We must guard against the attitude that any nation has a monopoly in oil. That is something which we would strongly oppose. There are those of course who create the impression that the Community is casting covetous eyes on a national inalienable oil heritage. As far as we in the European Conservative Group are concerned, that is far from the truth. There is not the slightest shred of evidence on which any political or social or national group in the Community can claim that the Community, or the Commission on the behalf of the Community, has taken the attitude that oil on the continental shelf is to be expropriated from those who have sovereignty over it.

My last point is that the Community must have an effective coordinating organization in matters of energy. On many occasions from this platform I have pressed for a Community energy agency with the authority, the power and indeed the willpower to implement, on behalf of the Community, a really effective energy policy. The International Energy Agency is merely a talking shop as I see it, and not an executive institution. We, the Community, should speak with one voice in that agency, as Mr Leonardi urges in paragraph 9 of the motion for a resolution. We strongly oppose the amendment tabled by Mr Bordu and Mr Sandri on behalf of the Communist and Allies Group. A Community energy agency would be complementary to the International Energy Agency, not in conflict with it.

Two years ago Europe was hit by the most disastrous economic event in recorded history. For two years, Mr President, we have been talking and talking and talking. The economic depression created by that political event has shown that Europe has still not been able to achieve a coordinated approach in dealing with the problem. The Community is suffering acutely now and will continue to suffer acutely until we have such a policy. If the balance of payments is critical now, when industrial activity is at such a low level, what will be Europe's position if and when it comes out of the depression? Time is not on our side. The Community demands action, and that must be Community action, the only action upon the basis of which we will ever get out of this disastrously dangerous economic and industrial situation.

(Applause)

President. — I call Mr Burgbacher.

Mr Burgbacher. — *(D)* Mr President, ladies and gentlemen, everything that needed saying seems to have been said and I am afraid that in much

of what I have to say I shall be echoing previous speakers. I shall therefore be brief.

Firstly, I share the view of those who said the oil crisis was not over but was still lurking under the surface for reasons bound up with current economic trends and the climate. The universal drop in the demand for oil has nothing to do with the real demand but has been due to the mild winter and in particular to the recession and stagnation in our economies. This, however, is a deceptive phenomenon which will not last. Indeed, it would be a bad thing if it did. It is to be hoped that the demand for energy will recover. Up to now nothing has been done to develop substitute sources of energy. This is a tragedy, since we are well aware that any investment in the field of substitute energy—whether coal, lignite, nuclear reactors, refineries, gasification or liquefaction plants—needs seven to ten years to produce results.

The oil-exporting countries have drawn an inference from this which is hardly reassuring. They reason roughly as follows. The Europeans' argument that their economies would run into difficulties or even collapse as a result of higher oil prices does not hold water, since otherwise Europe would most assuredly have striven to find substitute energy sources. This, however, as everyone knows, they have not done; the prices can therefore be absorbed.

This view is supported by the fact that in this year of grace 1975 there are only four years left until 1980 and only nine years until 1985. It is therefore extremely doubtful whether these substitute sources could be obtained even if they were wanted, and no regulation has been laid down to afford these substitute energy sources a degree of protection against oil dumping, and such protection is essential.

Another, perhaps more serious danger can be seen in the increasing tendency to coordinate the negotiations on raw materials prices and negotiations on oil prices; by holding them at the same time or through committees or in other ways. This can only be to our ultimate disadvantage as all exporters want higher prices. We are the only ones who have to try and keep prices down and it is easy to imagine what this could lead to under the political pressure of the world or the UN.

I should now like to consider briefly a particular angle which has not yet been mentioned here. I am referring to the economic and social aspects. I trust everyone in this House realizes that energy is the life-blood of our economies and that they cannot live without it. Our productivity and the competitiveness of our exports depend on the quantity of energy available.

Burgbacher

Moreover, a large quantity of energy for production makes it possible to pay workers better wages. If energy is no longer available in sufficient quantities overall income cannot be maintained at the same levels. I would respectfully ask you to give very careful thought to this point.

History shows that the supply of energy available and overall incomes are closely correlated. It is not Europe which leads the world in energy supplies but the United States, which has three and a half to four times as much energy as we have. This is another point which we must not lose sight of. The limits of economy are therefore clear. Waste can and must be eliminated.

Rationalization implies capital spending in order to provide the equipment and installations which make this rationalization possible. And many of our citizens will grudge this expenditure because the returns may well be no more than the energy advantage resulting from this rationalization. But the real limits of economy lie in production. The productivity of our economy cannot be allowed to drop as a result of reduced energy supplies. Energy is absolutely vital and I would even say that we must have it at any price because it is even more important for the production than physical power.

I would lay the greatest stress on these consequences for the economic situation and incomes, matters which cannot be summarized in a few sentences but which one can read up about and which are real facts of life, and I would also emphasize the need to get down to the job of finding substitute energy sources. The Committee on Energy has for years been issuing warnings about our dependence on oil and the neglect of indigenous energy sources. It has now repeated this warning, and this time let us hope it will not be in vain. Let us hope that the economic and social fact of the indivisibility of energy supplies, competitiveness and incomes will sink in and that we shall be forced to act.

It is not the Commission which must take the blame in this matter, but the Council. The Council must start taking note of our protests about the neglecting of the energy policy. Our awareness of the connection between overall income and competitiveness obliges us to protest. We must protest because this is a battle which, once lost, can never be fought again. Those, then, are the few comments I wished to make.

(Applause)

President. — I call Mrs Ewing.

Mrs Ewing. — Mr President, there is much to agree with in the report as regards the stabili-

zation of consumption of energy, the excessive dependence of any bloc of nations on any particular source of energy, the need for greater cooperation, the exchange of information and, as the last speaker has just said, the policy on substitute energy.

The House will perhaps not be surprised if, since I represent the Scottish National Party, I have something rather particular to say on the matter of energy in view of the fact that a great deal of oil has been found in the Scottish sector of the North Sea which is under the jurisdiction of Scots law. Indeed, oil has been found adjacent to the Scottish coastline, and this coastline may suffer, Mr President, if greed figures too prominently in the extraction of this valuable substance out of the sea without regard to the interests of those people who live beside it.

Throughout the referendum campaign, the official spokesmen of the European Movement and of the pro-marketeters from various parties in Westminster gave assurances to those of us who voiced the criticism that one effect of UK membership of the EEC could be to limit United Kingdom control over the oil in the North Sea—and in this regard I am speaking not only as a Scot, but also as a citizen of the UK—that in three areas of decision-making, namely the rate of extraction of the oil, the prices to be charged for the oil and the markets to which the oil could be sold, there would be no interference with UK sovereignty. Now, my party and members of other parties made accusations at the time that these were perhaps empty promises. The referendum voted 'yes' in the UK, and the result of the referendum was accepted by my party and by all the other democratic parties in the United Kingdom. This House should bear in mind, however, that so far as Scotland was concerned, the vote was a narrow one and that the majority either did not bother to vote or voted against entry. Since the referendum there has been an upsurge of goodwill towards this Community and towards this Parliament. There has certainly been an enormous upsurge of interest in all that goes on here, and I would like to think that there is even a feeling of hope that this Community and this Parliament will have the interests of all parts of the Community at heart. But if it should turn out that the assurances about the absence of interference in these three vital areas of decision-making were empty assurances, then I would warn you—very carefully and with great respect as a new Member in this place—that the goodwill that I think exists might be very quickly, certainly in Scotland, translated into grave suspicion. I am not alone in uttering such fears, because the Select Committee on European Legislation appointed by the

Ewing

House of Lords warned all the Members of the British Parliament to watch out for erosion of British sovereignty in energy matters, particularly in regard to North Sea oil. I have read Lord Bessborough's statement to the press that the British Government should give more information about future plans, and I can see no harm in this whatsoever, because in the world today surely the more open we are in the exchange of scientific information the better we will all be for it. If this is all that is in the resolution—and Lord Bessborough's statement seems to bear this out—then I would suggest my fears must be groundless. But I wonder whether, in what seems to me the fairly difficult language contained in the working document, there is not a hint that an energy policy from this place might indeed attack those three areas of decision-making.

There was a period of gloomy economic predictions in which in Scotland economists of all types said that Scotland might be the only country in the world to discover oil and be worse off than before.

That is partly why we have a particular message to deliver to this place. We understand that nobody wishes to be held to ransom by a few oil-producing countries, but there is just a hint of unreality to me in this debate since the oil happens to be in the territorial waters of Scotland and Scotland has never been mentioned. After all, as part of the UK, as we are at present, we are an oil-producing country. I have listened with the greatest interest to the speakers and taken notes on many ideas, with many of which I agree. Mr Leonardi referred to an energy policy and said every one should enjoy the benefits, but, Mr President, who is going to enjoy the disadvantages? The disadvantages of being in the place from where the oil comes and where cities are suddenly invaded by hordes of people for whom there are no houses or schools, so that the local communities cannot cope any longer with the situation? There is a risk that a way of life which I think is as good as any in the world may be jeopardized for ever. Once you jeopardize a way of life, Mr President, you cannot just restore it by urging platitudes on this House or any other distinguished assembly. The position in the United Kingdom is that Scottish oil reserves are worth at current prices twenty-three times the gross national product of Scotland and the importance of the oil industry is such that we cannot allow decisions affecting it to chip away the substance without it being ensured that the main benefit accrues to the person who suffers the most from the exploitation of this great national resource—or international resource as oil must be accepted to be. If Scotland is not to benefit most and suffer most at the same time, then we will

be embarking on international non-cooperation, in which injustices are going to be inflicted on the country that I have been sent here by my party to represent. In case any one is not aware of it, my party is the second largest in terms of votes, being only 5% behind the Labour Party and 5% ahead of the third, the Conservative Party.

The gross domestic product of the five million Scots in 1973 was £5 300m. That means that by 1980, Mr President, the oil component in the balance of payments could amount to 68% of today's gross domestic product and government revenues would be 62% of gross domestic product. Even if a more pessimistic view is taken—and I am quoting from the *Economist*, not from the Scottish National Party—and North Sea oil fell to \$8 a barrel by 1980, a Scottish Government, if it existed, would enjoy an oil trade surplus of £2 500m and oil revenues of over £2 000m. The *Financial Times* of 14 August 1975, talking of the harsh decisions that the UK has to make, said: 'For any government it is a forbidding task, but there is one bright spot: North Sea oil in the present quinquennium will produce a growth of revenues which practically cuts the task in half. Perhaps after all'—says the *Financial Times*—'God is an Englishman.' Well the Scottish National Party dares to think, Mr President, perhaps that he may be a Scotsman!

I make the point: is this resolution interfering with the three vital areas of decision-making, namely the rate of extraction of the oil, the prices to be charged by the United Kingdom government and the markets to which they may sell it. If it is, I think we should say so quite openly now. I would ask this House to remember that the cost of extracting this oil from the North Sea could be very punitive in terms of the sociological and cultural effects on many people. Mr Springorum asked us to be terribly sympathetic to the problems of the American oil companies. Can I say that I take this request with a great degree of scepticism. The American oil companies have very good public relations officers going round Scotland's universities, chambers of commerce and so on asking us to shed tears over the difficulty they will have in making profits out of the North Sea. Nevertheless, none of them shows the slightest intention of leaving the North Sea, and I may say that statistics indicate that we have fewer dry holes in the North Sea than in any of their other drilling operations in the world, although I do not underestimate their task.

(Applause)

President. — I call Mr Osborn.

Mr Osborn. — Mr President, I had intended to talk on the report, a very excellent report by Mr Leonardi, but it looks as though this debate may deal with the erosion of British sovereignty and comment on the Lauderdale Report, which I have read with very great interest. Mrs Winifred Ewing seems to indicate that Scotland now resents its prosperity, resents the invasion of the oil companies. I can assure her that Yorkshire rather regrets having missed the prosperity that has hit Scotland and that Cornwall, Devon, Somerset, Dorset, Wales and the English Channel hope that they will enjoy similar, and perhaps even more, prosperity. Then perhaps Scotland might value the opportunities that lie ahead of it. It is not my task to battle with other countries bordering the Celtic Sea and Scotland; my task is to come back to the report before us, which deals with very difficult problems.

First, we have a motion for a resolution, and I think Scotland might be pleased about paragraph 3 of that motion, which states that there should be an endeavour to stabilize the consumption of crude oil. It is true that as large a proportion as possible of crude oil consumption in the foreseeable future should be met from Community deposits, but there must also be some agreement on what is a reasonable rate of extraction.

Paragraph 5 refers to the need to improve the efficiency of energy utilization and to eliminate waste. This, I hope, is a step forward.

I come now to paragraph 6. We need information on investment projects and planned and effected imports of crude oil and natural gas. Am I right in assuming now that the oil companies are cooperating to the full, as it is in their interests to give this information?

Finally, paragraph 9 states that the Community should speak as one voice within the International Energy Agency. At this time the oil-producing countries are meeting to determine their future pricing policy. I have read in press reports that the price of petrol in Britain may go up another 8 to 10p to 81p a gallon. But I would like to hear the Commission's views on what policy the Community should now adopt with regard to the oil-producing countries to see that its own interests are covered. Obviously there must be agreement between the ministers of the EEC, and I regret that this agreement has been hard to find. But what can we do, as parliamentarians, with our own governments to ensure that Community interests are safeguarded? Obviously we must stay in contact with other oil-consuming countries in order to keep under continuous review the availability of oil and the price at which it will be available to us.

Now, because so many have talked of the alternatives, the temptation is to launch out into an energy debate, but I hope to speak in the next debate on the electricity industry. Mr Burgbacher pointed out that the economic recession, the warm weather, and perhaps the absence of cold winters have made the situation appear more favourable than it really is. If the Commission agrees, I hope it will not hesitate to underline the warnings given by previous speakers because those who have a knowledge of the problem do not see the energy crisis as a vanishing one, but one which is still with us and lying dormant. What reduction in real demand has been achieved as a result of energy saving measures and what success have we had in using other sources of energy? I have raised and will raise again the question of the extent to which we can use liquid petroleum gases either from the Middle East countries or from the North Sea, or even waste gases from our old coking plants and other sources. Wastage must of course be stopped wherever possible.

Returning now to the report, I am a little alarmed at Mr Leonardi's suggestion, in paragraph 42 of the explanatory statement, that at the level of individual countries there should be more intervention by the public authorities. I think that perhaps he should explain what this means.

Paragraph 49 reiterates this statement with the proviso that there should be improved information and a widened scope for intervention. It then states that 'the device of joint undertakings, a special instrument laid down by the Treaties for the implementation of Community policies should be one of the means used to this end'. What does this mean? I should like to hear Mr Leonardi's comments and perhaps the Commission's comments because they may be of interest to the present government in Britain. The oil companies, of course, are concerned about intervention, but have we not seen a striking example of intervention in the North Sea itself? Intervention by the British Government. I have before me the bill, the Petroleum and Submarine Pipelines Bill, which has created the BNOC (British National Oil Company). Has this State intervention frightened away the oil companies? The press and Lord Lauderdale's report indicate that this is the case.

Going back to the report, paragraph 59 suggests that 'the Community would find itself at the mercy of decisions external to it, thus depriving itself of independence of decision and of any possibility of working out a common policy in this sector'. Reference is then made to discussions between the EEC and the USA. To what extent are we at the mercy of other countries?

Osborn

I raise this also in relation to paragraph 64, which states that we are completely tied and must resign ourselves to permanent and unavoidable insecurity. Mention is made of Community stocks, and I must once again ask: Have they been raised to 90 days in every country, and what is now the position?

Perhaps before I finish, Mr President, I had better come back to the House of Lords Select Committee. When we are dealing with British sovereignty and North Sea oil we must consider two factors. One is intervention by a British government or a state corporation. To what extent has the state gained power at the expense of private finance, and what are the consequences of this? The second factor is much more important. What is the present cost of extraction? Six months ago it was agreed that the investment for the extraction of a barrel of oil in the North Sea was 10 times that in the Middle East. As Mr Springorum and other sources suggest, the cost of extraction may be above this figure. Now, the question whether the cost of production can match any change or reduction in the selling price determined by others concerns the British Government as well as the oil companies. Britain would look stupid if the European countries—perhaps our best market—were to find North Sea oil too costly if the OPEC countries chose to reduce prices in two or three years' time. Yet we still have an asset in Europe alongside Britain. Having invested so much money in extracting oil, it could be fatal to delay that extraction because the cost of keeping the rigs and the production platforms going without extracting the proper weight would make the costs of oil that much higher.

For this reason, perhaps, we are concerned in Scotland, we are concerned in the United Kingdom, that the markets established should see us through thick and thin. It is in Europe's interests to reach an agreement with Britain and Scotland and the oil companies to take oil at a given rate whatever the outside fluctuations in price. If this is not done Scotland might find itself the possessor of vast assets which are useless—oil being produced at too high a price.

I do not fully agree with Lord Lauderdale that we should fear for British sovereignty in the matter of North Sea oil, but our producers in Britain are concerned about a stable price structure. We want the help of likely markets for it. We are concerned about the markets, and we are concerned about the rate of extraction. Surely this is something that can be a matter of agreement between producers and users. Producers can be very arrogant when they are in a monopoly or semi-monopoly position. I am not talking

about the Arab countries. I am talking about some of the new producers, particularly when they are state-owned and when their neighbours are rather insular in their outlook. Therefore I very much hope that the Commission will take note of Mr Springorum's warning. I do not accept that this is a go-ahead for coal, but I do accept that all sources of energy must be kept under continuous review and electricity promoted wherever possible, perhaps even in the field of transport.

Mr President, I was going to touch on fuels and forms of transport, since these are really very relevant to the subject, but perhaps I have spent too much time on the whole question of sovereignty as regards North Sea oil and its relevance to the Community. This is an asset which exists in the North Sea and perhaps round the coasts of the United Kingdom and off the coast of Europe. What is essential is that we work and use that asset together and there are many in Britain who do not regard it as in our interests to seek different markets, unstable markets, insecure markets when perhaps we have stability close at hand.

(Applause)

President. — I call Mr Hamilton.

Mr Hamilton. — Mr President, I want to take this opportunity of saying a few words in a personal capacity and expressing some considerable reservations about the policies implied in the report so ably presented by Mr Leonardi.

We all, in this Assembly, I hope, support in principle the need for maximum cooperation in the solution for our common European problems and not least in the field of energy production and consumption. But I would be failing in my duty, I think, if I were not blunt enough to state my own belief that the present Government in the United Kingdom, which I support, and the great majority of the Labour Party in the United Kingdom, have no present intention of losing control of our energy policy or any of our indigenous energy resources. We have no intention of giving up, without qualification, control and ownership of our North Sea resources. The rate of extraction of the oil and the gas, and their disposal, will remain within the control of the United Kingdom Government. Excessively rapid exploitation of these finite resources, which will one day run out, could be detrimental to the British national interest and in the long term to the European interest.

Reference has been made to the recent report produced by our Second Chamber, the House of Lords, on the various proposals about energy coming from Brussels; that report was critical

Hamilton

of virtually everything that has emanated from Brussels in recent months. I myself do not go along with all the comments made in that report but I do assert that the various proposals that have been put forward by the Commission Assembly are based on too many dubious statistics and the omission of too many vital factors. I am referring, for example, to the assumption that nuclear power could provide 16% of Europe's energy by 1985 and the facile brushing aside of the alarming safety and environmental factors involved in such a policy. My own guess is that whatever this Assembly and whatever the Commission might propose, the present Government in London will, in the Council of Ministers, block any proposals which could threaten the national interest of the United Kingdom.

The previous speaker from the Conservative Party in Britain and Mr Normanton, also a Conservative speaker, have expressed regret at the present British Government's intention to make public participation a major element in the exploitation of North Sea oil. We make no apology for that policy. Indeed there are some of us who think it ought to go much further. North Sea oil is a national resource and ought to be nationally owned, and we are not prepared readily to relinquish that to Europe.

(Cries of 'Hear, hear')

The United Kingdom is in an extremely strong bargaining position, and we do not intend to relinquish that any more than other members of the Community are willing to make concessions to our views on the absurdity, for instance, of the common agricultural policy.

(Mixed reactions)

What is good enough for them, what is good enough for those who support the common agricultural policy, is good enough for Britain in supporting our national industry as far as energy is concerned.

(Cries of 'Hear, hear')

I just want to issue these warnings as a good European. I am a good European just as a Frenchman is a good Frenchman, but I am also a good Britisher, and I have regard for the national interest as well as the European interest. The European Commission and the committees of this Assembly will have to come up with something much more in keeping with the hopes and the aspirations and the determination of the present British Government before we are prepared to accept the kind of proposals which are before us today.

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission.
— *(F)* Mr President, Mr Leonardi was not, of course, able to mention in his report certain recent events—and I am thinking in particular of the failure of the Ministers of the Community to reach decisions on its budget, and more particularly certain matters relating to the exploration and prospecting for hydrocarbons by the Community—but I think he has done an excellent job. Indeed, his fellow Members have not failed to tell him so and congratulate him on the quality of his report.

I myself have no criticism to make of the general drift of his report. At the very most I would say to him that on one or two points, and not unimportant ones, he has perhaps been a little too hard on what has been done so far. I am thinking in particular of what he said about the information machinery which the Commission is trying gradually to introduce in order to monitor and assess the movements of crude oil and oil products between the Community and third countries. This system can, of course, still be improved and I hope it will be, but I feel it perhaps deserves to be judged rather more favourably than Mr Leonardi has done. Apart from this reservation, there is, as I say, nothing in Mr Leonardi's report which would cause me to make any criticism or observations or propose any amendments.

There is another reason why we must thank Mr Leonardi and the Committee on Energy for submitting this report, and that is that the debate has allowed the airing of a number of extremely interesting points of view which on the whole represent a regrettably accurate diagnosis of the present situation. It is a fact that, over the months, while the pressure of high energy prices on the economies of the West and in particular the European economy was, as it were, absorbed by the countries of the Community, and while other problems which were in no small way related to the oil price situation, distracted the attention of the governments—I am referring in particular to the combination of inflation and recession which we have been exposed to for several months—while all these facts have become increasingly more apparent in the economy and to public opinion, the enthusiasm of the governments to find swift solutions to the problem of obtaining energy in more favourable conditions has waned appreciably and the sense of urgency which gripped public opinion in the months following the crisis and which prompted the governments to cooperate in the search for common solutions, has also faded quite considerably. Indeed, it was this realization of the acuteness of the crisis which prompted international cooperation and led to the setting up of the International Energy Agency, and we had

Simonet

the right to hope that out of this feeling of the absolute necessity of acting collectively there would arise a common energy policy.

However, if one disregards the individual measures, though they are not entirely insignificant, and if one also leaves out of consideration the highly general resolution which defines the objectives and main guidelines of energy policy for the 1975/85 period, nothing has been done.

The governments, business circles and some sections of the press have for some time been deluding themselves with increasingly reassuring scientific forecasts: there is a surplus of oil and therefore prices are bound to be stabilized sooner or later, potential oil reserves at least as large as those in Saudi Arabia have been discovered in China and in Venezuela and will one day be tapped. Some commentators believe that it is after all possible to come to an understanding with the oil-producing countries and that there are internal divisions in OPEC. Other, somewhat different interpretations of the situation can also be heard: there is enough oil in Europe, it is said—either under British jurisdiction, or under Scottish jurisdiction, or under the jurisdiction of a region of Scotland, which in turn would fight any Scottish national authority for the right to control and dispose freely of North Sea oil resources—for us to cope with all our supply problems. And of course, as the charming Scottish lady said and another gentleman too, though I could not quite make out whether he was European, English, British or Scottish, but anyway he spoke English, we intend to retain exclusive control of this precious resource, we shall exploit it as we wish, at prices which we shall ourselves fix and outsiders will have no say in the matter.

This dialogue is not a new one. I have on several occasions already attempted to dispel certain prejudices and fears, but it would appear that Scotland, which is, as they say, the homeland of ghosts, is indeed permanently haunted by phantoms. And as phantoms, by definition, cannot be killed, I suppose I could go on explaining for another ten years that this oil, which I shall refrain from qualifying in order to avoid becoming involved in the internal quarrels of the United Kingdom, is a national resource, that its exploitation is governed by decisions taken by the national authorities, that the price will be fixed by the national authorities and perhaps also by those who will be responsible for selling it. After all, it is not enough just to produce oil. When a product is made, there have to be people who want to buy it and if they are offered the same product at lower prices elsewhere it is quite possible that they will end up buying

elsewhere, even if that means behaving in a deplorably un-European way. However, I shall not dwell on this point any longer since it is something I have given up trying to explain.

I shall confine myself to the statement that the Community as a whole and each of the Member States are at present dominated by an attitude of mind which will have the ultimate effect, both in energy policy and perhaps in other fields too, of our doing nothing at all. As I said earlier, we are being lulled into a false sense of security. There is no such security because the reserves which everyone is talking about and for which fantastic figures are being bandied about still have to be exploited. It is quite true that there are no problems as regards the quantity of energy available. Everything depends on the price. As long as you are prepared to pay 30, 35 or 40 dollars for a barrel of oil or the equivalent in another form of energy, you will always find all the energy you need. But some countries will not be able to pay this and will have to reorganize their economic policy radically, which will entail a complete break with the rhythm and nature of the economic progress we have experienced for the last twenty-five years.

Let us not delude ourselves! There may well be enormous reserves in unknown or inadequately explored territories, but that will not be enough for the next five or ten years which, as we know, are going to be difficult ones. It does not allow us to say that the problem has practically been solved.

A second point is that those who rely on certain splits in the OPEC bloc are also deceiving themselves. Some of the OPEC countries are, of course, having serious difficulties at the moment, and if these tensions persist we may at last be able to hold serious talks with these countries with a view to stabilizing prices. But I have never heard of anyone who had a monopoly giving it up for nothing. The Labour members, who have perhaps had more union experience than other Members, will remember that in the 19th century—it was then I believe that the union movement started—any employers who were the least bit organized could easily lay down the law to the workers, who were isolated. It was not until the enormous transformation brought about by the union movement that the balance of forces became more equal and negotiations became possible. How can one, then, expect the Middle East countries or certain countries in Western Europe or even in the Community, knowing that they have complete control over a rare and coveted resource, to evince suddenly a philanthropic attitude which one rarely encounters among individuals and,

Simonet

to my knowledge, never between states and decide to offer the industrialized countries oil on the same terms as in the sixties and at prices which we would deem consistent with our economic interests.

Either an energy policy will be devised enabling the Community to make its voice heard—and believe me, the collective voice of the Community will carry more weight than the isolated voice of each of the Member States—and then we shall have much greater influence in the concert of industrialized nations and vis-à-vis the developing countries, and in particular the oil-producing countries, or else we shall run the risk of finding ourselves within two, three or four years in a situation which may well be just as difficult as the one we have faced over the past year.

Consequently, Mr President, I think Mr Leonardi's report can count on the support of the Commission and, I hope, of Parliament. I also think that Parliament has an extremely important task to perform, a task which is incumbent on all parliaments and which involves compelling the executive to understand the consequences of their failure to act and making the people realize that we may be struck by another crisis similar to the last one if the powers that be remain inactive.

I shall conclude, Mr President, with a remark regarding the forecasts given in the Commission documents. I think it was the last speaker who pointed out the dubious nature of some of these forecasts. As you know, I do not believe in the infallibility of statistics. There are two aphorisms you are probably familiar with which show how relative is the value of any set of statistics. According to the first 'after women and gambling, statistics are the surest road to ruin'. The second, which is usually attributed to Disraeli, states that 'there are three kinds of lies, lies, damned lies and statistics'. In other words, my attitude to statistics is highly objective and sometimes extremely sceptical. Nevertheless, these particular figures seem to me to reflect two things to which Parliament must be extremely attentive. Firstly, even if they are inaccurate and need to be adjusted, they indicate a definite trend, and this trend reflects the Community's resolve to be less dependent on imported energy and to develop autonomous sources by giving priority to nuclear energy. That, I believe, is the basic political point here.

The second thing which seems significant to me is that these statistics not only indicate a particular trend, but also reflect a political willingness to reorganize the whole supply situation and to enhance the independence of the Community.

We can go on debating the figures, but if we cannot agree, firstly, on the trend which they indicate and, secondly, on their political consequences in terms of action there is no point in continuing to talk about the common energy policy. In that case we might as well go on discussing the need for the individual states and for the Community as a whole to get together and face a challenge which in any case affects them all and to which they will have to find an overall solution.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, this morning I asked the Commissioner some questions in a rather hostile spirit; this afternoon I would like to put two questions, aimed at clarification of what the Commissioner has said, in a spirit which is not at all hostile, but genuinely seeks information.

My first question relates to what Mr Simonet said about the decrease in the interest shown by Member Governments in finding alternative sources of energy. On the basis that a wise man mends his roof after the storm and before the next storm, and at a time when it is not raining, I would like to ask the Commission how it sees its role in pleading with Member Governments to do something about this urgent matter before the next catastrophe strikes us. I suspect that Mr Simonet is quite right when he says that there is no longer the same urgency about it as there was about 18 months ago. I think it is true that governments have become very complacent and we have all become rather used to the problem—until the next crisis.

Secondly, could I ask the Commissioner to explain precisely what he meant when he said that if oil from the North Sea turned out to be markedly more expensive than that produced in other places in the world, the European countries could buy elsewhere. I do not doubt that this is true, because it would be a rational economic decision to do so. But I think the Commission ought to say precisely what its projections are on the price of North Sea oil over, say, a five or ten-year period. I would also ask the Commissioner to expand on his aside that of course we must not be surprised if certain countries were to behave 'in a deplorable way'. This ought to be explained because we ought to know the truth about it; I for one would agree with him and say a situation could arise where there is a considerable gap in development if some of the Member States are committed to this vast expense in the North Sea without due regard to other sources. I would ask the Commissioner to comment on this subject.

President. — I call Mr Simonet.

Mr Simonet. — (*F*) Mr President, in answer to the honourable gentleman's first question I can tell him that the Commission intends to submit to the Council, by the end of the year, a package of proposals, the approval or rejection of which will, I believe, show clearly whether the Council is resolved to continue working to achieve a common energy policy worthy of the name. Either the Council will accept these proposals, in which case we can expect to have, within a reasonable period of time, an energy policy implying a number of rights and obligations for the Member States but also giving the Community greater influence in international negotiations and reducing its dependence on the outside world by increasing its own internal production; or else the Council will reject the proposals and in that case I shall be inclined to suggest to the Commission that it should stop performing this pointless ritual and draw the conclusion that the Member States do not want a common energy policy after all.

In reply to the second question, I must confess ignorance, because I have seen so many forecasts of the probable price of North Sea oil that I would prefer not to commit myself. I do not know with any certainty at the moment, unlike some people who are claiming that production costs will be ten, fifteen or twenty times as high, what will be the cost of producing North Sea oil. One thing is clear, and that is that production conditions are proving more difficult than they appeared to be two years ago. Secondly, I do not know what amount of tax the British Government will eventually levy on each barrel of oil extracted from the North Sea. Nor do I know how the exploitation of the oil will ultimately be organized. Will it be by semi-public corporations? Or by private companies? Or by nationalized bodies? I have no idea what will eventually be decided and I therefore do not know any of the details which I would need to know if I were to reply to the honourable gentleman's question with a reasonable degree of accuracy.

What I can tell you, however, and I do not think that we disagree on this—it is indeed, I believe, something I have already said in this House—is that there is a contradiction in the attitude which consists in asserting one's determination to settle the problem of North Sea oil alone, and at the same time expecting one's neighbours to provide a market for this oil when one wants to sell it. It is rather strange to note that the people who say this are the same ones who assert the pointlessness of a European energy policy since, in the long run, we will not know

what to do with the oil. But if one does not know what to do with one's oil because there is too much of it, one must sell it, and this brings me back to the argument I used a few moments ago. I think it is true that if each state ends up settling its energy policy problems individually there will be a fairly natural tendency to seek supplies from the least expensive sources.

The conclusion I draw from this, therefore, is that I do not know what will be the exact price of North Sea oil, though I can assure you that I have not come here to preach the European gospel. I fail to understand, however, what possible advantage some of our British friends can see in sitting on the treasure they have discovered, and on which, incidentally, we congratulate them. They live in an open economy, after all, they are not producing this oil in order to consume it all themselves, they will export some of it, and I think it is in their interest both to have guaranteed markets and, in view of the tremendous costs involved and the current financial and economic situation of the United Kingdom, to be able to count on help from outside. This seems to me to be a matter of common sense. However, people are perhaps not always ready to listen to common sense, and for that reason I shall sit down and not take up any more of your time.

President. — I call Mr Leonardi.

Mr Leonardi, rapporteur. — (*I*) Mr President, as rapporteur, before briefly replying to some of the points raised, I should first like to express my thanks to those colleagues who have spoken, and to Mr Simonet.

Mr Hougardy is indeed right in saying that my report was drawn up a few months ago and would have been very different if I had had to write it today. I have therefore tried to draw attention to a few fundamental principles which are as true today as they were a year ago and as they will continue to be for some time to come. Mr Hougardy also mentioned that the spirit of our report reflected that of the Commission's report on the long-term programme and this is in fact quite true. I used this approach not only as the rapporteur of the Committee on Energy, Research and Technology but also as a member of my political Group, and obtained a favourable vote on the Commission's proposal. It was in fact the first time in matters of energy policy that the Commission not only based itself on forecasts, but also committed itself to a policy of assistance. This, I hope, replies to Mr Hougardy's observations.

Leonardi

I should now like to consider a few points raised by Mr Springorum and some of the other speakers. It really is disheartening that this Parliament, at least since I became a Member several years ago, has repeatedly dealt with the question of an energy policy but has never succeeded in getting one implemented. At first the delays were justified by the argument that oil was cheap, and the discussions centred on whether or not it would be right to dispense with coal. However, when the energy crisis erupted, it seemed likely that the pressure of public opinion would be sufficient to overcome this obstacle. Yet now we are in danger of returning to our illusions, of refusing to do anything concrete or make any commitment towards an energy policy despite the Commission's efforts in this respect.

Mr Springorum is perfectly right—nothing has yet been done even on the most urgent measures for eliminating the most obvious causes of waste. Heating in most homes is still higher than it need be, and windows are still left open when the heating is on. It may be argued that these are 'isolated cases'. Indeed they are, but they demonstrate the general lack of good habits. For unless we develop good habits with respect to energy we shall be unable to draw up and implement an energy policy which will eliminate waste and ensure alternative sources to meet the medium and long-term requirements. It should be realized that unless we can get individuals to do whatever they can to solve our immediate problems we shall never develop a willingness to undertake larger commitments. Furthermore, if we are unable to take the necessary initiative we cannot expect others to take it for us. On this I fully agree with Mr Simonet.

I therefore share these views, I share the general impression of the danger we face, of the illusion that since the financial deficit is less than forecast, since there is no further threat of what might be called the physical restrictions imposed on us at the end of 1973, things are going to be just fine. I do not believe this. I believe that things will be fine only if we show sufficient resolve and sufficient effort to make them so.

Both Mr Hougardy and Mr Simonet pointed out that the Council of Ministers has again displayed this attitude by reducing some of the financial commitments in this area. Naturally, I was unable to mention this in my report.

May I now turn to the queries raised by Mr Osborn in connection with what I said in my report on the subject of public intervention. I must point out—as indeed I did in my introduction—that the request for public intervention starts from the principle that our society is, and should continue to be, pluralistic,

and that it should be run democratically. We raise the question of public intervention because our energy programme is not simply a forecast, as energy programmes used to be, but a programme with specific objectives, and if these are to be attained thought must be given to assisting projects for extracting Community oil. In this way it will be possible to finance, or help to finance projects of this kind. This is a typical case for public intervention. But not only market forces are involved. There is now a form of public intervention which did not exist before, but which is considered necessary today to promote specific projects.

We therefore all agree on the need for public intervention. However, as you well know, there is one thing on which we shall not agree—on how the public intervention is to be supervised. But even if we cannot agree on this I would say to any who doubt whether I have used the right term in my report that this is a real case of public intervention. When you say that in view of the threat of a sudden reduction in the prices set by the producing countries we must protect our investments in the development of alternative sources, then you are asking for public intervention, and quite rightly so, as without such assistance it would be impossible to think of creating sufficient enthusiasm for the investment of private savings. Perhaps we can only accept this in connection with research on alternative supplies, yet it cannot be denied that this too is a type of public intervention. And so I could go on, demonstrating that there is nothing oppressive or anti-democratic about public intervention. Indeed, I believe this is one of the reasons why it is so difficult to achieve common policies like the energy policy which, as it requires joint action, also requires public intervention in a society where forms of private investment and public investment—private activity and public activity—necessarily coexist.

I should now like to turn to my Scottish colleagues who were concerned about their independence and national responsibility for administering their resources. I would say that Mr Simonet has already gone a long way towards answering these fears. There is however no doubt that if you belong to a Community, you have to manage your affairs in the context of that Community and this can entail commitment and sacrifice. I certainly do not wish to return to the old question of national sovereignty on this occasion, as if I did we could go on forever. But I should like to draw your attention to the fact that peace in the world today and the well-being of its peoples are based on the assumption that countries are interdependent and on the need to recognize that politics nowadays consist largely of knowing how to manage

Leonardi

this interdependence in a democratic way. This forms the very basis of modern politics. In the Community, our interdependence is stronger than in the world as a whole and we must therefore get used to learning how to manage it democratically. If at times this requires our countries to surrender some of their sovereignty, then they must do so. The only problem which arises is that of obtaining sufficient democratic controls to ensure that the interests of the various countries and regions are respected. Far be it for me to reopen the debate on this point. However, since the same old problem has been raised in the context of energy I feel I must express our opinion on it.

That is all I have to say. The real problem is to realize that we are sliding back into the old position of stating that we want an energy policy without doing enough to introduce one. Our governments are certainly largely responsible for this. We, as Parliamentarians, must do all we can, both here and in our national parliament. By this I do not intend to suggest that we all agree, as otherwise we would not all hold different political opinions, but I do believe that we can all reach agreement on some of the objectives. The problem will thus be to achieve them by routes which we all assess differently. *(Applause)*

President. — Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 8 to the vote.

The preamble and paragraphs 1 to 8 are adopted.

On paragraph 9 I have Amendment No 1, tabled by Mr Bordu and Mr Sandri on behalf of the Communist and Allies Group and worded is follows:

‘Paragraph 9

Amend this paragraph to read as follows:

“9. Stresses that a Community energy policy is incompatible with EEC States’ membership of the International Energy Agency;”’.

I call Mr Leonardi.

Mr Leonardi. — *(I)* Mr President, allow me—simply as a Member of this House, of course, and not as rapporteur—to give a brief explanation of this amendment, on which I shall be asking Mr Springorum as Chairman of the Committee, to give an opinion. As I have already pointed out to the Committee on Energy,

Research and Technology, our final vote depends on this amendment.

The reason for our amendment is extremely simple. Objectively, the Community situation is radically different from that of the United States. As I have said before, the Community will in the foreseeable future have no choice but to import oil from outside. The United States is not in the same position. In dealing with the producing countries, we must therefore have a policy which absolutely guarantees supplies and, as you know, I believe this requires us to create bonds of mutual dependence between the producing countries and the Community, so that these countries are as dependent on us as we are on them. This is not the case with the United States. The energy programme of the United States Research, Energy and Development Administration, reasonably enough, regards national independence as the main issue, and all else depends on it. It is impossible to consider our problem in the same terms.

The members of the International Energy Agency have accepted the principle of the majority vote. This Agency must therefore decide by means of majority voting on interests which are by no means parallel. There are two main members of the association: the United States, and what we might call the consumer countries of the Community, which have accepted the principle of majority voting although objectively speaking their interests are different or at least could be different.

We wish also to draw your attention to the fact that the International Energy Agency was set up at a time of great tension. It seems to me that its present functions are different from those originally intended, and that our claim for Community autonomy in implementing our own Community policy justifies a revision of the fundamental principles of the International Energy Agency; this would also increase the United States government’s awareness of the situation, and free it from many commitments, which, in my view, already require revision.

These are the reasons for our amendment which, I repeat, my Group considers to be a *sine qua non* in the sense that our approval of all the paragraphs in the motion for a resolution depends on its acceptance.

President. — I call Mr Springorum.

Mr Springorum, Chairman of the Committee on Energy, Research and Technology. — *(D)* Mr President, as chairman of the committee I wish to oppose this amendment. We discussed it at length in committee, and we feel that any line

Springorum

of defence against a producer's cartel necessitates a similar alliance of the consumers.

Mr Leonardi's point is based on the false assumption that the International Energy Agency consists only of the Community and America. In fact, 18 countries are represented in the Agency, which actually only came into being because the United States was ready to help out at a time of emergency. Without the United States, it would never have been possible to set the Agency up. In paragraph 9 we state that the Community must speak as one voice within the International Energy Agency. We are particularly sorry that the French Government has not seen its way to joining the International Energy Agency, but hope that it will do so at some future date. It would be very gratifying if we could speak with one voice in the Agency. We feel it would be completely wrong to introduce any provision such as that contained in the amendment which would withdraw the entire Community from this consumers' organization. I therefore ask you to reject this amendment.

President. — I call Mr Corona.

Mr Corona. — (I) Mr President, I should like to explain why we shall be voting against this amendment. I am not surprised that an amendment of this type should be proposed by the Communist Group, particularly when the first signature on it is that of a French Communist. I am, however, surprised to see that Mr Leonardi—an Italian Communist and the author of this report—supports it in the way he has just explained. Mr Leonardi wants a Community policy. I do not know how far this desire is shared by the French Communists with whom this amendment probably originated. Mr Leonardi has called for a mixed public and market economy, he has quite rightly tried to show that public intervention is not intrinsically oppressive, and he has stated that the problem is actually one of ensuring that public intervention is democratically controlled. This being the case, I must ask him how he can support an amendment which posits an incompatibility which in principle does not exist. For if a policy is needed, we ought to strive for a Community energy policy and this Community policy should be implemented whatever the forum. If, as I believe Mr Springorum indicated, the Community can produce a common energy policy and can speak with one voice—and this is the real issue—it will also be able to make itself heard in the International Energy Agency, irrespective of the usefulness or political value of this organization.

I say this to underline the basic contradiction in the position taken. Recently, on the subject of European union, the position expressed on behalf of the Communist Group was, as we all know, not that of the entire Group. Now, on such a delicate matter as this, we hear the Communist rapporteur taking a position which we know is basically that of one of the larger European communist parties. This amendment is evidence not so much of a contradiction in Community policy as—Mr Leonardi will excuse me for saying so—of the contradiction inherent in the European communist movement.

President. — I call Mr Normanton.

Mr Normanton. — Mr President, I said whilst speaking on the report by Mr Leonardi, that the International Energy Agency has certainly proved itself to have been little better than a talking shop. I also pointed out, and indeed Mr Leonardi I thought pointed out in many aspects of the resolution and in the words with which he introduced his report, that Europe is divided. Europe through its divisions has no energy policy and it is these differences and lack of unity which are the greatest threat to the future economic viability of Europe. We cannot, Mr President, resolve our energy problems other than on a Community basis and in that sense I believe that if we can establish unity within the Community on the basis of a real world energy policy within the International Energy Agency, we will be the stronger in the Community, and I believe the effectiveness of the International Energy Agency would itself also be the stronger. I believe that the establishment of a Community energy policy and an energy agency will be complementary to and will reinforce the effectiveness of the International Energy Agency, and on that basis we Conservatives will oppose the adoption of this amendment.

President. — I call Mrs Goutmann.

Mrs Goutmann. — (F) Mr President, ladies and gentlemen, I must say I am a little surprised at Mr Corona's comments on the attitude of the Communist Group and his attempt to discover contradictions between one Member of our Group and another, when in fact this amendment received the unanimous approval of our Group. I do not think that there is really any contradiction in the Communist Group. On the other hand, there is certainly a contradiction in the policy set before us. It speaks of a Community policy, but in fact it continues to subject us to American imperialism. It should not be forgotten, after all, that the International Energy Agency was set up basically in opposi-

Goutmann

tion to the producer countries. In my opinion, we shall not be able to solve our energy problems by creating an association of consumer countries to oppose the producer countries. We can only attempt to solve them by cooperating with the producer countries.

It is therefore pointless to look for contradictions where no contradictions exist. We should support this amendment and ensure that we are not subjected to the requirements of the International Energy Agency and thus of American imperialism.

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

Amendment No 1 is rejected.

I put paragraph 9 to the vote.

Paragraph 9 is adopted.

I put paragraphs 10 to 15 to the vote.

Paragraphs 10 to 15 are adopted.

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

The resolution is adopted.¹

5. Guidelines for the electricity sector

President. — The next item is the debate on the report drawn up by Mr Pintat on behalf of the Committee on Energy, Research and Technology on the Communication from the Commission of the European Communities to the Council on guidelines for the electricity sector in the Community (Doc. 200/75).

I call Mr Pintat.

Mr Pintat, rapporteur. — (F) Mr President, ladies and gentlemen, after the general debate we have just had on energy problems, we must now consider a sectoral document on the guidelines for the electricity sector in the Community.

We should first of all note that, annexed to the communication from the Commission to the Council relating to a new energy policy strategy for the European Community were, *inter alia*, two directives aimed at limiting the utilization of natural gas and petroleum products in power stations, and which are of interest to us in the context of this document. In fact, new contracts for the delivery of natural gas will be subject to prior authorization by the state concerned

and such authorization may only be given for contracts which are interruptible. Similarly, prior authorization must also be sought for the construction of any power stations designed to run on liquid fuels. Thus, if the Member States of the Community find that there are grounds for granting such authorization, they must first of all check the possibility of equipping the power station with an alternative system using a different fuel.

Still within the framework of its new energy policy strategy, the Commission recommends a rapid expansion of nuclear power stations and a limitation of the use of hydrocarbons in conventional power stations. As the Commission pointed out in its reply to Mr Hougardy, action must be taken in the electricity sector since at present 75% of the Community's conventional thermal power stations can be fired by one fuel only, whether coal, lignite, petroleum products or gas.

In order to increase the amount of coal used in the production of electricity, the European Parliament has already asked that coal-fired thermal power stations which, in the European Community, operate at present level almost exclusively to meet peak demand, should change over immediately to meet medium or basic demand. Similarly, in a resolution of 14 March 1974, we called for power stations fuelled by natural gas to be converted to enable them to use coal during the winter.

It should be noted that in recent years the growth in the demand for electricity has in total outstripped that for all other forms of energy; one of the main reasons for this demand is the public's growing confidence in electricity as a relatively secure method of distributing energy.

It should also be noted that the substitution of electricity for petroleum, whether in the industrial or the domestic/commercial sector, would not necessarily result, in the immediate future, in a net reduction of petroleum imports and could even possibly have the opposite result. However, any policy aimed at encouraging the growth of demand in a particular energy sector which depends entirely on electricity, space heating for example, must take account of the degree of availability in the long term of energy resources other than petroleum from which it is possible to produce electricity.

It is therefore advisable to consider first of all the question of the rôle and the choice of fuels used in electricity production. In the United States today, electricity accounts for 25% of total energy consumption; in Europe, the percentage is slightly lower. In future, and particularly towards the end of the century,

¹ OJ No C 239 of 20. 10. 1975.

Pintat

this share will grow rapidly. All new energy sources planned for the end of the century will mainly produce electricity. The two principal avenues open to us, thermonuclear fusion and solar energy, must involve the production of electricity. But these two sources of energy are very different. On the one hand, thermonuclear fusion requires, like thermal or nuclear power stations, a non-recyclable although very abundant fuel. On the other hand, solar energy, like geothermic or tidal energy, is renewable, permanently available, but difficult to concentrate. No one can say today with any certainty when it will be possible to put one or other of these sources of energy into use.

If we consider the other sources of energy at our disposal which are capable of producing electricity, we observe that power stations fuelled by geothermic energy play a relatively minor part in the Community countries and that it seems unlikely that there will be a noticeable increase in production of this form of energy. On the other hand, it will certainly be possible to utilize solar energy more rapidly. But it is so dispersed that to collect it requires immense surfaces, and the techniques which have to be used are of course very costly.

As we indicated at the beginning of this statement, the use of natural gas to fuel large power stations has also given rise to some controversy. Obviously, by judiciously programming electricity production from natural gas, it is possible largely to avoid seasonal peaks in demand in an extended distribution network for natural gas, whether industrial or domestic. However, in the new energy situation, it is very possible that restrictions will be imposed in this field; it can in fact be argued that natural gas is above all a pure and valuable chemical raw material and that it is a pity to waste it in furnaces.

Given the constraints which limit the growth of hydroelectric energy and the need to keep in check the utilization of natural gas in power stations, factors to which we have just referred, coal remains at present the only primary fuel available which can be counted upon to replace petroleum without too much difficulty in the new power stations scheduled to come into operation between now and 1985.

The constraints of using coal as a substitute fuel are many and varied. They are connected firstly with the difficulty of converting existing power stations to coal, restrictions regarding atmospheric pollution, the time needed to develop new 'clean' methods of firing coal and lastly the size of the additional investments required for the transport and stock-piling of coal.

In Europe, power stations capable of burning coal still contribute approximately one-third of total thermic production capacity. However, if coal is to play, in 1980 and 1985, the rôle which the report intends it to have in the production of electricity, it is essential that construction should start immediately on new coal-fired power stations, and anyone who has had dealings with European electricity producers will appreciate the difficulties inherent in this task.

However, all these arguments illustrate the need for a fundamental development of electricity production from nuclear power. As we have seen, electricity is a particularly 'clean' source of energy and extremely flexible in use; to make the best use of these considerable advantages, it will of course be necessary, in the development plans, to take account of economic factors and effects on the environment. In this respect, nuclear energy is a particularly favourable option, well placed to take over from conventional forms of electricity production. Nuclear energy in the Community failed to get off to the start anticipated for it during the early sixties, owing to the continuation of relatively low hydrocarbon prices, and this made electricity producers hesitate in making a decisive commitment to nuclear power. The additional investment costs resulting from the technical and economic characteristics of nuclear equipment constituted a second brake. Finally, the inevitable technical difficulties encountered by any innovation still affect the reliability of nuclear power stations. Nevertheless, nuclear energy will considerably reduce Community dependence on imports of fossil fuels and in particular petroleum. It therefore represents not only an element of diversification capable of improving the security of our energy supplies, but is also in a position—and herein lies its real importance—to exert pressure on the prices of competing forms of energy thanks to the fact that, now and in the future, it will represent the cheapest energy source for producing electricity. Nuclear energy is already making it possible to produce electricity at lower cost than a conventional thermal power station operating under comparable conditions. Opinions may vary as to the size of the difference but no one can deny that it exists.

But in the case of electricity from nuclear power, unlike electricity obtained from fossil fuels, the cost of investment represents a major part of the cost of production. It may well be that, in the long term, the large-scale production of nuclear installations will help to bring down the costs of production. Moreover, let me say in passing that it is for that reason that most European countries have chosen the light-water reactor system and enriched uranium, which

Pintat

will help reduce those production costs. European industry must therefore be able to guarantee the rapid construction, under favourable conditions, of reactors and all stages of the fuel cycle. But at the moment the nuclear industrial sector consists of too many firms with virtually no links between them. Their profitability is at risk and they depend largely on American light-water reactor technology. In view of the anticipated size of the nuclear market, Community industry will therefore have to be made competitive to enable it to meet the demand by building up its own technology and developing advanced reactor families.

I referred just now to one of the obstacles to this development which stem from the extra costs of electronuclear plant. Governmental and European authorities will therefore have to give temporary financing assistance to these industries. It can reasonably be assumed that future increases in the price of nuclear energy will stay below those for other types of energy, since the price of the fuel accounts for only a small part of the total cost price for atomic energy. Moreover, there is no doubt that the production of nuclear power offers considerable advantages at the environmental level thanks to the absence of sulphurous smoke, a reduction of the areas occupied by factories and arrangements for transport and fuel storage.

Yet, despite all these advantages, nuclear power remains subject to a number of uncertainties which underline the need for caution when estimating the rate at which it will be possible to implement its potential. Firstly, as we have mentioned, nuclear energy is a sector with high capital requirements and this implies a certain number of difficulties. Secondly, present known deposits of uranium in the lowest price bracket are totally committed until 1980. This may seem rather contradictory, but it will be necessary gradually to increase the price of uranium. Moreover, safety and control aspects and public opinion may be important factors in determining the rate of progress of the nuclear energy programme. We therefore think it essential that the Community as a whole should come out in favour of nuclear energy.

In conclusion, we wish to record our fundamental agreement with the Commission's proposal to produce electricity from indigenous energy and nuclear sources. But we would warn against the temptation to place temporary restrictions on the consumption of electricity on the grounds that this consumption is based at the moment mainly on products such as fuel oil, which we are at present trying to save.

However, we should not forget that energy production develops very slowly. It may be com-

pared with a large ship of heavy inertia which only answers to helm after a long delay. We must therefore adopt long-term provisions now, in other words electricity consumption should not be cut back at all but, on the contrary, efforts should be made to increase it since provision must be made today if we are to be in a position to consume tomorrow. This is particularly, and rather paradoxically, true in the case of electric heating, which at present may be considered wasteful of energy. However, when atomic energy becomes available, we will have to be ready to use it and the process of preparation should start now.

In the case of electricity, when we are about to invest large sums in nuclear energy, we think that undertakings should be able to fix adequate tariffs and adopt a price policy capable of providing them with the revenue necessary for their expansion. Distributive undertakings in the electricity sector should be left a certain margin for self-financing.

Expansion of electricity will undoubtedly continue at a relatively fast rate despite the emergence of new problems. We will list them briefly: the search for construction sites and cooling facilities suitable for the new power stations; problems connected with the protection of public health—safety, waste; competition for capital; development of other energy sources. Reference was made just now, in the previous report, to the considerable capital which would be required for offshore oil and new forms of energy which may become increasingly expensive, but we hope that the Commission, between now and the end of the year, will make the necessary alterations, particularly with regard to the statistics, since present information from producers and consumers will have to be corrected and adapted to the latest developments in the energy sector. In fact, the figures given by the Commission, as a result of the events of the past few months, are no longer valid and need to be updated. All the countries of the Community would greatly appreciate the adoption by the Commission, at European level, of a position supporting nuclear energy, which would be seen to bear the stamp of objectivity, and a public relations campaign at European level would carry greater weight and have greater chances of success.

There is, moreover, in the conditions in which we have visualized these problems, a risk of fixing over-precise figures both for total electricity consumption and for the contribution made by the various different types of production. The proof of this is that the Commission has already recognized the need to adjust the figures contained in its report. We must

Pintat

therefore consider alternative solutions in case the targets set are not achieved. However, in our opinion, the objectives in the electricity sector still need to be more precisely defined and finalized. It has not yet been possible to obtain these details, but we hope to have them when the communication now before us is brought up to date. With this reservation, we approve of the rôle assigned to electricity in the new energy policy strategy and the guidelines for energy policy in the electricity sector.

(Applause)

IN THE CHAIR: MR SPÉNALE

President

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

Mr Ellis. — Mr President, I rise on behalf of the Socialist Group to welcome the report although I must say right at the start that I do so with misgivings. I welcome it warmly as yet another document emphasizing the problems that face the industrialized nations in dealing with the difficult problem of reconciling energy supply and demand. And I think it is appropriate that the debate should follow, as it has done, the debate of this morning and earlier this afternoon on Mr Leonardi's report. As Mr Pintat said, it does highlight a particular facet. It reflects as it were, in miniscule, the problems that we discussed this morning in the general field of a primary fuel—petroleum and hydrocarbons.

Thus I see this debate as running in parallel, as it were, with the debate which preceded it. This is not to say, Mr President, that I intend to rehearse once again the arguments that have gone previously, and I am sure that if I were to do so, you would very soon reproach me for being out of order.

The general tone of Mr Pintat's report in my view reflects the increasing pressure of the difficulties of matching energy demand with adequate energy supply, and I cannot help feeling on reading it, and indeed this is a feeling I have had all through the course of today, that we are perhaps tending to go around in circles. Indeed I was very grateful to hear Mr Simonet say a little bit earlier that he does intend to put proposals to the Council aimed as much as anything at getting a clear unequivocal answer as to precisely what the Council of Ministers intends to do in respect of the whole question of European energy policy.

It may be that we are going around in circles partly because of the seeming inability of

national politicians to grasp the immediate practical steps necessary for dealing with some of the problems facing us. Now this report of course describes many practical steps, some small, some large and all, or almost all, entirely unexceptionable—ones we would all expect. Of course, Mr Pintat did in his speech reflect the technical and practical nature of the report. But this is only partly why we are going round in circles. It may also partly be because we are, in the field of energy generally and in this report in particular, looking only at one side of the equation. That is to say the equation of supply and of demand, and when I talk about demand I know there are references to economizing and so on, but I am thinking of demand in much broader terms than simple economic measures, the measures for economizing that have been spoken about earlier today. This is one of my greatest misgivings about the report.

Perhaps it was inevitable that the report did not consider the fundamentals, the basic political issues involved in regulating the demand for electricity, because of its very nature and because it concentrates on a narrow front. But it does refer to the technicalities or the practicalities, rather than the basic political issues.

Coming now to the report, its main message as regards the question of the supply of electricity for the future must be hammered home again and again and again, because it is only then that one can hope to see it finally sink in. We must reduce the consumption of petroleum or at least reduce that proportion of our energy consumption which depends on petroleum and other hydrocarbons, and in particular the consumption of that primary fuel in electricity generating stations. This is the primary message of the report and I wholeheartedly agree with it despite the potential pricing difficulties which, at least in theory, although I suspect not in practice, would arise in respect of the exploitation of the North Sea petroleum and gas deposits. I must say I was rather intrigued earlier this afternoon to hear Mr Normanton, for example, talk about flat-out exploitation of the North Sea and the fixing of prices when Mr Simonet, on the other hand, talked about slow, controlled exploitation.

Many warnings have been issued over the past fifteen years about the increasing demand for electricity supply and for energy in general, and coal industry economists, anxious to retain a large, viable, capacious coal industry, have frequently emphasized the importance of securing supplies of primary fuels. I am sorry to say these warnings all seem to have been of no avail. It may be perhaps that this is because politicians tend to think in terms of three, four or five-year time spans; they tend to think only up to the

Ellis

next election, and they are not really concerned with what happens in the next election but one. However, the long-term trend has in fact been fairly clear to anybody prepared to look, but despite this collieries which could have been easily made viable have been closed steadily all across Europe one after another. Indeed there is still reluctance, it seems to me, amongst people in the electricity industry to plan to increase the consumption of coal in the generation of electricity, and their resistance tends almost always to be due to what I call short-term commercial, financial considerations.

I would like at this stage to emphasize paragraph 74 of the report which warns against the temptation to place temporary restrictions on the consumption of electricity. I think the operative word in that paragraph is 'temporary', because in my view the problems of the short term in this field are very different from the problems of the medium and the long term. Thus, I wholeheartedly go along with the report in its insistence that there should be an increasing emphasis on the use of coal in power stations. Paragraph 28 does say quite categorically that coal remains the only primary fuel available which can be counted upon to replace petroleum in the new power stations scheduled to come into operation between now and 1985, but in other places, I am sorry to say, even in this very report which is arguing the case for coal, coal comes in as a kind of after-thought. Even in the resolution, paragraph 3 emphasizes that while making maximum use of coal potential there is no alternative to massive utilization of nuclear energy.

Paragraph 29 of the explanatory statement talks about all the difficulties inherent in the use of coal. I suppose this ambivalence in the report—if ambivalence it is—arises from the whole question of timing, and it seems to me that timing in this field is absolutely crucial. There is no doubt that up to 1985 coal must undoubtedly be the better bet. But I would also entirely agree with the Commission that in the longer term, insofar as anybody can see into the future, nuclear power must be the course to follow—certainly from the practical point of view. I do sometimes worry that various lobbies like the environmentalists and the ecologists and so on tend to throw considerable doubt on the whole question of nuclear power, and I must say I disagree a little with my colleague, Mr Hamilton, when he talks about the facile—I think that was his word—brushing aside of safety and health problems. But I do not agree at all that there is a facile brushing aside of health and safety problems in this field of nuclear energy. Indeed, I would go a bit further and say that if we are prepared to face up to the demands that are

going to accrue for energy, then it might be facile, as it were, simply to brush aside the possibility of meeting at least some of those demands by the use of nuclear power. The whole thing, I accept, needs a great deal of public debate and public enlightenment, and I think that at the moment the environmental lobby is tending really to obscure rather than to enlighten as to the true nature of the facts.

In the longer term another issue arises, the problem in the long term of what I call the insatiability of demand. I noted, I thought, in Mr Burgbacher's speech this afternoon a certain stridency in his voice when he said 'we must have energy at any price'. It seemed to me that there was a certain stridency which perhaps subconsciously reflects the imperatives that the realities of the situation slowly but surely are beginning to impose upon us. This reality, the apparent insatiability of demand over the long term, is beginning to reflect itself, as inevitably it must do, in certain economic consequences, and a typical, small example of this is that the real cost of coal in the United Kingdom, for example, over the past three or four years has increased. If this is an established trend, then there are major consequences which will follow from it, although I know that coal is just one fuel and Great Britain is just one country, but it may well be the straw which shows the way the wind is blowing. If total demand does increase exponentially, in the long term, as it appears to have been doing over the past several years, and even if nuclear power's engineering difficulties were solved, if there were in theory, as it were, no engineering difficulties attaching to the use of nuclear power for the generation of electricity, the practical problems of financing the provision of supply are nevertheless becoming more and more pressing.

I must say in this respect that we in my group find paragraph 9 at least a little glib in the suppositions it seems to me to contain when it talks about self-financing. It seems to me to be applying some kind of commercial criterion of self-financing which is—or certainly will be—wholly inappropriate in this field if we are to match up to what I feel will be a fantastic increase in the demand for electricity supply and indeed energy in general. By all means let us have a realistic pricing policy. This is one of the essentials and there are countries in the Community which over a number of years—mostly for political reasons—have not adopted realistic pricing policies, but which now are being forced by the pressure of events to come round to such policies. Therefore, by all means let us, too, have a realistic pricing policy. But increasingly it seems to me we must come to terms with the fact that the chief aim of the pricing policy

Ellis

—and perhaps I am being controversial here— must be to limit energy demand. I am oversimplifying grossly, as I am sure Members will appreciate, but at least I think it is time we began to look at the problem from this other side of the equation in real terms, not simply economizing, although I agree we want to economize in every way we can. Mr Leonardi's report, for example, says that the main aim of an energy policy must be to secure supplies at low prices. In my view that is a fallacious statement of the main aims of a fuel policy in 1975. It seems to me, and I want to finish on this, Mr President, that we are living in a sort of determinist age. The rate of consumption of energy has now reached the stage that if one were to plot it on a vertical axis against years over the last two centuries, from 1800, say, up to the present, the rate of increase now is such that it is becoming almost vertical, in which case the problem becomes intractable.

I will wind up very briefly by saying that I hope that the Commission will be able to tell us that they are at last seriously beginning to study the political consequences of this other side of the equation, the side involving a limitation in demand, because inevitably it will be limited in due course and, indeed, much sooner than any of us think.

(Applause)

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

Mr Vandewiele. — *(NL)* Mr President, the noteworthy report of our colleague Mr Pintat has highlighted clearly the fact that electricity will be one of the major energy sources in the post-industrial society of the future.

In view of the economic advantages of electricity and the continuity of supply which it guarantees, this energy source should be developed more quickly for use in space heating, electrothermal applications in industry, transport, etc, as stated in the Commission's communications to the Council.

The Christian-Democratic Group agrees with the report submitted. However, it wishes to emphasize the following points. The developments outlined will not be achieved if the Council continues to be hesitant about pursuing a Community policy and if some of the Commission's proposals are not implemented in the near future. We need first and foremost clear, unanimous and rapid decisions.

According to present estimates electricity consumption will increase from 25% to 38% by 1985. And it is likely that by the year 2000 the

figure will reach 50%. If these targets are to be achieved the necessary capital must be found in order to build a growing number of electrical power stations with a combined production of heat and electricity. This heat would be used both industrially and for urban heating in densely populated areas.

Owing to the low price of fuel oil many of the power stations built during the past 20 years are suitable only for this type of fuel. In view of this inflexibility we wish to stress the strategic advantages of using other fuels. We are thinking in the short term not only of natural gas but also of coal.

Can the Commission tell us whether it plans to build new power stations capable of running on coal as well as other fuels? The location of these new power stations is of particular importance for many reasons outlined in Mr Pintat's report. However, the future security of our energy supplies will clearly be largely dependent on nuclear energy.

We are now faced with the threat of a further substantial increase in the price of oil, and this can itself only act as an inducement to us to adjust our strategy without delay to this completely changed situation. It is clear that electricity produced by nuclear power stations will soon cost less than that produced by conventional thermal power stations. But the enormous capital costs, which account for a large proportion of the overall costs, are obliging our European constructors to consult together, to introduce standardization and make careful comparisons of their profitability. In the coming weeks Parliament will be commenting on a new Commission proposal in this area. I refer to the important proposal amending the regulations whereby the Commission has to be informed of investment projects in the petroleum, natural gas and electricity sectors.

The Commission currently receives a great deal of information, but it comes too late to be of use in general energy forecasts. The Commission has stated that this is especially true of the industry manufacturing heavy electrical equipment.

This industry should really be able to predict market developments at least 10 years in advance. Information on electrical power stations equipped with nuclear reactors should therefore be submitted to the Commission according to the same schedule as is proposed for other investment projects in the electricity sector. Since 200 nuclear reactors must be completed by 1985, it is necessary to create for the energy sector a general price policy, one of the aims of which would be to guarantee sufficiently high rates

Vandewiele

for electricity companies to allow them to make the necessary substantial investments. Obviously, consumers should also be allowed a say in discussions on the 'objective' price for energy. This question will very shortly be the subject of heated debate in our national parliaments.

During my Group's discussion on the draft resolution various Members again referred to the need for clear and objective information. We have just heard that a special committee of the Netherlands Health Council has submitted a report to the government on the risks inherent in nuclear power stations. The Dutch press has given this objective report considerable coverage. We would urge once more that a massive European information campaign be undertaken to provide the public at large, whose concern is to some extent unfounded, with objective facts.

My Group approves the motion for a resolution.

(Applause)

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

Mr Cointat. — (F) Mr President, Mr Pintat is one of the leading specialists on energy matters in our Parliament. His contributions are always appreciated. His reports are clear and well-documented, he presents them skilfully and he sets out the problems with verve and elegance. His statement and report today are no exception and we therefore applaud the proposals and suggestions he puts to us.

It is not really for that reason that I rise to speak, I do not intend to discuss the basic issue but rather to draw attention to the fact that, because he is a very courteous gentleman, Mr Pintat omitted just now from his oral report a short sentence which does appear in his document: 'We regret that the motion for a resolution placed before the European Parliament has become pointless.' Moreover, I observe that our rapporteur, again out of politeness, speaks merely of 'regret'. The word does not seem very strong to me; rather the opposite. I note in fact that the Council has already acted in this matter, and took its decision on 13 February 1975.

We in the Group of European Progressive Democrats were rather reluctant to take part in this debate since we object to discussing an issue when the discussion serves no useful purpose, at any rate in respect of the legal decisions. I am in fact instructed to protest to the Commission and to the Council, and it is only because Mr Pintat is so courteous that he agreed to make his report. In his place, I should have refused. And what I should like to know, Mr President,

is whether we will continue to follow this procedure by which we are asked for our opinion when it is no longer needed and whether the European Parliament ought not occasionally to show some dissatisfaction, for example by closing the debate and stating that there is no need to take a useless vote even on a very important issue.

That, Mr President, is what I wanted to say. It was rather severe and I beg your indulgence for it but I do not like useless work. On the other hand, I hope very sincerely that reports will in future be entrusted to Mr Pintat which will make a useful contribution to the construction of Europe instead of reports whose purpose is simply to make the sad admission that fault can be found with the past.

(Applause)

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

Mr Osborn. — Mr President, I am reminded by much of today's debate of an experience I had in the last war when I got lost in a thick jungle. Perhaps this is the problem facing not only this Parliament but all parliaments today. The jungle is thick. But I can report that I got out and lived to tell the tale. The temptation today is to debate energy and not the role of electricity, the guidelines and the very excellent report by Mr Pintat. In this Assembly we have had a debate on coal, the role of our own coal mines, how much coal will have to be imported. Today we have reviewed again, perhaps without reaching a satisfactory conclusion, the hydrocarbon and oil situation. As Mr Simonet suggested, many people still hope that somewhere we will find cheap and plentiful supplies of liquid hydrocarbons to see us through the rest of this century. But perhaps they are more elusive than may appear to be the case, even to Venezuela or those who have ambitions off the south coast of England.

We have before us an excellent report on guidelines for the electricity sector, and I would like to congratulate Mr Pintat on his presentation of the report today. I would like to comment on one or two of the specific recommendations in this report. Paragraph 4 refers to measures to bring about a disproportionate increase in power consumption. Perhaps Mr Pintat would clarify what he means by that. On the other hand, in paragraph 3 he emphasizes that, while making maximum use of coal potential to attain the substitution rate, there is no alternative to massive utilization of and recourse to nuclear energy and many speakers today have reiterated that. While we advocate the

Osborn

greater use of nuclear energy, I do find that more and more people are frightened of this source of power, although we have nuclear power stations in Britain that have been operating effectively and silently for well over a decade. I shall be speaking at a conference in Reading on 'Progress of People' when the Conservation Society and the Friends of the Earth will be present. Their fears, of course, concern waste disposal and safety. But the recommendation is to expand nuclear sources of energy.

Paragraph 8 refers to facilitating the financing of the higher investment levels needed by nuclear plant. The Conservatives very much hope this will be through the European Investment Bank, where commercial criteria would predominate, rather than through other sources.

I was interested in paragraph 11 on tendering policy and particularly the last sentence: 'Believes that, in the best interests of consumers, the Community rules for public tendering should be strictly observed.' This means that conventional and nuclear power stations should to a greater extent be constructed in any country within the Community by manufacturers from other countries of the Community. I note that way back in June the Ministers had difficulty in this area because, to quote from a *Financial Times* report, 'there has been virtually no progress inside the Community towards opening up tenders by public bodies to general competition'. If that is what the Commission has been taking up with Ministers, perhaps we could have some comment on that recommendation.

I would also like to refer again to the 'Thumbs-down to energy proposals' a leading article in *The Times* of 16 September, referring to the Lauderdale report which I have mentioned before. Paragraph 4 of that report, which I will read, says a rigid fuel plan could constrict rather than enlarge the Community's best use of resources. Total demand is relatively easy to forecast but the make-up of supply cannot be predicted with any safety. The committee believes that the Commission's reliance on the nuclear answer is mistaken, and therefore we do have a Select Committee report which certainly needs to be examined here. But of course we have the acceptance of other sources of energy. *The Times* says that the Select Committee is right to cast doubts on the Commission's belief that nuclear energy provides early hope for a massive new source of power. The Commission, as well as being criticized for getting its estimates wrong, is accused of ignoring the important issues such as whether the expected increase in demand reflects the general

need, as opposed to what is called the wasteful demands of mere comfort. The main issue is, have we the capacity to meet this demand? As a rapporteur of the Western European Union I have looked at the industrial capacity and the design capacity for this. I very much hope that the Commission will report on the volume of production of nuclear power stations or electrical generating plants as compared to that achieved for any design, mainly by Westinghouse and General Electric in the United States of America, because that design and engineering capacity may be a limiting factor.

In the nuclear field we have a decision by Britain to go ahead with the steam-generating heavy water reactor, but that will take time. Britain has had unexpected difficulties with the advanced gas cooled reactor, although we hear nothing about the Magnox reactor which is going ahead safely. At Dounreay and in France the pilot 250 MW fast breeder plants are going ahead, and we would like to have a progress report on this. There is the high temperature reactor at Fort St. Vrain. Canadians are going ahead with the CANDU reactor, which the British will follow. What we as Parliamentarians would like to know from the Commission, particularly with their international contacts in mind, is the extent to which this development work is being done collectively rather than individual countries pursuing their own line with their own government research programme. This means coordination with Euratom. But I will go no further on the nuclear field because we are discussing the role of electricity.

Solar energy undoubtedly is a possibility as the Commission report says, and might make up 10% of the whole. There is a suggestion that there should be use not only of hydroelectric power, which has its limitations, but of tidal and wave power for the generation of electricity, but this is a longterm project and has to be developed. There is a suggestion that more coal should be used and of course the table on page 26 of the Guidelines for the electricity sector in the Community indicates a vast increase in nuclear energy and a reduction in conventional thermal power. Similarly, on page 27, the graph indicates a complete change and reduction in the amount of coal being used over recent years as regards the percentage of the total and emphasizes this expansion of nuclear energy. But if we are to rely to a certain extent on coal, will this be cheap enough? Coal production involves hard work and danger to life. In Britain there is a relative stagnation in productivity. World-wide the cost of extraction of coal is high. In view of all this and coming back to the experience of Atomforum and the producers here and the experience of America, there has

Osborn

to be a balancing of the sources of power for the generation of electricity. How can we switch back from one source of power to electricity? Our transportation is dependent on diesel oil, petroleum, high-octane fuel for trains, goods vehicles, buses, private cars and aeroplanes. To what extent will electricity come into this field? To conclude, therefore, we must recognize that there is going to be a need to continue the expansion of electricity. But to what extent are the utilities, to what extent are the manufacturers, to what extent are the Commission and their advisers coming together to establish standards that make sense? As parliamentarians we have too little evidence that manufacturers, when quoting to different countries of the Community, have sufficiently common standards to make this easy, particularly in the nuclear field.

And finally I come to the question of energy at any price raised by Mr Burgbacher and commented on by Mr Ellis in a very penetrating review of the situation. Energy we need. Surely we need this in industry. Energy we can save by insulation, new methods of melting and conservation, but still, in our industries and factories, the workman needs more power at his elbow to drive his machine tools, for control, for computerized control. Therefore, if we want to use more power to produce more for our own standard of living and our way of life, are there other areas in which there can be conservation? Flying over the United States earlier this year, and once or twice flying over Europe at night, I am amazed how many lights there are blazing out which may be required for safety reasons, but certainly consume electricity. In my own village in Derbyshire, my rates are going to go up because I will have to pay for street lighting. Perhaps the village should have it, but should local authorities still continue with ambitious programmes at the present time bearing in mind that energy is at a premium and in some cases is going to prove more costly? This report is an excellent assessment of the situation and I congratulate Mr Pintat for putting it forward. It has the European Conservative Group's backing and encouragement.

(Applause)

President. — I call Mr Cifarelli.

Mr Cifarelli. — *(I)* Mr President, I believe it was your own wise decision to include on the agenda of the same sitting both Mr Leonardi's report and Mr Pintat's report, which has the great merit of pursuing extremely lucidly lines of thought, which are undoubtedly the result of wide technical experience. I feel, however, that the decision to put these two reports down for debate today should have been accompanied

by another decision, namely to hold a joint debate on them, since we are in fact discussing one and the same problem—energy.

It is, moreover, strange to see how, when prices at a given moment make coal economically attractive, there is a whole range of reasons why coal should be regarded as the basic source of energy, whereas at other times, when there is anxiety about supplies of hydrocarbons, a completely different set of reasons is adduced. Once this anxiety has diminished, however, there is indifference about energy and indeed a reversion to nationalistic and tribal stances on the problem of energy sources. And so we have another report on electricity, so that we can start debating the future potential and the present state of the electricity sector.

In fact, however, I feel that this complex problem of energy must be considered as a whole from the Community point of view and in the light of the Community's fundamental need—its political independence, i.e. increasing solidarity, cohesion and power to uphold its own interests, and not just with words. Mr Commissioner, I agree with you that it is not with words—which change nothing—but with a common vision and by overcoming individual egotisms that this need will be satisfied.

Having made this general remark, I would add that it is to the great credit of the rapporteur that he has presented a report which deals not merely with the electricity sector, but with electricity produced by nuclear power stations.

That is the important thing about this report. Since I am not a technologist, Mr President, I shall not go into the merits of the problem, although here too there are matters of fundamental importance, such as the comparative costs of the sources of energy available within and outside the Community, the problems of uranium and of recycling it, as well as the enormous problems involved in non-usable radioactive waste.

Having said this, Mr President, I should like to highlight points 6 and 11 of the motion for a resolution, which I consider to be of fundamental importance.

Point 6 rightly stresses that there is a need for a comprehensive and objective programme of public information on nuclear energy. Certainly, I do not think there is any comprehensive and objective information at the moment, I was particularly concerned to read the comparison between nuclear power stations and the disadvantages caused by smoke and the space occupied by coal-fired power stations. On the other hand, I felt there was a certain under-

Cifarelli

estimation—or at least there should have been a greater spirit of criticism—of the entire range of problems involved in nuclear radiation. It was not I, nor was it the local mayor concerned about the location of a nuclear power station, who thought up all these safety measures—the enormous walls of reinforced concrete and the enormous lead vessels to check and retain radioactive pollution.

This is why I feel the information should be comprehensive and objective and thus avoid any conscious or unconscious bias.

Paragraph 11 of the motion for a resolution states that the criteria and norms affecting safety at work, public health and the protection of the environment should be similar in all Member States.

This very morning I heard some colleagues underestimating these risks, almost making fun of the local authorities who are concerned about environmental problems. I therefore feel that these problems should be carefully considered. In my country, there has not been—as a colleague called it—any environmental neurosis or hysteria. After other countries, however—and the United States of America are in the van of this awakening of consciousness, although I also recall the fears of the Dutch and German colleagues about the pollution of the Rhine—public opinion in Italy, mayors, local authorities and trade unions have raised a whole series of barriers to the construction of new nuclear power stations. It is unfortunately true that Italy, because of its long sleep over all these years, has become one big harbour jetty housing the storage tanks of almost all the refineries in the Mediterranean region, which are causing serious pollution and creating an increasingly untenable situation.

This is thus a vast problem, and I certainly would not agree with whoever it was that said that the fear of nuclear radiation was one big lie.

The information criteria must not be dictated by collective hysteria or neurosis, or be the result of improvisation, but should reflect responsible knowledge and, I would say, a 'Community measure' which must be based solidly on experience and sound reasons, and be fully accepted by the people.

Some months ago, the Italian Parliament approved a law laying down that whenever there are difficulties regarding the location of a thermonuclear power station, opinions of various weights must be heard from the commune, the region and, in the final instance, the Government, with certain powers being delegated to

Parliament. I do not maintain that this law is perfect, but it reflects the concern of the people and the sensitivity of the democratic political groups and trade unions to this problem.

Mr President, this does not mean that I disagree with the report, which I accept and for which I too should like to thank the honourable rapporteur. All I want is to give an interpretation, so that the records of this House will show these requirements in the full context of an entire range of problems affecting the protection of the environment of a human life—requirements which I feel must not be disregarded, no matter how urgent and important supplies of energy are.

It is quite clear that we must not neglect the pressing need to protect workplaces and, above all, to ensure human survival with regard to the problems of nuclear radiation.

(Applause)

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — *(F)* Mr President, I too should like to thank Mr Pintat and I hope he will forgive me if I do not dwell at length on his report because I agree with everything it contains. I think therefore that it would be rather tedious to go through it paragraph by paragraph and to consider individually each of the views expressed in his report merely in order to tell him that I have no objections to any part of it. It gives me all the more pleasure to say so because, contrary to Mr Cointat's belief, it was not the Council which asked Parliament for this report but Parliament which took the initiative of preparing it. Mr Pintat very kindly devoted much time, much care and all his considerable expertise to drafting this report and the Commission is in no doubt that it is a most valuable document.

The fact that the Council has reached a decision on this document does not mean that we should not consider all the useful and advantageous suggestions contained in it. For the reason to which some speakers have referred, the matter we are dealing with is one which is constantly evolving and is subject to changing circumstances; the Commission therefore has a duty to reexamine it from time to time in order to bring it into line with changes in the general economic situation and with developments in the energy field.

The apparently regrettable procedural aspect to which Mr Cointat refers should not therefore in any way weaken our conviction that this

Simonet

report comes at an opportune time and will be of great value to the Commission in its future work.

Several Members have expressed concern especially with regard to the question of nuclear energy. In this connection, I should like to tell Parliament that the fact that, at a given moment, a basic choice is made, centrally influencing the direction of policy, should not of course be taken to mean that the choice is immutable and that no departure from the policy will ever be allowed, whatever changes take place in society or in the economic situation. Built into every policy there must be an element of flexibility and adaptability. If there is none, there is a danger that, having missed the target, one will not be able to correct one's aim. There is another element which, it seems to me, is just as essential in a sector which requires carefully planned investments spread over several years and that is some degree of consistency in the overall design. This consistency, I repeat, should not prevent us from making any adjustments required by changes in the economic situation, but I think that if we lay down a line of action we should stick to it. It was also my belief that Parliament as a whole subscribed to the basic guidelines contained in the resolution adopted by the Council last year. You are all familiar not only with the contents of that resolution but also with the thinking behind it: the Community should become increasingly independent as regards energy supplies, develop indigenous sources of energy and, in this connection, give priority to production of electricity so that, whenever it is economically possible and financially advisable, electricity may be substituted for energy produced from imported petroleum.

Therefore, and Mr Pintat was right to stress this point, there are two possible sources which we should try to exploit to the full: coal and nuclear power.

As regards coal, I associate myself with the views expressed just now during the discussion on Mr Pintat's and Mr Leonardi's reports. I believe, as Mr Cifarelli suggested, that it might be advisable if Parliament, after examining reports each of which obviously has an importance of its own but which consider a particular feature of general energy policy, were to set aside time for a debate on general energy policy in order to 'reconcile' all the opinions expressed and to bring out the general consensus which must emerge from the comparison of the differing policies we are discussing individually.

I think that, particularly as regards nuclear power we all know that its use gives rise to a large number of very serious problems. These

are mainly economic and industrial. The information at my disposal leads me to believe that European industry can cope with the considerable demands which will be made on it by the extensive construction programme for nuclear power stations which I imagine will be necessary if we wish to achieve most if not all of the targets we have set ourselves for 1985.

To the question whether industrial resources are adequate, my answer is yes. Will those resources be applied and developed in the framework of a general coordination of the industrial policies of Member States of the Community? Unfortunately I cannot feel equally confident about that. The Commission, it is true, has submitted a certain number of relevant proposals to the governments. Some have been accepted, but it is thanks rather to the cooperation of multinational groups which have been created within the Community or sometimes outside the Community but with branches inside it. This coordination of industrial policy is therefore more the result of such private cooperation—I do not condemn it, moreover; we are fortunate to have it, for want of something better—than the outcome of a deliberate decision by Member States to set up machinery which would enable them to devise a common industrial policy specifically aimed at solving the problems before us, and to put it into operation. And of course this lack of an industrial policy has important repercussions on public works contracts in which, it must be admitted, there is still an immense amount of room for improvement because in that sector, which in some member countries is under the direct control of the public authorities, it will certainly be impossible to make real progress towards coordinating industrial policies unless the conditions governing competition for public works contracts are harmonized.

Environmental problems have also been mentioned. I assure you I do not underrate their importance, all the more so since a kind of obsession has developed in the Community, perhaps to a greater extent in some countries than in others, that there is something fundamentally wrong with electricity produced from nuclear power, and this notion stirs up feelings of anxiety, even panic, whereas forms of substitution energy, such as electricity produced from coal, which can give rise to as many problems in the field of pollution or the industrial environment, do not, for reasons I cannot fully understand, arouse the same anxiety as nuclear power.

I think that it is incumbent on all of us—governments, insofar as they wish to implement the nuclear policy which stems from the decisions

Simonet

they took last year, the Commission, Parliament too and, beyond Parliament, the general body of politicians who appreciate the need to continue the task we have undertaken—to make strenuous efforts to inform and educate, because we live in a world in which people wish to enjoy the advantages of a pastoral existence together with the benefits of a hyperindustrialized society without being willing to accept that a choice has to be made. I think that to wish to live like Rousseau's noble savage, breathing perfectly pure air in an ideal environment, but of course accepting none of the financial cost and none of the budgetary burdens which environmental protection implies and, furthermore, wishing to enjoy all the advantages of an industrialized consumer society, is to set oneself aims which are mutually exclusive. I believe it is up to us, and to the Commission in particular, to explain clearly to the public the alternatives which the political authorities of the Member States have to consider in their attempts to increase the Community's independence with regard to energy, to explain clearly the consequences of their choice and to point out all the precautions which must therefore be taken to ensure that those consequences, particularly in the field of nuclear power, do not create the problems—really much exaggerated—which people are afraid they will produce.

I think that that is an absolutely essential task if we do not wish our attempts to set a new course for our energy production to be thrown almost completely out of gear at some stage in certain member countries, with all the consequences that would imply for the target we have set ourselves.

(Applause)

IN THE CHAIR: MR MARTENS

Vice-President

Mr President. — I call Mr Pintat.

Mr Pintat, rapporteur. — (F) As rapporteur I should like to thank the many colleagues who have spoken in this debate and also the Vice-President of the Commission, Mr Simonet, whose views on the subject under discussion we are always very interested to hear. I should first of all like to provide some further information for Mr Ellis. My purpose in advocating a wider margin of self-financing for electricity production was to avoid the rate per kilowatt/hour falling below the cost price, which is happening in some countries at present. Obviously the large nuclear development programme we discussed cannot depend on self-financing alone; other

sources of capital will have to be found. It is moreover for that reason that we included paragraph 8 in the motion for a resolution, without going into details, since there were difficulties over the precise formulation of a number of technical points.

I fully agree with Mr Vandewiele on the two points which he stressed; it is indeed perhaps true that electricity is not the only channel for the use of nuclear power. He drew attention to the need to examine the possibility of producing steam or heat directly from nuclear energy without this transitional stage. I think this is a very interesting idea which should be developed further. Mr Vandewiele also emphasized that nuclear power was important in itself and also because the competition it provided as an alternative source of power could lead to a reduction in petroleum prices. I think that Mr Simonet dealt with this point in detail and that we are generally agreed on it.

With reference to the views expressed by my good friend Mr Cointat, my attitude is very close to that of Mr Simonet. Initially, I might have been tempted to react in the same way but on reflection I feel it is fair to say that this report provides us with an opportunity to discuss electricity problems and to urge that the documents we are promised be updated, and we have Mr Simonet's assurances on this point.

With reference to Mr Osborn's remarks, I think, if I am reliably informed, that one part of the English translation does not correspond exactly to the meaning I intended to convey in French. I meant that the consumption of electricity should not be increased at a faster rate than is perhaps necessary. If plants are allowed to install systems using fuel oil, heating oil or other processes it will be difficult later to 'disinstall' them in order to take full advantage of nuclear power when it becomes available. That was the idea behind paragraph 4.

I think that paragraph 11, referring to the need to draw up Community regulations at European level, is very important and should find acceptance by the many members who were concerned that energy should fetch the best possible price. Only if this type of harmonization is achieved, will it be possible to have common regulations and to reduce cost prices.

Finally, I am in full agreement with Mr Cifarelli who wishes the public to be kept more fully informed on environmental matters. I think that the Communities can be of great help to us in this respect, since any government which provides its people with information on nuclear power is immediately accused of taking sides and of defending its own policy. For that reason

Pintat

we stressed the advantage of such publications and more detailed information being provided at Community level; we do not want this issue, which should be regarded as a technical matter, to become the subject of political controversy. I also believe that if the public looks on nuclear power with some fear and hesitation it is because it tends to confuse the military and peaceful uses of the atom. Better information should be made available to help people realize that a nuclear power station, by definition, has absolutely nothing in common with military devices. Mr President, ladies and gentlemen, that concludes the few comments I wished to make in answer to Members' remarks. I thank them for their assistance and for the contribution they have thus made to a better understanding of this complicated and sensitive subject.

(Applause)

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

6. *Time-limit for tabling amendments*

President. — I propose that the time-limit for tabling amendments to all reports on tomorrow's agenda be set at 10.30 a.m. tomorrow morning.

Are there any objections?

That is agreed.

7. *Directive on taxes on tobacco*

President. — The next item is the vote without debate on the motion for a resolution contained in the report drawn up by Mr Artzinger on behalf of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council for a directive amending Directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco (Doc. 197/75).

I put the motion for a resolution to the vote.

The resolution is adopted.¹

8. *Change in the timetable for the annual report on the economic situation*

President. — The next item is 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 for a decision on a change in the timetable for the preparation of the annual report on the economic situation in the Community (Doc. 242/75).

I call Mr Artzinger.

Mr Artzinger, rapporteur. — (D) Mr President, ladies and gentlemen, the Committee on Economic and Monetary Affairs regrets the need to table this report. We would have much preferred to deal directly with economic policy, a topic that certainly concerns us all. Instead we must speak of a postponement of this debate. Vice-President Hafenkamp, to whom I am grateful for having managed to be present at this debate, informed the committee as early as mid-July that it would not be possible to submit the annual report in September as planned. In the meantime the Commission has formally approved the postponement and forwarded a proposal to that effect to the Council. The Council has in turn forwarded this proposal to us with the request for a speedy decision.

Thus the annual report is to be postponed from September to the last quarter. The Commission's justification for this postponement is the particularly great uncertainty surrounding the economic prospects for the coming months and 1976. No one can deny that this is the case, which is why the committee proposes that Parliament should agree to the postponement. However, according to its explanatory statement, the Commission feels that more or less the same timetable should also be observed in the future. No doubt good reasons can be advanced for this as well, but your committee felt that Parliament should agree to the postponement for 1975 only. Reference is made to this in paragraph 3 of the motion for a resolution. It states 'approves the change in the timetable for 1975 proposed by the Commission'. At the same time as we are making this decision we would ask the Commission to realize that we want, for example, to give our Dutch colleagues an opportunity to take into account the Commission's figures, data and proposals in the annual economic report when they hold their budgetary debate this week, which cannot include any discussions of the decisions taken and points raised in the budgetary debate in this Parliament. This is why we should like the postponement to apply to this year only.

Mr President, since we felt in committee that this postponement was not the only thing Parliament should deal with, we made special reference to the objective set in the Council decision of 18 February, which is to be amended here. This

¹ OJ No C 239 of 20. 10. 1975.

Artzinger

decision was intended to improve the existing coordination procedures and above all to set not only short-term but also medium-term goals for Community economic policy measures.

However, during the summer we gained the impression, particularly from statements made in the press and by the Commission which we heard of at the beginning of August via a news agency release, that the Commission had to some extent been by-passed in the coordination of the economic programmes which are due to start in most of our Member States.

Our impression was that the heads of state and government intended to override the responsible Community institutions and to seek this coordination by a direct approach. No one can take it amiss that the heads of state and government are doing their best to ensure that the economic programmes achieve the maximum effect. But we did feel that it was Parliament's duty to secure for the official institutions of the European Community the function which belongs to it by treaty. Thus you will find in the motion for a resolution two paragraphs in which we express the wish that coordination should not take place over the Commission's head.

I feel, Mr President, that this is an adequate explanation of the committee's proposal and should like to ask the House to vote for this motion for a resolution. As spokesman for my Group, I can also say that my Group will vote for it.

(Applause)

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, this brief debate is an opportunity for Members to say a few words about the present economic situation. I am sorry in some ways that a better occasion has not been found, because here we find ourselves still in the midst of a crisis caused by this extraordinary combination of inflation and unemployment in a most virulent form. It is an unfamiliar problem and one which makes all our orthodox preconceptions about the appropriate role of governments and central banks seem doubtful or obsolete. All our old-fashioned remedies are having to be called urgently in question. Everyone knows that inflation is too much money and too few goods; so can it be right to reduce the supply of money if it means a reduction in the output of goods at the same time and an increase in the amount of our resources which are going to waste unused? Everyone must ask himself at the sort of juncture at which we find ourselves, even the most basic questions. What is the function of exchange rates in this sort of situation? What is the function of

interest rates? In these unfamiliar circumstances our parliaments, national governments and central banks all need guidance. One thing I think is certain, and that is that as the European Community we will solve our problems more easily if we work together than if each Member State tries to solve its own problem without reference to the effect on its neighbours in the Community of the particular remedy it adopts. We should be anxious at this time not to be adding to each other's difficulties, but in fact one can cite all too many cases where that obvious necessity is being neglected. Has the Commission a view? I am glad that Vice-President Haferkamp is here with us tonight, because it seems to me that we are losing an opportunity for cooperation in allowing this severe crisis to work its way through without learning the lessons and putting them into practice as a united Community.

Mr President, this month in Washington there was a notable clash of opinion at the International Monetary Fund annual meeting. Pressure was brought by the most influential quarters on the countries with surpluses to reflate their economies so as to restore more favourable economic conditions in the rest of the free world. But this pressure was resisted by the United States, by Japan and also by Germany. I had the privilege to be present, and I heard eloquent speeches explaining why a policy of reflation by those countries would not be appropriate. But what I felt was lacking was a united Community voice and an opinion from the European Community on this crucial question.

Vice-President Haferkamp has been a very good friend of the new Members States of the Community, and I pay tribute to him for his sincerity, his seriousness and his dedication. But I have to be critical—and this motion forces one to be critical—because at this juncture the Commission is showing itself timid where it should be fearless; silent when it should be speaking out with authority; and late when it should be in the lead. I recognize the difficulties. But the Community is working its way through the crisis like a flock of sheep without a shepherd. The disease from which we are suffering is perhaps principally the lack of confidence in industry and business. This is shown in the lack of willingness to invest. It indicates the uncertainty which industry and business in the Community feel about our economic future. I have to say that the Commission is falling down on its responsibilities, and for this Vice-President Haferkamp must answer to Parliament. It is disappointing that we are obliged to agree to a delay in the timetable and a postponement of the advice from the Commission to national

Rhys Williams

governments, which should be forthcoming at this particularly critical time. But I do not want to be critical only of the Commission, because I do recognize that we are in the midst of a unique world economic crisis, and I would like to give a particular welcome to a development of which I have only learnt in the last half hour. That is the Commission's recommendation for the setting up of a European Institute for Economic Analysis and Research. I recognize that one of the difficulties which the Commission feels is the lack of really reliable and completely up-to-date data about the state of the economy of the Member States, and I think that this recommendation by the Commission points the way that we have to go. We must analyse and study our problems so that the decisions of business, central banks and governments can be based on really reliable and timely information. So I offer, in the midst of my criticism of our Vice-President, this word of encouragement and praise, and I hope that the Commission will press on with the creation of this institute. Perhaps even within twelve months we shall all of us be able to draw the benefit from having a reliable source of Community data, which gives us up-to-date and completely comparable information about economic trends in each of our Member States.

(Applause)

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, I should first like to express my thanks for the report and the comments made on it and to say a few words about this item on the agenda, namely the change in the timetable for the preparation of the annual report on the economic situation in the Community.

It has been our experience in recent years that September is invariably a difficult month in which to submit a report based on new, reliable data and taking into account the latest developments.

As you know, September is the month which immediately follows the holiday period in our Member States, and this is one reason why it has always been difficult to obtain figures for July by the end of August. It seems to me improper that a report dated September in which guidelines are to be worked out should be based on fragmentary information for July, June actually being the month for which the latest figures are available in full. I think this is being unrealistic. In fact we have always had this difficulty.

So far as possible we have tried to make good the deficiency by means of effective cooperation with the responsible government departments, the statistical offices and the Statistical Office of the Community. We have also been assisted by organizations representing industry, trade unions and scientific institutes, and have so far managed to prepare the report by September so that it could be discussed by Parliament in October. As the rapporteur has just pointed out, we all know how difficult it is to reply on statistical information and information on the latest economic developments, and having a figure for August may make all the difference to an assessment if the situation in August is radically different from that in June and July. We are therefore very grateful that Parliament agrees or, as the case may be, the committee proposes that our proposal on this matter should in any case be followed up for this year. But I feel that the practical difficulties will also be such in the future that the wording we have adopted would probably apply to the last quarter as well and enable us to include October. We would make every effort to be as early as possible.

On the other hand, I appreciate the difficulty referred to by Mr Artzinger that in some parliaments, at least in the Dutch Parliament, debates are so early that they cannot take account of those held in this House.

I should like to propose that the question as to how we can find a practical way to enable us, on the one hand, to provide reliable data and, on the other to hold an early debate, should once again be subjected to detailed examination in committee in the next few months.

I am very grateful that the discussion of this formal point also included some comments on the economy; in fact it would be totally out of keeping if Parliament, in a sitting during which a report on the economy is being debated, even if it only deals with the timetable, said nothing about a situation of daily concern to the national parliaments and the public.

I am sorry Sir Brandon is persuaded that the Commission has been too timid and too late. I do not agree with him. For example, in a whole series of cases since the beginning of the oil crisis we have stated our position, made proposals and drawn up reports, and, what is more, a good deal more promptly than if other areas of Community policy had been involved. After the oil crisis we drew attention to a whole series of consequences for economic development very much sooner than the politicians back home. In a whole series of questions in this House we can claim to have been the first

Haferkamp

to point this out, and not only in Commission documents but in Parliamentary debates.

I recall the applause which greeted me early on in this House when, at the very beginning of the oil crisis, I sounded an urgent warning against trying to solve the recycling problem solely by means of monetary agreements.

I believe the Commission was the first to point out that this problem can only be solved by mobilizing tangible resources, which means that the period of high growth rates in real private consumption is over, that sacrifices have to be made, and that we must invest more, which in turn demands a change of attitude and greater solidarity between workers and employers in our countries. I believe we can claim that we said this sooner than the responsible national authorities and that we made it known to the Council of Ministers and the public sooner than was done in other cases. My only reason for saying this is that we were certainly not too late in this case. I do not mean to say that we have been the pacemakers with our reports and proposals, and the debates in this House. It is only that the others were a little later in arriving at the same conclusions. Many things we said are unpleasant and possibly unsuited to the internal political debates going on in various quarters. But we shall go on saying what we have to say, without mincing matters. Last year we made a start on complementary policy, when no one was prepared to accept our contention that a distinction should be drawn between policies in countries with a deficit and in those with a surplus, and when it was widely assumed that there could only be one uniform economic policy, which is a fallacy. We said that it would be more realistic to try to pursue in these two groups of countries a complementary policy, that is to say different policies which must complement each other and be coordinated. This House was the first to support us with this idea, and today it is accepted.

But we have also done a whole series of other things. We have made proposals for dealing with very real difficulties. May I remind you of our proposal on the Community loan. Our proposals on this were put forward in January last year. This was an important instrument for helping countries with balance of payments difficulties to solve their problems.

The Commission is not to blame if the Council of Ministers takes 14 months to deliberate on this matter and then ties the Commission's hands when it comes to putting it into practice; if it spends so long on discussing favourable loan offers from oil-producing countries that the offers are eventually withdrawn.

It is a point that could possibly be raised again in the national parliaments so that there also the governments are made to face their responsibilities.

Having made the proposals, the Commission also indicated ways and means of implementing them, but the Council did not go along with us. In this connection, I must complain that yesterday, for example, the Council of Ministers yet again made no decision on our proposal for the Euratom loan, a matter which, with a little good will, could have been settled in four weeks. We are not asking for any transfer of sovereign rights and have no intention of depriving anyone of anything. We want to create an additional instrument. You have given us your wholehearted support for this in a full-dress debate.

I should now like to turn to a matter closely connected with the previous item: the supply of electricity, etc., a subject disposed of by the ECSC in a single half-sentence. Pundits from the Member States actually spent 11 months discussing it in meetings in Brussels, after which the Council of Ministers discussed it twice, only to shelve it once again. Ladies and gentlemen, I cannot accept the criticism levelled at the Commission. Before this House I accuse the Council, quite categorically, of being totally unwilling to take decisions.

(Applause)

I could go on with this list of examples, but it is rather late and I should like to see this debate conducted before a full House. On that occasion I shall be equally frank.

(Applause)

I must now add something about an important point raised by Mr Artzinger...

President. — Mr Haferkamp, I do not wish to interrupt you, but may I point out that the enlarged Bureau has decided to include a debate on the economic situation in the agenda for the October part-session.

Mr Haferkamp. — *(D)* Thank you, Mr President. May I have another minute to mention the timetable for the July Summit Conference of the International Monetary Fund? I feel this is important for constitutional reasons. Mr Artzinger suspected, on the basis of reports available to him, that this was a case of the European Council shifting the institutional balance in its discussions. This is not the case. The European Council meeting of 17 July was preceded on 10 July by a meeting of the Council of Finance Ministers. For this meeting the Commission had forwarded a detailed economic report with

Haferkamp

guidelines referring mainly to the budgets. The Council of Finance Ministers accepted this report. It was submitted in abridged form to the heads of government, who also accepted it on the basis of the reports made by the Commission and the Council of Finance Ministers. In August meetings of the coordination group, that is to say the Secretaries of State, and the Monetary Committee, etc. were held in order to coordinate in detail the economic programmes which were to come into effect later. On 24 August in Venice the Ministers adopted an overall plan incorporating the programmes of the individual governments. And all this was based on a Commission recommendation of 23 July for measures to combat the recession. It is the first time that the Commission, in accordance with Article 155 of the Treaty, has forwarded a recommendation on economic questions directly to the governments. This is a piece of teamwork in which the European Council played an important part and in any case was also a coordinating force, and for once in a while the Institutions were able to come into their own. If you look at the Venice Communiqué, you will see that it has defined the scope for national measures. But it has also smoothed the path for constructive contributions and efforts by the Community at the international conferences in Washington and at the United Nations Conference on raw materials, and I think there are certain factors here which are more positive than they were a few months ago. I am extremely gratified that in October we shall have the opportunity of discussing the subject in detail and dealing with these individual questions in greater depth.

Mr President, I apologize for speaking at such length, but I was anxious to prevent any misunderstandings and ambiguities on questions of such constitutional and material importance.

(Loud applause)

President. — I call Mr Artzinger.

Mr Artzinger, rapporteur. — *(D)* Mr President, may I say a few more words on this point? The debate has got far beyond the narrow limits of its original subject, and for this I am grateful to Sir Brandon and Vice-President Haferkamp. But I should also like to ask your indulgence, Mr President, for the fact that, as rapporteur of your committee, I was obliged to stick to my subject so closely. I also would have much preferred to speak about the economic situation rather than about the change in the timetable of the annual report on the economic situation. I hope you will understand, Mr President, my reason for making this final remark.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — I would like to take the opportunity of thanking the Vice-President for the very full and informative remarks which he made. I think that Parliament has performed a useful function, and I hope that I, too, may have done something useful in provoking the Vice-President into saying what he has. We shall study his speech with great interest when we see it in print. I would like to say to Vice-President Haferkamp that I am reminded of the old saying that it is no good hoping for justice in this world because we shall not get it, and if we do get it in the next world, we shall not like it. If I have not been fair to him and to the Commission, I hope he will at all events take what I have said in good part.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

9. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Wednesday, 24 September 1975, with the following agenda:

10.30 a.m. and 2.30 p.m.

— Question Time

— Joint debate on:

— Oral Question with debate to the Council on aid to the shipbuilding industry, and

— Oral Question with debate to the Commission on aid to the shipbuilding industry

— Oral Question with debate to the Council on conclusions to be drawn from the Conference on Security and Cooperation in Europe

— Marras report on the report on the development of the social situation in the Community

— Shaw report on the financial regulations of the European Social Fund

— Albers report on the action programme for migrant workers

— Meintz report on safety, hygiene and health protection at work.

The sitting is closed.

(The sitting was closed at 7.15 p.m.)

¹ OJ No C 239 of 20. 10. 1975.

SITTING OF WEDNESDAY, 24 SEPTEMBER 1975

Contents

<p>1. Approval of minutes 96</p> <p>2. Question Time (Doc. 252/75):</p> <p style="padding-left: 20px;"><i>Questions to the Council of the European Communities:</i></p> <p style="padding-left: 40px;"><i>Question No 1 by Mr Glinne: Commemoration of the capitulation of the Third Reich (cf. Annex) 96</i></p> <p style="padding-left: 40px;"><i>Question No 2 by Miss Boothroyd: Annual review of farm prices:</i></p> <p style="padding-left: 60px;"><i>Mr Battaglia, President-in-Office of the Council; Miss Boothroyd; Mr Fellermaier; Mr Battaglia; Mr Corrie; Mr Battaglia; Mr Cointat; Mr Battaglia; Mr Howell; Mr Battaglia; Mr Frehsee; Mr Battaglia; Mr Scott-Hopkins; Mr Battaglia 97</i></p> <p style="padding-left: 40px;"><i>Question No 3 by Mr Broeks: Commission proposals:</i></p> <p style="padding-left: 60px;"><i>Mr Battaglia; Mr Broeks; Mr Scarascia-Mugnozza, Vice-President of the Commission; Mr Battaglia; Mr Broeks; Mr Seefeld; Mr Battaglia .. 99</i></p> <p style="padding-left: 40px;"><i>Procedural motion:</i></p> <p style="padding-left: 60px;"><i>Mr Dykes 101</i></p> <p style="padding-left: 40px;"><i>Question No 4 by Mr Albers: European social policy:</i></p> <p style="padding-left: 60px;"><i>Mr Battaglia; Mr Albers; Mr Battaglia 101</i></p> <p style="padding-left: 40px;"><i>Question No 5 by Mr Carpentier: European social policy:</i></p> <p style="padding-left: 60px;"><i>Mr Battaglia; Mr Carpentier; Mr Battaglia 102</i></p> <p style="padding-left: 40px;"><i>Question No 6 by Mr Fellermaier: Aid programme for Portugal:</i></p> <p style="padding-left: 60px;"><i>Mr Battaglia; Mr Fellermaier; Mr Battaglia; Mr Klepsch; Mr Battaglia; Mr Bersani; Mr Battaglia; Mr Seefeld; Mr Battaglia; Mr Corona; Mr Battaglia; Mr Cousté 102</i></p>	<p style="padding-left: 20px;"><i>Questions to the Commission of the European Communities:</i></p> <p style="padding-left: 40px;"><i>Question No 7 by Mr Espersen: Economic aid for Portugal:</i></p> <p style="padding-left: 60px;"><i>Mr Ortolí, President of the Commission; Mr Espersen; Mr Ortolí 104</i></p> <p style="padding-left: 40px;"><i>Procedural motion: Mr Fellermaier; Mr Battaglia; Mr Scott-Hopkins 104</i></p> <p style="padding-left: 40px;"><i>Question No 8 by Mr Spicer: Dumping of rubbish overboard:</i></p> <p style="padding-left: 60px;"><i>Mr Scarascia-Mugnozza, Vice-President of the Commission; Mr Spicer; Mr Scarascia-Mugnozza 105</i></p> <p style="padding-left: 40px;"><i>Question No 9 by Mr Corrie: Position of independent airlines within the Community:</i></p> <p style="padding-left: 60px;"><i>Mr Borschette, member of the Commission; Mr Corrie; Mr Borschette .. 106</i></p> <p style="padding-left: 40px;"><i>Question No 10 by Mr Osborn: Steel industries:</i></p> <p style="padding-left: 60px;"><i>Mr Spinelli, member of the Commission; Mr Osborn; Mr Spinelli; Mr Cousté; Mr Spinelli 106</i></p> <p style="padding-left: 40px;"><i>Question No 11 by Mr Howell: Butter supplies:</i></p> <p style="padding-left: 60px;"><i>Mr Lardinois, member of the Commission; Mr Howell; Mr Lardinois; Mr Scott-Hopkins; Mr Lardinois; Mr Hamilton; Mr Lardinois; Mr Frehsee; Mr Lardinois 107</i></p> <p style="padding-left: 40px;"><i>Question No 12 by Mr Ellis: Communication between the Commission and local government authorities in the Member States:</i></p> <p style="padding-left: 60px;"><i>Mr Thomson, member of the Commission; Mr Ellis; Mr Thomson; Mrs Kellert-Bowman; Mr Thomson; Mr Osborn; Mr Thomson 109</i></p> <p style="padding-left: 40px;"><i>Procedural motion: Mr Kaspereit; Mr Kirk; Mr Dykes; Mr Battaglia; Mr Fellermaier 110</i></p>
--	--

3. Debate on request following Question Time: Economic aid for Portugal:			
<i>Mr Stewart, on behalf of the Socialist Group; Mr Klepsch, on behalf of the Christian-Democratic Group; Lord Gladwyn, on behalf of the Liberal and Allies Group; Mr de la Malène, on behalf of the Group of European Progressive Democrats; Mr Kirk, on behalf of the European Conservative Group; Mr Sandri, on behalf of the Communist and Allies Group; Mr Patijn; Mr Bersani; Mr Spicer; Mr Corona; Lord Reay; Mr Bordu; Mr Covelli; Mr Thomson, member of the Commission; Mr Battaglia President-in-Office of the Council</i>	111	<i>Mr Marras, rapporteur</i>	143
		<i>Mr Adams, on behalf of the Socialist Group; Mr Van der Gun, on behalf of the Christian-Democratic Group; Mr Geurtsen, on behalf of the Liberal and Allies Group; Mr Terrenoire, on behalf of the Group of European Progressive Democrats; Mr Dykes, on behalf of the European Conservative Group; Mrs Goutmann, on behalf of the Communist and Allies Group; Mr Alfred Bertrand, chairman of the Committee on Social Affairs and Employment; Mr Yeats; Mr Pisoni; Mr Santer; Mr Albertsen; Mr Härzschel; Mr Bersani; Mr Dalyell; Mr Hillery, Vice-President of the Commission; Mr Dalyell; Mr Marras</i>	145
4. Oral Questions with debate: Directive on aid to the shipbuilding industry (Docs 244/75 and 245/75):		Consideration of the motion for a resolution:	
<i>Mr Notenboom; Mr Battaglia, President-in-Office of the Council; Mr Borschette, member of the Commission; Mr Nyborg, on behalf of the Group of European Progressive Democrats; Mr Normanton, on behalf of the European Conservative Group; Mr Prescott; Mr Notenboom; Mr Scott-Hopkins; Mr Notenboom</i>	122	Amendment to paragraph 6:	
		<i>Mrs Goutmann; Mr Marras</i>	171
5. Membership of committees	128	Amendment after paragraph 11:	
		<i>Mrs Goutmann; Mr Marras; Mr Dykes</i>	172
6. Oral Question with debate: Conclusions to be drawn from the Conference on Security (Doc. 246/75):		Amendment to paragraph 16:	
<i>Mr Radoux; Mr Battaglia, President-in-Office of the Council; Mr Stewart, on behalf of the Socialist Group; Mr Klepsch, on behalf of the Christian-Democratic Group; Lord Gladwyn, on behalf of the Liberal and Allies Group; Mr Krieg, on behalf of the Group of European Progressive Democrats; Lord Bethell, on behalf of the European Conservative Group; Mr Ansart, on behalf of the Communist and Allies Group; Mr Seefeld, on behalf of the Socialist Group; Mr Bersani; Mr Battaglia</i>	128	<i>Mrs Goutmann; Mr Marras; Mr Albers; Mr Adams; Mr Härzschel; Mr Kaspeireit; Mrs Goutmann</i>	173
		Explanation of vote: <i>Mr Fabbrini, on behalf of the Communist and Allies Group</i>	175
7. Change in agenda	142	Adoption of resolution	175
		9. Order of business:	
8. Report on the development of the social situation - Report drawn up by Mr Marras on behalf of the Committee on Social Affairs and Employment (Doc. 161/75):		<i>Mr Pisoni; Mr Shaw</i>	175
		10. Regulation amending the financial regulation for the European Social Fund - Report drawn up by Mr Shaw on behalf of the Committee on Budgets (Doc. 258/75):	
		<i>Mr Shaw, rapporteur</i>	176
		<i>Mr Härzschel, on behalf of the Christian-Democratic Group; Mr Hillery, Vice-President of the Commission</i>	177
		Adoption of resolution	177
		11. Action programme in favour of migrant workers - Report drawn up by Mr Albers on behalf of the Committee on Social Affairs and Employment (Doc. 160/75/rev):	

Mr Albers, rapporteur	177	Albers; Mr Marras; Mr Albers; Mr Pisoni; Mr Albers; Mr Della Briotta; Mr Pisoni; Mr Albers; Mr Marras; Mr Albers; Mr Marras; Mr Albers	196
Mr Della Briotta, on behalf of the Socialist Group; Mr Pisoni, on behalf of the Christian-Democratic Group; Mr Guertsen, on behalf of the Liberal and Allies Group; Mr Liogier, on behalf of the Group of European Progressive Democrats; Mr Marras, on behalf of the Communist and Allies Group; Mr Santer; Mr Hillery, Vice-President of the Commission; Mr Albers	181	Amendment after paragraph 11: Mr Pisoni; Mr Albers; Mr Hillery, Vice-President of the Commission ..	200
Consideration of the motion for a resolution:		Explanation of vote: Mr Bersani	201
Amendment to paragraph 4: Mr Pisoni; Mr Albers	194	Adoption of resolution	201
Amendment after paragraph 8: Mr Della Briotta; Mr Albers	194	12. Safety, hygiene and health protection at work - Report drawn up by Mr Meintz on behalf of the Committee on Public Health and the Environment (Doc. 211/75): Mr Meintz, rapporteur	201
Amendment to paragraph 10: Mr Albers; Mr Pisoni	195	Mr Prescott, on behalf of the Socialist Group; Mr Bersani; Mr Hillery, Vice-President of the Commission	202
Amendment after paragraph 10: Mr Pisoni; Mr Albers	195	Adoption of resolution	205
Amendments to paragraph 11: Mr Marras; Mr Albers; Mr Della Briotta; Mr Adams; Mr Pisoni; Mr		13. Agenda for next sitting	205
		ANNEX: Questions, which could not be answered during Question Time, with written answers.	206

IN THE CHAIR: MR SPÉNALE

President

(The sitting was opened at 10.40 p.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. 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. 252/75), in accordance with the provisions of Rule 47 A, paragraph 1, of the Rules of Procedure.

I would ask Members, when putting their questions, to observe strictly the procedure for the conduct of questions—particularly today, in view of the large number of questions tabled.

Furthermore, since I have been informed that there may be a request for a topical debate on aid to Portugal, I would ask for questions on that subject to be kept to a minimum.

We shall deal first with questions addressed to the Council. I ask the President-in-Office of the Council to answer the questions and any supplementary questions.

Since Mr Glinne is absent, Oral Question No 1 will be answered in writing⁽¹⁾.

I call Oral Question No 2 by Miss Boothroyd. It is worded as follows:

'What measures are taken by the Council during their discussions on the annual review of farm prices to protect the interests of consumers?'

¹ See Annex.

Mr Battaglia, President-in-Office of the Council. — (I) Miss Boothroyd, when you speak of measures, I assume you mean measures affecting the level of consumer prices.

Each year, the Council makes a statement on the prices of the main agricultural products, in accordance with a complicated procedure and after receiving proposals from the Commission. The Commission also has a long and complicated procedure for drawing up its proposals. The very complexity and length of these procedures show that the aim is to reach difficult compromises which faithfully reflect the search for a balance between the interests of producers and consumers, taking account both of the overall effect of the agricultural price policy on the economic structure of the whole Community, and of the essential fact that the Community is made up of some countries which are traditional importers of foodstuffs, while other countries are traditional producers. It is thus clear—and I say this on behalf of the Council—that when the Council takes decisions on agricultural prices, it is always fully aware of its obligation, under Article 39(1) of the Treaty, to ensure fair prices in sales to consumers, i.e. in practice, by fixing prices.

Speaking personally, Miss Boothroyd, I might add that there may be some special measures to protect the consumer if, when world prices are considerably or slightly higher than internal Community prices, the Council introduces levies on exports of the products concerned. These measures benefit the consumer, since they ensure supplies and the stability of the market.

A case in point is the sugar sector. I remember that, during the long discussions on the British renegotiation, it was pointed out that the world prices for sugar—a product which, according to one British minister, was of particular interest to the people in his constituency—were extremely high, in fact two to three times the Community prices. Thanks to financial measures taken by the Community, it was nevertheless possible to ensure low prices and stable supplies, particularly in those areas—Britain and part of Italy—where there was a shortage of this product, whose price was thus kept considerably below the world price.

Miss Boothroyd. — I wish to make three brief points.

First, accepting that the farmer receives something between a quarter and a half of what the consumer pays, is the Council paying attention to the other half that the consumer pays, which is absorbed in marketing, distribution and advertising? In other words what protection does the consumer have here?

Secondly, I wonder if the Council is encouraging Member States to appoint a Secretary of State or a Minister who, as in the United Kingdom, would be solely responsible for prices and consumer affairs and could be invited to make an annual price review.

The third point I wish to make is a much wider one. Since consumers are, of course, also interested in surplus production, particularly so far as protein foods are concerned, I wonder if the Council is planning for a regular annual surplus of cereals and dairy produce so that the food aid to the Third World is not a reluctant compromise between uneasy charity and a surplus in a good year, but a constant plan for supplying food to the Third World.

(Applause)

Mr Fellermaier. — (D) Mr President of the Council, your answer was long but not very precise. May I therefore ask you whether, on the basis of an oral question by my Group, which we shall submit to the Council in good time, you are prepared to state next month more precisely what longer-term measures the Council—acting upon suitable proposals from the Commission—will be announcing to give consumers in the European Community greater protection?

(Applause)

Mr Battaglia. — (I) I would say to Mr Fellermaier that the Council is quite prepared to undertake to discuss the problem in the way he indicated, on the basis of any concrete proposals from the Commission. To Miss Boothroyd I would reply that the Council is of course aware of the complexity of the problems involved in producer incomes and the interests of the consumer, as well as of the marketing problems, which are particularly acute in some countries.

However, the Council reaches its decisions after consulting not only its own committee of top-level officials, but also a number of technical committees made up of representatives of the ministries of agriculture—who thus represent the producers' interests—and of representatives of other national ministries more interested in protecting the consumer, particularly of course the ministers responsible for the national economies, who are aware of how the agricultural prices may affect the level of inflation in their countries.

I might also say to Miss Boothroyd that on 14 April last, after consulting this Parliament, the Council adopted a resolution on the preliminary EEC programme for a consumer protection and information policy. It is an extremely lengthy document which I do not think I have to summarize here, but I can have it sent to you if you feel this would be useful. It provides

Battaglia

for a series of general measures which, of course, require a gradual approach, and I feel that it may be a useful basis to be added to any Commission proposals.

Mr Corrie. — Mr President, is the Council aware that nearly 700 dairy farmers went out of business in Britain in July and there will be an acute shortage of liquid milk and milk products for the consumer in that country and the loss of hundreds of jobs in the dairy factories this coming winter? What is the Council going to do to try and improve the incomes of farmers in this sector so that the consumer does get a continued supply?

Mr Battaglia. — (I) Mr Corrie, I am afraid this is the other side of the problems facing the Council. I mean that the unprofitability of some farms or producer organizations in this sector reflects the wider problem of the economic recession at present affecting Europe. Looking at it from this angle, we are fully aware that, apart from specific individual measures which may be taken to deal with some situations, the economic and monetary policy on which the recession is generally dependent is the responsibility of each individual Member State. The Community, and in particular the Council, can only try to achieve a minimum of coordination in this field, since its field of action—apart from some specific aspects—is very limited.

Mr Cointat. — (F) Does the Council agree that not only is the world price of many agricultural products in the housewife's shopping basket higher than the European price, but also that European agriculture, with its stable system, guarantees continuous supplies in spite of a world food shortage?

Mr Battaglia. — (I) Mr Cointat, the Council is fully aware of this, and in fact I already referred to the question in my reply to Miss Boothroyd. I can even give you some precise figures in this context. If we take the world price of common wheat to be 100, the Community price is 79. If we take the world price of rice to be 100, the Community price is 60. The current price for sugar is equivalent to 66 and the olive oil price, although rather higher, is still less than the world price at 98. The Community cereals price, finally, is 77. There are thus many products whose price in the Community is in fact lower than the world price. This is a clear advantage for the consumer, and it is increased, as I said before, by the export levies which prevent Community products being exported to third countries where they would fetch a better price.

As far as your other question is concerned, Mr Cointat, there is no doubt that, in most cases, Community production offers an adequate guarantee of self-sufficiency. In some sectors, however, it can rightly be said that Community agriculture, the common agricultural policy, raises problems which are closely linked to the wider problem of international trade which has been troubling us for a long time.

Mr Howell. — Mr President, may I ask the President of the Council if he would agree that the best thing to do in the interests of the consumer is to get a proper balance between supply and demand and that this is extremely necessary as far as milk is concerned in the United Kingdom? I would say to Miss Boothroyd that, despite the fact that we have had our Minister of Consumer Affairs, the situation as regards milk production in Britain is very unsatisfactory. May I urge the Commission and Council to take urgent action aimed at more positive production and marketing planning in all fields of agriculture?

Mr Battaglia. — (I) Mr Howell, you have touched upon two matters of crucial importance to the Community. It is clear that a balance between supply and demand is essential for a good agricultural policy. I think the Commission could say something about this, since the imbalance between production and demand represents a heavy burden on the Community budget. Planning of production, and hence of the expenditure it involves, is one of the matters of crucial importance to the Community, and I should like to state personally that, during the Italian term of presidency, I feel that this problem must be brought to the attention of the Commission and of all the Community institutions as soon as possible, i.e. before the end of the year.

Mr Frehsee. — (D) Mr President of the Council, do you not feel that the whole point of the question has been lost through the discussion? Miss Boothroyd's question referred to consumer prices, not to producer prices. We shall probably be having a debate on fishing tomorrow. Did you know, Mr President of the Council, that the producer prices for fish have fallen, whereas consumer prices have risen sharply? What does the Council intend to do about the margin between producer and consumer prices? That was the point of the question and I should like to get back to it.

(Applause from the left)

Mr Battaglia. — (I) Mr Frehsee, the problem is extremely complicated, since it involves a study product by product, and hence sector by sector. The problems are not the same in all sectors,

Battaglia

and what is required is an extremely diversified analysis, on which the Council—to be perfectly frank—is awaiting concrete proposals from Parliament and the Commission.

Mr Scott-Hopkins. — What does the Council think would be a reasonable margin of profit between the producer and the wholesaler and the retailer?

Secondly does not the Council think that an annual price review is a rather rigid system and have not recent years shown that in the interim period adjustments have to be made constantly? What consideration have the Council and Commission given to a more flexible system of fixing both consumer and farm prices?

Mr Battaglia. — (I) Mr Scott-Hopkins, speaking in general terms, the Council feels that the profit margin which must be guaranteed to the producers should be sufficient to ensure reinvestment in the sector or in the farms and sufficient to ensure the producers a fair income.

I feel it is difficult to go beyond this general answer. I realize that it is an obvious reply but I think it is the only one I can give.

The other problem is already on the Council agenda, and on 29 October it will be commencing a study of this whole range of problems affecting the agricultural policy. It will take account of your views and remarks in its deliberations.

President. — I call Oral Question No 3 by Mr Broeks. It is worded as follows:

'Has the Council taken note of the list of more than two hundred Commission proposals on which the European Parliament has delivered its opinion but on which the Council has not yet reached a decision? If so, what steps does the Council propose to take in order to remedy this state of affairs as quickly as possible?'

Mr Battaglia, President-in-Office of the Council. — (I) Mr Broeks, I should not like you or Parliament to draw general conclusions from a mere figure.

This is a figure which must be analysed. You speak of a list of about 200 proposals. To our discredit, the exact figure is 210, and I assume you are familiar with the document containing the list of these 210 proposals.

It must be pointed out that, since this document was published on 1st July, some of the proposals have been approved; others were submitted only recently; others have to be amended by the Commission in view of Parliament's opinion, which means that they are no longer with the Council, but with the Commission; yet

others are being studied and will be approved in the near future, while others, finally, have been essentially overtaken by events and by the new problems facing the Community. If we analyse the figure in this way, Mr Broeks, I think your criticism is countered, and I hope that my analysis—which I can give you in figures if you wish—will be sufficient to illustrate the progress actually being made in the work of the Council.

Mr Broeks. — (NL) Mr President, last April I asked the Commission in this House to supply us with a list. Mr Scarascia Mugnozza gave an assurance that this would be submitted to Parliament within 20 days. This list has still not been received by the Members of this Parliament, but my extreme indignation at this has been somewhat subdued now that I know that the list will be available to all Members of Parliament next week. I very much regret, however, that whereas the Commission promised us the list within 20 days in April, only now in September is it finally being made available to us.

That was my first remark.

As regards the actual question, I would almost ask the President-in-Office not to bother to reply, since each Member of this Parliament is intelligent enough to know the answer himself. The President-in-Office implied that the list has become shorter since April. This may be true for three or four decisions, but this situation has existed for years, and there are some decisions which the Commission submitted to the Council as long ago as 1968, 1969, 1970, etc. We fully realize that there have recently been a few additions, but my question was, what solutions, what measures the Council was considering in order to reduce this figure of 200 odd. The situation I have criticized may well be the result of the Council's indecision, but it may also be due to the fact that the advisers who have to prepare the documents are behind in their work. If the first is true, I would ask the Council to consider whether the Summit Conferences of Heads of State or Government could not be incorporated into the Treaty of Rome, so that the gentlemen could take binding decisions on behalf of the EEC. We would then no longer have fine-sounding decisions with absolutely no consequences at all, as has been the case with the last two Summit Conferences. I would ask the President-in-Office to transmit my suggestion to the Council.

My second point concerns the advisers. Is it sufficient to have only one committee of permanent representatives? I know there is another committee for agriculture, but would it not be better

Broeks

to have two or three committees of permanent representatives who could share the work and provide the Council with opinions more rapidly than is at present the case?

I should be glad to hear the President-in-Office's views on these two suggestions for a solution to the difficulties.

President. — Since the Commission has been criticized, I call Mr Scarascia Mugnozza, who wishes to speak.

Mr Scarascia Mugnozza, Vice-President of the Commission. — (I) Mr President, Mr Broeks referred to a statement I made to Parliament some time ago.

I would remind Mr Broeks that, in May, we sent him personally the list he had asked for. The only thing was that the list was in French. Mr Broeks then asked for it to be distributed to all Members of Parliament and in all the languages, and this has now been done. The list was distributed in French on 11 September, in other languages on 18 September and in the remaining languages on 19 September.

Mr Battaglia. — (I) Mr President, as far as my responsibilities are concerned, I should like to say to Mr Broeks that I feel his comments are not borne out by the facts.

I am speaking of a list which is more up to date than his, since it is a list of 210 proposals which was drawn up on 1st July. Twenty of these 210 proposals have now been adopted; 18 of the remaining 190 proposals were submitted only recently and have thus not yet got past the stage of being examined by the Council; 40 are modified proposals from the Commission, submitted only recently; 7 proposals have still to be modified by the Commission in the light of Parliament's vote; 75 proposals require lengthy study, since they concern highly technical and complex problems—the proposals on veterinary science and plant protection, for instance, obviously require a fairly long procedure. Finally, 31 proposals are in the course of approval and 27 are considered to have been overtaken by events in the Community.

I do not feel it is possible to draw the radical—I might even, Mr Broeks, say extremist—conclusions you have reached.

You mentioned the Council's capacity for work. I should like to give you some more figures, since it is better to discuss this on the basis of actual figures than of oral assertions. Between January and the end of July of this year, the Council approved 214 regulations, 39 directives,

70 decisions and 13 resolutions. I do not think it can be maintained that the Council is not working fast enough. Recently, the Commission, Council and Parliament have been cooperating to try to draw up a timetable for all the Commission proposals, in order to avoid any delays and to ensure that the passage through each institution—not just the Council—is as rapid as possible.

As regards your third question, Mr Broeks, you know that there are already a large number of specialized technical working parties. It is right that the analysis should be made at a technical level in many sectors. I feel it is also right that there should be an overall political assessment—not technical, but political—and that there should therefore be a political body, a political forum which can gain an overall view of all the various technical proposals from the various working parties.

This coordination between all the different proposals and decisions from the technical working parties can only be undertaken—and it is in fact being efficiently undertaken—by the Committee of Permanent Representatives, which is in any case already divided into two parts. The Council naturally also exercises this coordination at a higher general political level. I thus feel it would be wrong to subdivide—as you might propose—the political view of the problems, since we would then have not a political assessment, but a technical one, and this alone is insufficient.

President. — May I request Members once again to be very brief and only to put questions which may be answered rapidly so that we will at least be able to cover all the questions addressed to the Commission.

Mr Broeks. — (NL) Mr President, I will not go into this matter any further since I no longer have a right to, but I should like to tell Mr Scarascia Mugnozza that right from the outset I asked for this list to be sent to Parliament and not to me personally. This can be verified from the documents.

That is not quite the same thing.

Mr Seefeld. — (D) Mr President, I should like to ask the President of the Council whether he is aware of the fact that Commission proposals regarding, for example, transport policy have been before the Council for over five years, and I should also like to ask whether he is prepared to see to it that an end be finally put to this situation, which I must deplore, during his period of presidency?

Mr Battaglia. — (I) Mr President, I should like to inform the questioner that it is planned to hold two meetings of the Council of Ministers of Transport before December.

President. — I call Mr Dykes for a procedural motion.

Mr Dykes. — Mr President, you referred just a few minutes ago to the inordinate length of Question Time and the fact that so far we have dealt with only two questions in approximately half an hour. You appeal to Members of this Parliament to be brief in their questions and maybe even refrain from asking a supplementary question. Is it not also your duty, Mr President, to protect this Parliament from inordinately lengthy answers from the Council of Ministers? We have been subjected to a series of university lectures from the President-in-Office of the Council, and I would ask you please to appeal to him to give brief, ministerial answers to questions so that we can get through this lengthy list of very important questions.

(Applause)

President. — I think we and the Council have taken due note of Mr Dykes' remarks and that no reply is needed.

I call Oral Question No 4 by Mr Albers, which reads as follows:

'What European measures, as distinct from national measures, does the Council propose to take in order to deal with unemployment in the Community?'

Mr Battaglia, President-in-Office of the Council.

— (I) Mr President, I really do not know whether I should be extremely brief and fail to satisfy the questioner or to allow myself a little more time and give the impression of not providing an answer. This is a dilemma which I would be grateful if the chair would resolve.

Mr Albers, you have raised a general question. The Community has no right of intervention in the economic and financial field, i.e. the field of economic policy upon which employment depends. The Community is not competent in this sphere and therefore, in general terms, the Community can do nothing apart from attempting to coordinate and align national policies. In general terms, this is all the Community can do.

The Council has, however, taken a number of specific measures designed to overcome the present difficulties. These include, for example, the adoption by the Council on 17 June of a decision providing for contributions from the Social Fund to be granted to young persons under 25 made

redundant or in search of a new job, with priority being given to persons in this age group who are seeking their first job. In addition, the Council has decided to take swift action to assist those persons who are or have been employed in sectors hit by the recession, on the basis of specific proposals which are awaited from the Commission.

Finally, the Council has implicitly taken a number of further measures by making certain decisions. For example, contributions from the Social Fund towards national measures; financial aid for the reconversion of industry under the terms of the ECSC Treaty; financial aid from the Regional Fund; contributions from the guidance section of the EAGGF which may be used for this purpose. Admittedly, this is not everything, but I think that it is at least something.

Mr Albers. — (NL) Mr President, I am grateful for this answer, in spite of its extreme brevity (laughter from the left) but I should like to put one or two supplementary questions.

Firstly, it strikes me that the Council has clearly not considered the possibility of granting additional support to the economically weaker areas of the Community, and my question is whether it would not be possible to take special measures to alleviate the consequences of the unacceptably high level of unemployment which has existed for some time in certain areas. The Council is thinking of injecting money not only into the economically weak areas of the Community but also into the countries around the Mediterranean Sea, which, after all, have such close economic links with the Community.

Mr Battaglia. — (I) Mr President, I find it interesting that opinions as to whether answers are long or short depend upon whether one is sitting on the right or left of this House. I would have thought it was merely a question of the time taken.

I shall therefore keep my reply very terse and merely say that the questioner appears to me to be unaware that the Regional Development Fund was set up this year for the very purpose of assisting the poorer and more depressed regions of this Community, and that he is also apparently unaware of the well-known fact that a series of negotiations with the Maghreb and the Machrek countries are under way.

President. — I call Oral Question No 5 by Mr Carpentier which reads as follows:

'When will the next tripartite Conference of social partners—which the Council has approved in principle—take place?'

Mr Battaglia, President-in-Office of the Council. — (I) Mr Carpentier, it is not possible at this time—I repeat at this time—to give a precise date.

As you know, when the Council received the request from the trades union organizations, it instructed the Commission in July to submit a document. I am pleased to be able to tell you that tomorrow COREPER is to examine the document which has already been submitted by the Commission and which represents a most useful basis for this conference. I can assure you that the Council will do all in its power to ensure that the conference is conducted in accordance with the terms envisaged at the July meeting.

Mr Carpentier. — (F) Can the Council tell us what difficulties or obstacles may delay this Conference?

Mr Battaglia. — (I) Mr Carpentier, there are no obstacles in the way of this conference; it merely requires careful preparation, for which the Commission document provides the necessary basis. This document—I am telling you this on a personal basis—proposes a possible date for the conference and the presidency is generally in favour of the idea of holding the conference some time around the latter half of November.

President. — I call Oral Question No 6 by Mr Fellermaier, which reads as follows:

'When will the Council finally adopt its aid programme for Portugal?'

Mr Battaglia, President-in-Office of the Council. — (I) Mr Fellermaier, at the meeting of 17 July the Council took the opportunity of reaffirming that the Community was in favour of opening discussions on further economic and financial cooperation with Portugal.

In addition, the Council pointed out that in the light of European political and historical traditions, the European Community would only have been able to give its support to a pluralistic democracy. Therefore the Council, in close cooperation with the Commission and the European Investment Bank; is taking active steps to define the position that it intends to adopt at the meeting with the representatives of the new Portuguese government which it hopes to hold in the very near future.

Therefore, Mr Fellermaier, I should like to add that the President of the Council personally hopes that it will be possible to hold a meeting with Portugal as soon as this country so desires,

and that the representatives of Portugal and of the Community will discuss a specific aid programme to form the basis of the meeting between the Portuguese and the Community authorities.

In order to establish a substantial system of aid, the President of the Council has instructed an *ad hoc* committee to speed up its work as much as possible so that it will be able on 6 October to provide the Council with all the data necessary for it to reach a final decision on this question.

Mr Fellermaier. — (D) Mr President of the Council, would you agree with my view that in an exceptional situation the Council of the European Communities must also take exceptional measures on the basis of concrete proposals from the Commission? Would you also concur with my view that the normal channels of negotiation should not be used and that it cannot merely be a question of modifying customs tariffs, preferences or the trade agreement, but rather that the Council should now issue a major offer of aid to Portugal in the context of pan-European responsibility—something in the manner of a Marshall Plan, which might serve as a good example—and stop letting things get bogged down in red tape?

(Applause)

Mr Battaglia. — (I) Mr Fellermaier, in my view, what Portugal needs above all at this time, in its economic situation, is immediate financial aid from the Community and aid with investments designed to combat the recession and economic crisis from which Portugal is suffering. What is needed now is therefore not an overall approach—valuable though this may be—but immediate tangible aid, and for this reason the President, I repeat, has instructed the *ad hoc* committee to speed up as much as possible its work of establishing the terms for this immediate financial aid. Of course, the form which this aid will take will depend upon the assistance offered by the individual Member States, which the Council as such can do little to influence. As regards the general negotiations, these are one aspect of the question of cooperation between Portugal and the Community, and they will be at once resumed when specific proposals are received.

Mr Klepsch. — (D) Mr President of the Council, would you agree with me in thinking that the problem at the moment is that no concrete proposals from the new Portuguese Government have so far been submitted either to the Council or to the Commission, and secondly, that unfor-

Klepsch

fortunately for many months now the actual opening of talks and negotiations between the Council and the Commission on the one hand and the Portuguese Government on the other has been postponed by the Portuguese Government? Thirdly, would you agree with me that for this reason the Council can, for the present, do no more than consider how it might be able to help—depending upon what proposals are put forward by the Portuguese Government—and that the Council has already explained its basic attitude very clearly and unambiguously?

Mr Fellermaier. — (D) That is not true!

Mr Klepsch. — (D) It is absolutely true!

Mr Battaglia. — (I) Mr Klepsch, I have put forward a view which the Italian presidency feels it should adopt. As you rightly pointed out, the talks were proposed by the Community, i.e. by the Council of the Community, in July but were postponed at the request of the Portuguese authorities. That is perfectly true. I expect that in view of the new situation in Portugal, there will soon be a request for a meeting between the Portuguese Government and representatives of the Community. However, it is clearly not so much Portugal's responsibility to make proposals regarding immediate financial aid. The Community, and I mean in this case the Council, not the Commission, must establish how much the various Member States are prepared to give. This is the work currently before the Council.

President. — Ladies and gentlemen, may I remind you that if we wish to hold a topical debate on aid to Portugal, we must proceed to the first of the questions addressed to the Commission, which deals with the same subject. Might I therefore request that you all exercise a certain amount of restraint.

Mr Bersani. — (I) Mr President, in view of the effects of decolonization (Angola, Mozambique, Guinea Bissau, etc.) on the current situation in Portugal, from the point of view of investment and of economic as well as social and humanitarian development; in view, furthermore, of the connection between EEC policy and our relations with the associated ACP countries; and, finally, in view of the clear European option currently open to the new Portuguese Government, does not the representative of the Council feel that the work of the *ad hoc* group or, at any rate, the negotiations with the Portuguese Government should or could usefully be extended to cover the problems of the African

countries which were previously under Portuguese rule?

Mr Battaglia. — (I) Yes, Mr Bersani, it would be possible to do this on a suitable occasion. I believe that a certain international organization—not the European Community—is currently discussing the idea of including Portugal among the developing countries, thereby ensuring that it will receive a number of benefits which might result from the implementation of the final document issued by the recent United Nations extraordinary session on the developing countries.

Mr Seefeld. — (D) In view of the fact that Portugal is faced with difficult economic problems which it cannot surmount on its own, and in view of the fact that practically all governments have declared that this country is in need of swift help—a view shared for example by Mr von Hassel, the Chairman of the Christian-Democratic Parties in Europe—I should like to ask you whether we must wait for Portugal to submit proposals? Cannot the Council itself take the initiative?

(Mixed reactions)

Mr Battaglia. — (I) Mr President, I think there must have been a slight inaccuracy in the interpretation, since this is exactly what I said, namely that the Council was making its own proposals without waiting for requests from Portugal.

Mr Corona. — (I) That was exactly what I wanted to ask the representative of the Council. Do you not think that it is pointless now to make an issue of the question of who was to blame for delays in the past, since the government in Portugal has changed—fortunately, I might add—and would it not be better to act quickly and urge all the governments in the Community, particularly those who are somewhat better off than the others, to offer a financial contribution in keeping with the initiatives taken by the Community itself?

Mr Battaglia. — (I) I fully agree with Mr Corona. The Italian presidency is drawing up a request to the governments of the Community to state how much financial aid they are prepared to give to Portugal. It is completely pointless to try to apportion blame for the delays. However, it is not up to the Community to make a move, since it has already done so. A letter was sent inviting the Portuguese Government to attend a meeting: we are now waiting for the reply from the Portuguese authorities, i.e. the new Portuguese Government.

Mr Cousté. — (F) Mr President, I should like to put a question to you. Is it true that you have invited a delegation from the Portuguese Parliament to attend our part-session next October in order to explain the problems facing that country?

President. — Mr Cousté, you have just put the first Oral Question addressed to the President of the House.

(Laughter)

I will reply quite simply that the Bureau has instructed me to issue an invitation of this kind but the terms have not yet been established.

We proceed to questions addressed to the Commission. The competent representative of the Commission is requested to answer these questions and any supplementary questions.

I call Oral Question No 7 by Mr Espersen. It is worded as follows:

'Following the latest political developments in Portugal, what practical proposals will the Commission submit to the Council for economic aid for that country?'

Mr Ortoli, President of the Commission. — (F) Mr President, you have just received an answer from the Council regarding economic aid to Portugal. Our proposals were submitted two months ago. They are currently under examination and in the light of the parliamentary questions and of the replies given by Mr Battaglia, I will merely express my view that the most important thing is to study quickly and seriously what position the Community may adopt and what offers it may make.

Secondly, we must be able to discuss these matters with Portugal as soon as possible. Clearly, one could hold a considerable number of discussions on the proposals, the framework, etc. With the support of several countries, we asked the last Council not to wait until the new government had been formed before undertaking a thorough and swift study of our proposals—and they agreed to meet our request. We have asked for a reply. I do not think it would be advisable to put forward new ideas. What we must do now is complete this work and swiftly establish a clear position so that we can negotiate with the Portuguese if they so desire. I think this fits in with what Mr Battaglia has already said.

Mr Espersen. — (DK) It is, of course, unsatisfactory that so much time has been allowed to elapse. While, as has been indicated, developments in Portugal may be favourable at present, the transitional period may have caused wounds

which will be difficult to heal. These wounds are such as may make it difficult for a democracy to function, and we in the Community have perhaps passively contributed to the economic chaos which has been developing.

It has been said that we can only come to the aid of a pluralistic democracy; but we must strive not only to support existing pluralistic democracies but also to help to create and establish such democracies, and we therefore feel that the massive aid which we intend to give should have been offered without conditions, without explicit conditions, since we are sure that this would in itself have established a closer link between Portugal and western Europe.

I should like to put the following supplementary question. Does the Commission feel that the aid has been subject to unreasonable delay and, if so, is this because a number of governments have wished to make this aid subject to conditions so stringent that no society in the midst of revolutionary upheavals could have satisfied them?

Mr Ortoli. — (F) Mr President, I should like to remind you of two or three points. Firstly, we did not delay in submitting our proposals. After some consultation with the Portuguese authorities, the Commission, on its own initiative, proposed in June that Europe should open up relations with Portugal and possibly hold talks on the question of aid.

Secondly, as the honourable Member is aware, Portugal has been going through a period of crisis which has prevented us from holding the talks with the Portuguese as planned.

Thirdly, as I said before, we maintain our proposals. We have asked for the work to be speeded up so that we will be able, without delay, to consider the possibilities jointly with the Portuguese, if they so desire.

President. — I call Mr Fellermaier for a procedural motion.

Mr Fellermaier. — (D) Mr President, I think that in view of the stage we have reached in Question Time, I might propose on behalf of all the Groups that, in accordance with Rule 47 A of the Rules of Procedure, Question Time be followed by a topical debate concerning Portugal, so that the Commission may have an opportunity to express its views more precisely here in public.

In addition, might I ask the President-in-Office of the Council whether he is willing to take

Fellermaier

part in this debate on request, i.e. this dialogue with Parliament—although this is not expressly provided for in the Rules of Procedure—since I feel that, in the interests of the working relationship between the Council on the one hand and the Commission and Parliament on the other, a three-cornered discussion of this kind would do much to provide this House with what it wants, by which I mean more extensive and more precise information regarding the nature of the preparations the President of the Council is making for the general offer of aid to Portugal.

Furthermore, I am sure I am speaking on behalf of all the Groups in asking you, Mr President, in view of the unusual way in which Question Time has developed today, to extend it, with the approval of this House, by about half an hour so that it will be possible to deal here today with most of the questions addressed to the Commission. The topical debate could then follow immediately.

(Applause from the left)

Mr Battaglia, President-in-Office of the Council. — (I) I should be most pleased to accept Mr Fellermaier's proposal.

President. — I put the proposal, which is not without precedent, to extend Question Time by half an hour to the House, which is always free to determine its own agenda.

Are there any objections?

That is agreed.

I call Mr Scott-Hopkins for a procedural motion.

Mr Scott-Hopkins. — Sir, I have no objection to what has been agreed. Quite obviously this Question Time has run into difficulties and it is not the first time this has happened. May I suggest that this problem be referred to the enlarged Bureau yet again to find a different method? Perhaps we could have one hour for the Council and one hour for the Commission, perhaps on the same day, perhaps on separate days every session. It is important that we should be able to question both bodies. If we start mucking around with Question Time, extending it half an hour here, three quarters of an hour there, this is not proper parliamentary procedure, except in an emergency as now. Could you, Sir, refer this matter to the enlarged Bureau for complete re-examination?

President. — This matter will be referred to the Bureau.

I call Oral Question No 8 by Mr Spicer. It is worded as follows:

'What are the Commission doing to stop the continued dumping overboard of rubbish from Belgian, British and French cross-Channel ferries?'

Mr Scarascia Mugnozza, Vice-President of the Commission. — (I) Mr President, the problem raised by the honourable Member has in theory been solved by the Oslo convention, which has a number of observers from the European Community. However, I must admit that the international convention is not adhered to since the problem of the environment is also a problem of education. At any rate, the European Community expects to be able to introduce standards for harmonization on this matter in the near future, and we hope that the increased legal force of the regulations and the Community standards may help to solve problems of this kind.

Mr Spicer. — Mr President, this may seem a very small matter, but for those of us who live on the English Channel, on both sides of the Channel, it is assuming great importance. At the height of summer there are some 60 sailings a day. It may be true, from the Commission's point of view, that the Oslo agreement does mitigate this to some extent, and I know that large numbers of those ships do in fact carry containers for rubbish. However, although they may carry them, they do not always use them. I would have thought this was an area where a very small effort on the part of the Community could result in a tremendous improvement and alleviate this problem for those of us who live and have our holidays on the coast bordering the English Channel.

Mr Scarascia Mugnozza. — (I) I have taken due note of this, and I think I have already answered your question. One must, however, bear in mind that, as I said, we must rely for the present on the proper application of an international agreement, which is above all a moral commitment entered into by our Member States and by the other States which are parties to this agreement. In view of the present state of affairs, and having regard to the control which the Member States that signed the convention can exercise, we shall therefore submit proposals for harmonization, and as from then on the Community as such will itself be able to exercise this control. I hope therefore that when we submit these proposals for harmonization they will receive the support of this Parliament.

President. — I call Oral Question No 9 by Mr Corrie. It is worded as follows:

President

'What is the Commission doing to ensure that independent airlines which can provide services between parts of the Community not previously linked directly (for example Scotland and the Continent) do not suffer from subsidized competition from State Airlines using less convenient routes?'

Mr Borschette, member of the Commission. — (F) Mr President, the Commission is fully aware of the importance of air links between those regional centres of the Community which are not directly served by the major companies. The Commission, therefore, stressed this aspect in its draft decision concerning the first steps in a joint action on air transport, submitted to the Council in 1972, and proposed that it should be included in the study of the conditions necessary for improving the regular intra-Community services.

As regards the more specific problem raised by Mr Corrie of the conditions of competition between subsidized and non-subsidized companies, the Commission can invoke Articles 92 and 94 and, in addition, a recent judgment of the Court of Justice in connection with the case regarding the free movement of workers in the marine transport sector (*Commission v. France*). The Commission, together with experts from the Member States, is currently examining the implications of this judgment for the air transport sector.

I should add that this by no means implies that the Commission has relinquished the powers vested in it by the Treaty, particularly with regard to Articles 92 et seq. The Commission will not fail to take action if the Treaty of Rome is actually infringed, for example, as regards the relationship between the prices of tickets issued by the various subsidized companies and of those issued by the non-subsidized companies.

Mr Corrie. — Despite the legal difficulties, surely the Commission would agree that its lack of any real policy towards air transport is unacceptable, given, on the one hand, the existence of the International Air Transport Association cartel within the Community and, on the other, the geographical problems of the enlarged Community and the problems of transport from the peripheral regions? Will the Commission, in the very near future, do something about this?

Mr Borschette. — (F) I shall ask the Commission to study this entire problem from both the political and legal point of view. But there is yet another problem connected with that raised by Mr Corrie, namely that of the IATA, involving an international agreement binding

on all Member States, which clearly puts all our air transport companies that have signed this agreement under certain obligations.

President. — I call Oral Question No 10 by Mr Osborn. It is worded as follows:

'What action has been taken to deal with the deterioration in trading conditions and employment in the steel industries?'

Mr Spinelli, Member of the Commission. — (I) Mr President, the Commission has been observing the development of the steel market with some anxiety since the end of 1974. The Commission has been asked by certain sections of the steel industry to take the measures provided for in Article 58 of the ECSC Treaty, whereby under certain conditions a system of production quotas for each enterprise may be established in a period of manifest crisis.

However, although it recognizes the difficulties facing the steel market, the Commission has not felt it necessary to have recourse to such drastic measures, but has decided to take first of all a number of indirect measures consisting of quarterly forecasting programmes for steel. The Commission intends by means of these programmes, the last of which covered the period October-December 1975, to provide guidelines aimed at gradually stabilizing the market. The Commission has also instructed steel companies to issue monthly statements of the situation and forecasts for the level of production and employment for the next month. We shall continue to keep a close watch on the development of the market and to ensure that the price regulations, as provided for in the ECSC Treaty, are adhered to.

If, contrary to our hopes, the situation continues to deteriorate, the Commission will have to examine the possibility of introducing more stringent measures.

As regards the actual social consequences of the crisis, the Commission is carefully examining the possibilities offered by the Paris Treaty for the assistance of persons put on short time or dismissed.

Mr Osborn. — Workers in the steel industry of Britain, including Sheffield which I represent, and workers from Haute-Lorraine, are concerned about their employment prospects and they would have hoped for a much more dynamic reply from the Commission.

Would the Commissioner circulate details of the recommended production cuts that have been announced recently? The fact that the recommended cuts for Britain have been below

Osborn

those for other EEC countries will be welcomed by the steel workers of Britain.

Will he confirm that this is a recognition that there has been stagnation in investment in the British industry since World War II due to nationalization, the threat of renationalization, and finally the stagnation following nationalization? Will he continue to bear this situation in mind, so that growth in Britain can compare with that in the rest of Community?

Thirdly, what steps is he taking to finance stocks in the industry, so that production can continue, as has been done in Sweden?

Fourthly, what steps is he taking to actively encourage investment in new plant and new factories and encourage the closing down of old factories, including old blast furnaces to replace them with modern equipment and modern factories that have higher rates of productivity?

President. — Mr Osborn, may I remind you that you may only put one supplementary question, not a whole list!

Mr Spinelli. — (I) Well, Mr President, do you want me to answer all of them or the first? (Loud laughter)

President. — Answer the one you think is most important! (Laughter)

Mr Spinelli. — (I) They are all important. I should just like to say that we are doing what we can for the workers as quickly as possible. I should point out, Mr Osborn, that possibilities open to the Communities, including the ECSC, are limited. They cannot simply decide to do something, they need to know clearly what they have the right to do. New investments and decisions to discontinue certain investments are included in our periodical reports on prospects. Finally, as regards the figures concerning the drop in production, the Commission's proposals for this last quarter must still follow a certain procedure. They will be discussed by the Consultative Committee in the next few days and then published. For the time being, I can say that a certain degree of consolidation is expected in the future, that things will probably remain largely at the present level and there are not likely to be any great collapses.

Mr Cousté. — (F) I thank the Commission for the work they have done for the European steel industry. I should merely like to know

whether the forecasts subsequent to the decision of 16 May, to the effect that the figures for the months of June, July and August 1975 would be 15.4% lower than for the same period in 1974, were in fact accurate, since, I believe, the forecasts for October, November and December were even lower.

We are therefore faced with an extremely serious problem of employment and production.

Mr Spinelli. — (I) The actual figures show greater reductions than those forecast. We are faced with an employment problem and may study the means offered by the ECSC, but it is clear that the problem of stabilizing this sector of the economy must form part of a general economic reorganization policy and we cannot hope to put the steel industry back on its feet if this has not yet been achieved as regards the rest of the economy.

President. — I call Oral Question No 11 by Mr Howell. It is worded as follows:

'What quantity of butter expressed in terms of days' supplies for the whole Community does the Community consider should be held in store in order to ensure continuity of supply and at what level of supply would the provisions for social butter be withheld?'

Mr Lardinois, Member of the Commission. — (NL) Mr President, I should like to answer this question as follows. Butter production is, to a considerable extent, dependent upon the time of year. We must therefore consider when supply is likely to run into difficulties. In view of the seasonal nature of butter production, this is normally at the end of the winter period. Supplies are lowest at this time and, generally speaking, we aim throughout the year to build up a supply sufficient for approximately 4 weeks consumption.

Therefore, if the winter is particularly harsh we can still count on regular supply at stable prices for the final months of the winter.

If we are to plan to have less butter in store in this period, and I mean, in particular, stocks under governmental control, supplies at stable prices might be endangered towards the end of the winter. Then there is the question of 'social butter'. In my view, the provisions covering the supply of this cheap butter to the public must be withdrawn if and when there is a danger of this minimum store and supply level for the end of the winter not being achieved, i.e. out of supply considerations. This could, of course, be done earlier, particularly if the financial or budgetary consequences would be severe.

Mr Howell. — Mr President, may I draw the Commission's attention to the danger of a temporary expedient becoming a permanent feature.

I would like to ask one question in three parts. I would like him to tell me which of the Member States are at present operating a social butter policy, how many day's supply of butter we have in store at present, and how this compares with twelve months ago? I think it is important that we should know whether the stocks are actually falling. May I once again ask him if he will consider publishing regular details on the amount of butter in store.

Mr Lardinois. — (NL) Mr President, the Member States with 'social butter' on their current programme are, I think, Germany, France—on a very modest scale in this case—and Ireland too, at least if I am not mistaken. At the moment, since the winter period has not yet begun, the supplies held by the intervention bureaus are very low. However, we can expect that these will increase, even before the start of winter. There are, however, already considerable amounts in private stores at this moment. In view of the general recession throughout the Community, and in view of the recent price increase, it is most improbable that butter supply will run into difficulties this winter.

Mr Scott-Hopkins. — Can the Commissioner be a little more precise? Does he know exactly what is in the private sector and in the public sector—the intervention sector—of butter and dried milk at the moment? If he would give those figures it would be very helpful. And does he know what the present level of butter production is in the United Kingdom? I think it is zero.

Mr Lardinois. — (NL) Mr President, I cannot give exact figures off the cuff. I can, however, give approximate figures. The amounts in private stores, which are also subject to compensation from the Agricultural Fund in order to carry over summer butter to the winter period, are approximately 230 000 tonnes. Around 15 September the intervention agencies held approximately 70 000 tonnes, thus making a total of approximately 300 000 tonnes. As a result of the price increase introduced on 15 September, the normal retail pipeline is fairly full. We can therefore expect the intervention supplies to increase somewhat between 15 September and 1 November.

I hope that when the actual figures are finally published, it will be borne in mind that I have just quoted approximate quantities out of my

head. Not all of the experts are present here today, nor do I have immediate access to all the necessary data. I am basing my estimates on the reports I received a few weeks ago.

Butter production in the United Kingdom has more or less come to a standstill. Therefore, largely because of the dry summer and the unfavourable cattle feedstuffs situation, it is probable that 6% less milk will go to the factories this year, and since butter has lowest priority in the eyes of the Milk Marketing Board, which has a great deal of influence on this matter, practically no butter is currently being produced in the United Kingdom.

Mr Hamilton. — I hope, Mr President, that the impression I have got is wrong, namely that the Commissioners are seeking to defend an increasingly indefensible and absurd common agricultural policy.

If that is the case, might I quote to them the following passage from the editorial in yesterday's *Times*:

There is at present a surplus store of 1 million tons of dried skimmed milk. The dairy sector by itself accounts for one quarter of the entire projected budget. If the Nine cannot introduce a dairy system which maintains supplies of milk, butter and cheese without such ridiculous waste, the reputation of the EEC will suffer further damage which it can ill afford, even if the British referendum is safely over.

I would like to have the comments of the Commissioners in general on that possibility; and perhaps they can assure me that my interpretation of their answers to this question is not accurate.

Mr Lardinois. — (NL) Mr President, firstly I should like to point out that the question related to butter and not skimmed milk powder. Secondly I should like to say that I am by no means satisfied with all aspects of the agricultural policy, and that I am not exactly happy with all the compromises we have had to make over the last 10 years. There is undoubtedly room for improvement. I am even willing to admit that the agricultural policy is decidedly peculiar in some respects, but I am perfectly prepared, if Parliament will give me an opportunity to do so, to defend the Common Agricultural Policy once more.

I must say that I find the fact that there are 7 to 8 million people out of work in the Community much more absurd, much more peculiar and much more unacceptable than the fact that we have a store of 1 million tonnes of dried skimmed milk at the start of the winter.

(Applause from certain quarters)

Mr Frehsee. — (D) How would the Commission explain the exceptional increase in the amount of butter in private stores which has taken place in the past few months? Does the date 16 September have anything to do with it, to the Commission's knowledge, and are there, to the Commission's knowledge, any speculative intentions behind this unprecedented development?

Mr Lardinois. — (NL) The amounts in private stores are only a little higher than in other years. The difference is very slight. The total butter supply which the Community has anything to do with is approximately 50 to 80 000 tonnes lower than last year. Fortunately, there are at present no problems in the butter sector, neither surpluses nor shortages.

President. — I call Oral Question No 12 by Mr Ellis. The question is worded as follows:

'Does the Commission intend to take steps towards improving lines of communication between the Commission and Local Government authorities in the Member States?'

Mr Thomson, member of the Commission. — Mr President, I must begin by reminding my honourable friend that the Commission's formal, legal relationships are only with the central governments of the Member States, as a general rule through their permanent representatives in Brussels. But having said that, the Commission is at the same time well aware of the importance of its relations with local authorities, which in a number of cases may, in fact, be the authorities that have the task of carrying out Community decisions at national level. The Commission therefore attaches the highest importance to receiving directly or indirectly all useful information which local authorities are in a position to supply and which would enable the Commission to carry out its duties better. Moreover, the Commission regularly has visits from local authorities who come to Brussels to seek information on Community matters, and these visits of course are equally valuable in providing a source of information for the Commission.

In addition to that, Mr President, the press and information offices of the Commission in the Member States keep the Commission informed about problems concerning local authorities. Steps have been taken recently to develop the regional activities of these national press and information offices. For example, I think Mr Ellis knows that we now have a Community information officer based permanently in his native Wales and I am glad to say that another Community information officer is now based permanently in my native Scotland.

Mr Ellis. — May I remind Mr Thomson that there are many people who are concerned at the difficulties which seem to have been created, for example in the field of regional development, by some national governments, which hinder the evolution of what I might call a European-oriented attitude at local level.

It seems to me that the full involvement of local authorities, formally as well as informally, at European level is desirable. May I ask him, therefore, if the Commission will, as a first step, initiate proposals aimed at making consultation between local authorities and the Regional Policy Committee compulsory, a proposal which already has been supported in this Parliament?

Mr Thomson. — As the Commissioner responsible for regional policy, I find no problem in obtaining access to regional and local authorities of all kinds all over the Community. There is a constant flow of information both ways. I would warn Mr Ellis against falling into the trap of thinking that there is some sort of magic wand to be waved from Brussels that would deal with the development priorities of local authorities in different ways from those established in their own arguments with their central governments. This is simply not so.

As far as the Regional Policy Committee is concerned, this may hear representations from local authorities and from other interested parties when particular proposals are before it.

There was a long argument when the Regional Development Fund was being set up as to whether that particular provision should be mandatory or optional, and all I can tell Mr Ellis is that it is only the present arrangements that were acceptable to the governments of the Member States of the Community. I think we must try and make these work well and see where we go from there.

Mrs Kellett-Bowman. — Is the Commission aware of the extreme anxiety which has been aroused among local authorities in the United Kingdom because of the intention of the United Kingdom Government, expressed in Circular 831 from the Department of the Environment, not to allow individual local authorities to undertake additional projects, because of the availability of assistance from the fund? Is he aware that they believe, with some reason, that this is entirely contrary to the intention of the fund, namely to provide additional help to needy regions? Will he, therefore, following the very sympathetic comments he made just now, work out some method whereby local authorities of England and Wales are able not merely to come and see him and express their views, but where-

Kellett-Bowman

by their views will really be taken into account in helping them to provide more assistance to the very high numbers of unemployed in their areas with the poverty which this entails?

Mr Thomson. — Mr President, I think I must tell Mrs Kellett-Bowman that the main burden of that question is one that she should put down on the order paper of the House of Commons. It is not for me. My task is to seek to ensure that the Community's regional development funds, at the end of the day, add to the totality of resources that are used throughout the Community to wipe out some of these very ugly inequalities from one region to another.

I think she will find, if she reads the particular circular to which she refers a little more closely, that there is in fact a commitment by the British Government to the effect that the use of the Regional Fund within the United Kingdom will lead to more development than would otherwise have been the case, and I must say that at a time of public expenditure economies within the United Kingdom, the fact that a Community Regional Development Fund exists should be a matter of some comfort and consolation to the local authorities of that Member State.

Mr Osborn. — Would the Commissioner bear in mind that there is growing unemployment in intermediate areas as well as the recognized development areas?

The implication of his reply that grants will be in addition to and not instead of national regional grants will be greatly appreciated.

Would he also indicate whether or not he is encouraging or discouraging local authorities from setting up offices in Brussels to make their case better known? Such offices would be costly to the ratepayer.

Mr Thomson. — I would not have thought that with the present economies in public expenditure it was justified to have a whole series of local authority offices in Brussels. I think the existing channels of communication are fully adequate for the purposes that they have to serve.

On the honourable Member's earlier point, we are very conscious that the unemployment pattern is a changing one and one really has to have a flexible approach to it. For example, I notice that the levels of unemployment in the Midland area of England are very close to the levels within Scotland. It was decided that the Community's Regional Development Fund would be flexible, and the operations of the fund not rigidly confined to any narrowly defined map.

I am sure that, in the light of the changes that have taken place during this year, that was a wise decision.

President. — The time allocated for Question Time is exhausted. Questions which could not be answered owing to shortage of time will receive a written reply ⁽¹⁾, with the exception of Oral Questions nos 14 by Mr Kirk, 18 by Mr Terrenoire, 21 by Mr Kaspereit and 23 by Mr Scott-Hopkins which are postponed.

I call Mr Kaspereit for a procedural motion.

Mr Kaspereit. — (F) Mr President, one of our colleagues just now quite rightly made some observations on the way in which this Question Time has been conducted. I should like, very briefly, to make two points. Firstly, as regards the order of the questions, I see that those put by the Members of the Group of European Progressive Democrats were placed between No 16 and No 22, which means that we had no chance, whatever measures are taken, of making our presence felt. I should like to express my regret publicly.

Secondly, Mr President, I feel the running of Question Time is a problem which should be put before the Committee on the Rules of Procedure and Petitions which is to hold a meeting in the near future. When I returned to the European Parliament two years ago, I attended a number of Question Times which ran very smoothly. The questions were read, some of them could be answered by a simple yes or no, and there was no discussion. I think this was excellent from everyone's point of view. Now I cannot see why Question Time as such exists, since it tends to turn into a general debate, the speakers take too much time, the Council—and I must apologize to the President-in-Office: this is not a criticism, I would be tempted to do the same thing in his position—speaks for too long, as does the Commission, and, finally, we discuss questions which could be dealt with in reports, and Parliament does not receive the necessary information on a series of specific questions which may appear to be mere details but are frequently fundamental, which would permit Members to go away from the part-session with the information which we frequently do not have.

I thank you in advance, Mr President, for the attention which you will give to my observation.

(Applause)

President. — Mr Kaspereit, as regards the order of the questions on the agenda, I must send

¹ See Annex.

President

the ball back into your court. The questions are listed in the order in which they are received.

As regards the way in which things are run, I must tell you that there are only two solutions. Either everyone exercises a minimum of self-restraint to ensure the smooth running of Question Time—and this is the solution I would prefer—or the Chair will have to take measures which might perhaps seem a little undemocratic in a Parliament such as ours. I therefore urge everyone to make an effort. Nevertheless, the Bureau will consider how the debates may be run more efficiently.

Mr Kirk. — The situation is in fact rather more difficult than that. Every single one of the questions answered by the Commission, except the last one, was in fact postponed from the July part-session. I know that, because most of them are by honourable friends of mine and I know that they were upset. There are now 11 questions which presumably are going to be postponed until the October part-session. It therefore becomes a matter of very real urgency that we examine this problem to see how we can speed up Question Time and make it more efficient.

Mr Dykes. — With respect, Mr President, I would like to expand on that point of order with perhaps an additional suggestion, and I would appreciate your guidance.

Your recent appeal to Members to exercise self-restraint is, I am sure, going to be greeted with warm enthusiasm in all parts of this House. But can it only be a matter of that, Mr President? I ask you with great respect, and I apologize if I appear to be discourteous, is it not also your duty to control the pace of question time in this House and, if necessary and without offending anybody, to interrupt those members of the Council of Ministers — not so much the Commission, which is much better on this score—who give excessively long answers?

As a result of the length at which the President-in-Office spoke today, this Parliament was delayed and unable to get beyond question 12, when there were other vital questions that needed answering.

Mr Battaglia, President-in-Office of the Council. — (1) Mr President, I should be grateful if you could explain the significance of what the honourable Member said just now. He said that it would be useful if Members of Parliament could receive precise and detailed replies, so as to have precise and detailed information. He immediately added, however, that the Council's replies should be limited to a yes or a no.

I should be grateful for an explanation, so that I will know for next time whether the Member who made these observations wishes to receive detailed and precise replies or whether he wishes me to reply with a yes or a no. This is a question on which I would ask you to be so kind as to arbitrate.

As for the observations made by Mr Dykes, I should merely like to say that it is not a question of courtesy or discourtesy. I will merely point out that the time he took to make his remarks was considerably longer than that which I took for my replies.

Mr Fellermaier. — (D) Mr President, I will not go into the question of courtesy and discourtesy, efficiency and inefficiency, but I should merely like to make the following proposal, namely that the representatives of the three institutions involved in Question Time, i.e. the President of the Council, a representative of the Commission—perhaps the President himself—and the Chairmen of the Groups, could meet under your chairmanship, Mr President, and try to arrive at a better solution merely by applying common sense, without recourse to rules.

President. — Question Time is closed. I thank the representatives of the Council and the Commission for their replies.

3. Debate following Question Time: Economic aid for Portugal

President. — The next item is the debate on request on economic aid to Portugal.

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

Mr Stewart. — Mr President, we were told during Question Time that the Council and the Commission were doing all that was necessary to prepare for the forthcoming debate with the Portuguese Government. We were told that an *ad hoc* committee had been at work to enable the Council to take a final decision on 6 October. But there was also the suggestion that the whole matter was delayed by the lack of precise requests from the Portuguese Government. Now, in this situation it seems to me all the more necessary to make it clear beyond doubt to the government of Portugal that the Community is stretching out to it a helping hand and an unqualified welcome. During recent weeks it has been extremely difficult for successive Portuguese Governments to make any approach or indeed deal with any of the many other problems facing them.

Stewart

This is an occasion where one has got to be not only generous but more than generous, because we stand now, I believe, at a very critical junction in European history. There have been for a long time in the Iberian peninsula, many people of differing political views who have bitterly regretted the fact that their nations have been cut off from the family of Western European nations because they were subjected to a primitive form of government. They have been looking forward most anxiously to some opening that would bring them back into a friendly and civilized relationship with the democracies of Western Europe. In Portugal the opportunity has now arisen after 50 years of dictatorship. There have been genuinely free elections at which the Portuguese people have been able to express a view as to how their future could proceed. Their choice was certainly for a free and democratic form of government, and we have now, I venture to say, a government in Portugal coming nearer to representing both the realities of the situation and the wishes of the Portuguese people than we have had before. It contains indeed, representatives of the armed forces. In the circumstances I suppose that was inevitable, though I would hope that in time Portugal will establish the principle that the armed forces should be the servant of the state and not its master. However, alongside these representatives of the armed forces, there are people who really speak on the lines expressed by the Portuguese people during their elections.

This government is faced with tremendous economic difficulties. If, as a result of those difficulties, and through lack of help from the Community, the government falls, the hope of liberty in Portugal may fade, the door may be closed again between Portugal and the rest of us in Western Europe. And that loss is all the more to be regretted since Portugal is our ally, the ally of nearly all of us here in the North Atlantic Alliance. It will be a very poor thing if future history relates that the Portuguese Government needed help, that the Commission and the Council wanted to help, but somehow the negotiations were fumbled, because the Portuguese Government did not ask quite properly, or the Commission and the Council were not quite forthcoming enough. If that is what the future historian writes, it will represent a gigantic loss of opportunity.

The Commission, Mr President, can prepare plans and so can the *ad hoc* committee. The Council of Ministers and the governments which those ministers represent can provide resources. This Parliament cannot do either of those. But it can at least speak out with a voice

to reach to all the capitals of the Community, and across the Pyrenees, assuring the Portuguese people of our goodwill and anxiety to help, making clear to our own governments the importance and urgency of the matter.

(Applause)

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

Mr Klepsch. — (D) Mr President, ladies and gentlemen, the entire House assuredly agrees that Portugal urgently needs help in its present economic difficulties.

The President-in-Office of the Council has already stated that we can at present do no more than provide financial assistance—as a matter of urgency—that the detailed questions which need to be discussed can only be submitted by the Communities in broad outline, and that the decisive factor now is that the Portuguese government should determine its economic policy and method of tackling the problems at hand. We cannot prescribe any course of action. The Portuguese will have to make up their own minds.

However, I disagree with the previous speaker on two points. He rightly referred to the election of the Constituent Assembly by the Portuguese people, an overwhelming majority of whom gave a clear indication of their desire for democracy, and I believe that this Assembly is the only body which can claim to be representative of the people and to derive its mandate from them. The present Portuguese government seems to meet more fully the requirements stipulated by the Council of Ministers—and I agree with this view—namely that Portugal should progress towards a pluralistic democracy in accordance with the will of the Portuguese people, which the previous speaker has just referred to. The previous government in Portugal was in fact not very inclined to meet and respect the wishes of the Portuguese people as expressed in the elections; and all the groups in this House, with one exception perhaps, shared this view, and I would like to emphasize this fact in the strongest terms. This was one of the major reasons why no help could be given during the recent confusing months, for the Portuguese government during that period included influential elements which rejected the Community and regarded us as a set of capitalists bent on exploitation, whose only aim in giving aid was to plunder Portugal, and this view was intensified after the withdrawal from the government of the Antunes group. This was also why it was impossible for the Community to hold positive and detailed negotiations with the

Klepsch

Portuguese government. They were continually being postponed.

I would emphasize most strongly that we must of course give Portuguese democracy, that is pluralist democracy, every opportunity to develop, and the Community should decide on this course of action.

I should like, Mr President, to add a further comment.

I believe, as my Group also believes, that the problems in Portugal will become more acute rather than less in the immediate future. The confused mismanagement of the past few months, which has arisen as an additional factor and from the attempts of one group to seize power must be overcome, as must the additional problems of the reintegration of the hundreds of thousands of refugees from Angola. We are aware of these difficulties and are prepared to call on our own governments for assistance. However, Portugal's dangers will not be over until its government manages to some extent to achieve its stated aim of adopting a system of parliamentary democracy.

We have been told that elections will be held in February of next year. I sincerely welcome this and am gratified that this is one of the basic objectives which the new government has set itself. I am also pleased that the new government appears to be willing to join with the Community in finding a way of overcoming Portugal's serious economic difficulties.

We feel it important to help the Portuguese people, who after all have to live through the country's present difficulties. We believe that the basic rights and liberties of the Portuguese people should be guaranteed, that they should be allowed to live as befits human beings and that the Community should regard Portugal as a part of Europe with which it would like to be more closely linked.

I should like to emphasize on behalf of my Group that we shall keep a close watch on events to see whether a situation arises in which a minority group in Portugal seeks to gain control over the majority. I should also like to support wholeheartedly the previous speaker's call for rapid help for Portugal, but while Mr Espersen was no doubt right in saying earlier that deep wounds were inflicted on the country by the fact that no rapid assistance was forthcoming from the Community during the past few months, I would point out that these wounds and the prevention of speedy remedial measures from the Community were primarily the responsibility of the Portuguese Communist party. I wish to stress this. For the

rest my Group congratulates the Council and the Commission on their work and hopes that they will soon achieve a satisfactory solution.

(Applause)

President. — I call Lord Gladwyn to speak on behalf of the Liberal and Allies Group.

Lord Gladwyn. — I have two words to add to what has already been said. I think the essential point in any discussion of the Portuguese problem is to decide where the real power lies. Even after the formation of the last government, we do not actually know where the real power lies, where the real decisions will be taken, whether they will in fact be taken by the new cabinet in session, in the normal way, with the Minister of Foreign Affairs, who will presumably express that decision and give effect to it in the usual way of any kind of democratic assembly. Until we know that, the situation will not be entirely clear.

What we can say and admit is that if the economic situation really gets completely out of hand in the next month or two, as indeed it may with the arrival of all these hundreds or thousands of refugees from Angola, and with the general economic recession in the world and the position of the Portuguese economy, then any kind of democratic government is doomed. There is bound to be some kind of dictatorship, whether of the Right or of the Left, whether military or Communist, if the situation gets completely out of hand. That is inevitable, whatever we may say or do.

Therefore it seems to me to be in the interest of the Community to do whatever we can, at least to put off any economic crisis, or to mitigate it, or indeed to prevent it occurring altogether. And to that extent, therefore, it is essential now, irrespective of what we may think about the present power or lack of power of the new regime, to produce some form of economic aid in the very near future. I am glad that the Council is considering this urgently, together with the Commission, which has already apparently made its proposals, but it seems to me that it does not matter much exactly what kind of aid it is, so long as it is designed to support the whole Portuguese economy.

(Applause)

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

Mr de la Malène. — *(F)* Mr President, my Group, like the others, naturally hopes to be able to

De la Malène

help Portugal, both politically and materially. Portugal is a part of Europe and what is happening there concerns us. Like everyone else, we have followed with anxiety and interest the efforts made by this country to end 50 years of dictatorship. We realize that this is no easy task and that endeavouring to shake off one dictatorship sometimes involves the risk of falling into another. The events in Portugal interest us in themselves, and also because they can serve as an example to other dictatorships which we hope to see take the road to democracy.

Saying that we would like to help Portugal is easy, but finding an intelligent way of helping her politically and materially is another matter. Our guiding principle is one of non-intervention in the purely internal affairs of a neighbouring country. It is true that Portugal is part of Europe, and is geographically close to us, but this principle still holds good. Besides, we must leave the Portuguese people free to choose their own destiny, their own government, their own form of political regime. It is not for us to impose these upon them. In any case, interference of this kind is often counter-productive. It is or may be construed as a threat or a form of blackmail, and sometimes drives nations in a different direction from the one desired. Furthermore, it is difficult to form an opinion of the internal regime in Portugal.

A previous speaker referred to the more representative character of the present Portuguese government. He is entitled to his opinion, but I personally do not share it.

It is not easy, from the outside, to state that the government in power yesterday was not legitimate and that the one in power today is. What will tomorrow's be? The fact is that we do not know, and we cannot make hasty judgements about the future course of the regime in Portugal. Finally—and this is another problem—no-one can say that the Portuguese have, over the past months, asked Europe or any other country for aid in any form. Yet this is fundamental: we cannot help the Portuguese if the Portuguese do not want to be helped.

The question is therefore: should we wait or should we not? Everyone knows the Community's position as regards the granting of aid to Portugal, whether it is of a humanitarian and material nature—it is easier to define when there are no political considerations involved—or in political terms. The opinion of my Group is that we should show readiness to help, but at the same time exercise caution. It is very difficult to decide in public and during a Parliamentary meeting what policy to pursue in this matter.

I repeat: we would like to help Portugal materially and politically. We would like, without making it a condition, to see this aid guide her towards the most democratic solution possible, but we have no wish to pronounce on these issues in public.

(Applause)

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

Mr Kirk. — Mr President, the last time we debated Portugal, in this Parliament in June, I think all of us were extremely worried that Portuguese democracy, such as it was, a tender plant, was already in danger of dying. And I do not think anybody taking part in this debate today, in looking back over the four months since that last debate, could be anything but more optimistic about future developments in Portugal. This has been a remarkable result of the Portuguese people taking their own destiny in their own hands and making it quite plain that they were not prepared to accept a situation in which a small minority—and it had been proved through free elections to be a small minority—was to direct the destinies of that country.

It would be over-optimistic however to assume that all danger of Portugal once again slipping into dictatorship has necessarily gone. The forces which were at that time dominating the armed services in Portugal, are still very much there, are still in fact, as Mr Klepsch pointed out, within the Portuguese government. Certainly the rather curious interview given by Dr Soares to *The Times* yesterday would seem to suggest that they are having considerable effect on the thinking of other circles in Portugal as well. Under those circumstances therefore, the Community has to decide what it should do.

In our last debate we were all very careful to say, and I would repeat it again, that there can be no question whatsoever of aid being given by the Community as it were as a kind of inducement for Portugal to remain democratic or as a way of trying to stop Portugal from going Communist or Fascist. At the same time we had to make it plain, and this was confirmed by Sir Christopher Soames when he wound up that debate, that we cannot apply double standards and that the same attitude that we took towards Greece when that country was under a Fascist dictatorship was the attitude that must govern our approach to Portugal if by any chance Portugal should slip into a Communist dictatorship.

What I think the Community has now to decide is the best way in which, without in any way

Kirk

interfering in the internal affairs of Portugal, we can provide the best form of economic assistance. I think it is perhaps a little unfair to accuse either the Council or the Commission of dragging their feet in this matter. As has been pointed out, to a certain extent initiative *has* to come from the other side in the sense that really only the Portuguese can know precisely what sort of aid will most benefit them. As Mr Klepsch has pointed out, until a short time ago it really was not possible for the initiative to come from Lisbon because there were elements in Lisbon that did not want the initiative to be taken at all. Nevertheless, I believe that there is an issue of principle here and on this I would very much welcome the view of the President-in-Office of the Council. We did discuss this with Mr Rumor a week ago. I think there is a principle that has got to be established, as to whether the type of aid that we have in mind is what one might call watering-can aid, in other words just scattering money at random in an economic situation which, regardless of what may happen politically, is still highly perilous, or whether in fact we ought not to be looking for specific projects, which we as a Community can undertake. We could tell the Portuguese not to worry about certain projects because we will deal with them. They would not need to concentrate for example on reinvestment in a particular sector of industry because we would cope with that. It may be that the second way of providing aid is more effective than the first under these particular circumstances.

What is needed now is for the Community to draw up with the Portuguese government a list of priorities for the urgent projects needed within that country to stabilize the economy. We can then say which projects we can undertake on their behalf. I have the feeling that that is not only economically sounder than merely pouring money in, but possibly will produce greater political stability at the end of the day as well.

However, this is something on which obviously the Council and the Commission must decide when they come to deal with these matters on 9 October. All I wish to say at this point, is that I agree, of course, with the principle of everything that has been said, though I share with Mr Klepsch and Mr de la Malène a certain feeling that perhaps the Portuguese democratic plant is not yet as strong as some people seem to think it is.

(Applause)

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

Mr Sandri. — *(I)* Mr President, ladies and gentlemen, the forming of the new government in Lisbon, on the basis of an agreement between the civil and military forces, has made it possible once more to tackle the serious problems which have been mounting up throughout the revolutionary process in Portugal. As we see it, the events in that country demonstrate once again a lesson which is certainly not new, but very important: unity in the face of fascism is essential if the worst is to be avoided and, at the same time, the indispensable precondition for rebuilding effectively the life of a people now emerging from the darkness of fascism, the darkness against which the Spanish people is still heroically struggling, as we are reminded by the 11 death sentences which are at present arousing the feelings and the indignation of the whole world.

Portugal's political and institutional framework is thus showing signs of stability after the complex stresses and strains of recent months, in which hope alternated with despair, and which included one aspect which we would not like to be forgotten, viz, the destruction of 50 Communist Party offices. I speak of signs of stability, but the road ahead still lies rough and impracticable, and we for our part are free of any rash and superficial optimism.

The new-born democracy in Portugal is confronted every day with the heritage of the past, a past rooted in culture, social customs and industrial relations. The country must face up to a grave economic situation which is worsening daily and in which—as Mr Bersani reminded us—the homecoming of tens of thousands of refugees not only means an additional burden on the national budget, but also emphasizes the general need for determined action to rid that society completely of the germs of decay and destruction which these refugees are unknowingly (as the victims of colonialism and its collapse) bringing into Portugal. Finally, the country must withstand great pressures from outside.

It is not my intention to enter into polemics here, but it is worth noting that during the past few days, the self-styled Portuguese liberation army, led by a notorious and evil figure and operating from Brazil and Spain, has once again called for the suppression of the process now under way in Portugal.

This situation and our own convictions lead us to believe that the European Parliament should urge the Community to grant as much aid as possible to Portugal. This is our opinion, and our request is free of demagogy. The aid should be realistic in quantity, and there must be no political strings attached, directly or indirectly.

Sandri

We ask this because, as members of parties which have fought hard against fascism alongside other forces, who comprise the best of our fellow citizens, we are committed to avoid and resist any attempt at interference and to support the democratic rights and independence of the Portuguese people, the two foundations on which we are convinced it can and must build its future as a nation.

(Applause)

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, I do not want to prolong the debate unnecessarily but I should like to comment briefly on the assistance to be given.

It is apparent from the remarks of the President-in-Office of the Council and of the Commission representative that the intention is to provide financial aid. I refer to the statement of the President-in-Office that this was intended to support investment and combat the recession. I fail to understand why it is necessary to call upon an expert in this situation. It is a matter which the ministers can decide for themselves, if they really want to. The point at issue is how much money should be allocated. This must be done quickly, very quickly. There is no need here for experts who will only ponder endlessly on the problem.

For this reason I do not consider it is enough to say that experts are working on this matter. Action must be taken now. The tone of this debate makes me rather concerned that the Council will also take the view that help should of course be given, but that great caution should be exercised at the same time. Mr de la Malène has already raised this point. But when will we stop being over-cautious and ready to give effective help? Do we or do we not want to help now, or is it once again a question of 'Oui, mais ...'

I should like to state most emphatically that in my opinion this sort of thing invalidates the Community's claim to be willing to help. We create the impression that the Community does not really mean what it says.

On this point I agree with Mr Stewart. As far as my Group is concerned the question is whether, in the present economic situation in Portugal, we are willing to help the present government, that is the government in power today, 24 September 1975.

My Group's answer to this question is 'Yes!', with no 'buts'. Thank you Mr President.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — (I) Mr President, this is not the first time we have discussed the Portuguese problem. Today's debate, however, clearly fits in well with the general trend of Community policy as so far developed.

I, too, am pleased to see that most of us here are resolute and unequivocal in our readiness to help the Portuguese people, who currently face such pressing problems.

Nevertheless, there are a number of facts which we cannot ignore. These were, moreover, implicit in the statement made this morning by Mr Battaglia in reply to a question. Firstly, Portugal's attitude towards the EEC and the aid it can provide has gone through various stages. During a visit to Lisbon, I myself was told by responsible politicians: 'For the time being, we have not opted for special relations with the European Community. We have chosen to remain closer to the third world and this choice is difficult to reconcile with the objectives of the European Community'.

In contrast to this position on foreign policy—which we could only take note of and trust that it would evolve realistically—are the ups and downs of internal Portuguese life with regard to democracy. While none of us wished to interfere in any way whatever in the internal choices of the Portuguese political forces, we had to point out that any new development in the relations of the Community with Portugal would inevitably depend on the growth of a true democracy in that country.

The turmoil of the past few months has substantially affected the course of democracy in Portugal to the point of undermining and endangering a number of values and principles indispensable, in our view, to a free and pluralistic democratic system. Of course, Portugal is facing exceptionally serious social and economic problems, the legacy of 50 dark and calamitous years, and it would be absurd for us not to realize the traumatic effects involved in overcoming this tragic historical inheritance. Even so, the systematic gagging of the press, the imposition of a single trade union, the elimination by force of political parties, the endemic ideological and political violence in many parts of the country, the refusal to accept political solutions corresponding to the will of the people as expressed in free elections, have caused democratic opinion in Europe to be reserved even if there is still optimism and a profound sense of solidarity.

Thanks to a long and sustained effort by the more democratic groups in Portugal, there

Bersani

appear now to be important new developments in the situation. I consider therefore that, in common with most of the other political groups, we must welcome this glimmer of hope, despite the gloom and reservations in some quarters, and act with the urgency that the situation clearly requires.

The statements made by the new Portuguese Government today show a new, openly stated readiness to collaborate with the European Community. Within the structure of this government and the political and social realities it represents there is a new situation which guarantees different and more open initiatives. Looking back, I would like to remind Members that as soon as the faintest ray of hope appeared the European Community took great pains to demonstrate its good will: the Commissioner in charge went to Lisbon immediately and the Portuguese Foreign Minister was invited to Brussels. Shortly afterwards, a provisional decision was taken at a meeting of the Council of Ministers on an initial programme of aid, which had to be postponed at the explicit request of the Portuguese government then in power, which was caught up in a crisis which lasted the whole summer. I think that the statement by the President-in-Office of the Council, Mr Battaglia—and I would like him to confirm this—also contains the reply to the dilemma posed by Mr Kirk, viz. whether we should wait for a request from the Portuguese or go ahead and make a definite offer. It would not be a vague or unspecified gift or offer, but a clear-cut proposal tailored to meet specific budgetary requirements and, where capital spending is concerned, a specific list of sectoral projects and aid, which would obviously be subject to the approval of the Lisbon government, which must in any case have the last word. The offer must therefore be specific and unambiguous enough to demonstrate the solidarity and the clear and prompt willingness to help which the situation indubitably demands.

Against this background, I would also like to make a proposal. In view of the dramatic situation in Angola, and the evident difficulties involved in Mozambique's initial phase of independence after so many years of civil war and so many adverse circumstances which the new democratic government of that country is having to face, would not a concrete initiative within the context of our African policy be in order? In particular, would it not be advisable to stop sitting on the fence and take the initiative by sending missions of good will to both those countries? This would give us the opportunity to demonstrate, in an area where events have such strong repercussions on Portuguese affairs, our unequivocal and determined

readiness to face up to the most urgent and important issues connected with the problems, both direct and indirect, of establishing democracy in Portugal? To my mind, the European Parliament could also make a contribution to such vital issues.

(Applause)

President. — I call Mr Spicer.

Mr Spicer. — Mr President, I will be very brief. It does seem to me that although everyone can accept, and gladly accept, that Portugal has come back from the brink, it is far too early for us to accept that Portugal is out of danger, and I would agree wholeheartedly with the remarks made by Lord Gladwyn in this respect. Consequently, the problem that we have to face is when do we really come to the firm decision that although democracy might be a frail plant, it is growing and thriving. I personally would have thought that the time for us to make that decision is after the elections—the promised elections—have been held next February. In opening this debate, the right honourable gentleman did say that we had already had genuinely free elections in Portugal. I would disagree with him completely on that. I am sorry that Mr Kirk is not here at the moment to explain exactly what the position was as far as the Right Centre parties were concerned before those elections and the degree of intimidation that was carried out against people who genuinely represented democratic parties within the country. What we should all be considering is those elections in February.

To my mind, the problem that we face falls, therefore, into two very distinct parts. We must accept that Portugal needs help in the short term, that is until the elections take place. We must also accept that longer-term projects must be initiated and helped by this Community along the lines that Mr Kirk described earlier on.

I therefore feel that it is far too early for us to take a final decision. We must give every possible chance to democracy in Portugal, but the key date, as far as I and many other people are concerned, will be February, when the elections, which must be genuinely free, unlike the last ones, are held.

President. — I call Mr Corona.

Mr Corona. — *(I)* Mr President, I too shall be very brief. It astonishes me that, at a time when Portugal is recognized by all to be moving, as we apparently all hoped she would, out of a situation of extreme peril and along the road to democracy, a particularly difficult road for

Corona

a country which has just shaken off the shackles of half a century of tyranny, so many problems should be raised in a debate such as this, so many doubts expressed and so many limits laid down on what the European Community, acting through its institutions and according to its principles and its means, should do for Portugal. Ladies and gentlemen, I am afraid that once again an excess of caution in the proposals for action which we recommend to the institutions of the Community will prevent this Parliament and indeed the whole Community from being the driving force of that democracy which is needed indeed everywhere, and particularly in Portugal. With the change of government which we were all hoping for, an opportunity has now arisen in Portugal which we must not lose by allowing the Community institutions to waste time, and making the aid which is necessary now depend on the outcome of future events, e.g. next February's elections or statements by this new government.

I should like to point out to the previous speaker that the February elections also depend on the action we take. And what may happen during the next few days to consolidate this new situation, which is undoubtedly more favourable to democracy than that of a few weeks ago, depends on what we do and also on what we are saying at this very moment.

We must seize this opportunity now before it slips through our fingers. Our Group is in favour of an immediate decision, immediate intervention and concrete action by the Commission, the Council, and the European Parliament.

(Applause)

President. — I call Lord Reay.

Lord Reay. — Mr President, there have really been two attitudes within the Community on the question of aid to Portugal: the attitude which predominated at the July Summit, that Community aid should be delayed until it looked less likely that one dictatorship was going to be succeeded by another, and the attitude which did not prevail at that Summit, but which was expressed here this morning by Mr Espersen, that political considerations of that sort should not be taken into account and that aid should be given without respect to them.

At the meeting of the Foreign Ministers in Venice in September and again today from what the Council and the Commission said, it becomes plain that there is a growing feeling that the time has arrived to give some Community aid to Portugal, and I must say I share this view. I think that the question is every bit as important as Mr Stewart stated in his introduction

of this debate, although some of us may have more doubts than he at least expressed with regard to the power and even some of the attitudes of the non-Communist elements. In addition, Mr Kirk referred to the bizarre and even slightly alarming words which were attributed in yesterday's *Times* to Dr Soares. Nevertheless, in view of the movement towards a pluralist democracy in Portugal, a movement which, of course, we all hope will be sustained, I think that the opportunity has arrived for the Community to give aid to Portugal. There may possibly be some disagreement between me and Mr Spicer here, but I feel this is possibly due more to a difference in a matter of a nuance. Nor do I think it would be correct of Mr Corona to draw the conclusion that he seems to be drawing, that the Conservatives would wish to interfere with and to arrest any attempt that the Community might make to give assistance to Portugal. I personally think that it is extremely important for the Community to do this now in a substantial and visible manner, so that the Portuguese people can see the very real benefit that can be derived from the Community if democracy is effectively established in that country. I believe it is very much a question of timing. I think that the attitude taken at the Summit to postpone the decision was right, but that the moment has now come and we should not miss this opportunity. It is very easy to miss an opportunity of this kind, and I think we should regret it if we did.

(Applause)

President. — I call Mr Bordu.

Mr Bordu. — (F) Mr President, I would merely like to raise two points in a debate in which, despite everything, the urgent problem of aid to Portugal is managing to be discussed. In fact, one wonders whether the purpose of drawing things out, as far as Heads of State are concerned, is not to make economic and social recovery more difficult, thus making Portugal easier to manipulate.

This is quite possible if we recall—but is there anyone here who does?—that in Brussels last July the French Head of State, acting as spokesman for the Heads of State and Government of the Community, refused to grant Portugal this aid basically on the grounds that the political guarantees were not yet available; today's debate has shown that these doubts still persist. One wonders whether some people believe that such guarantees are possible. I understand the reasons for a certain 'relaxation' vis-à-vis Portugal, and I should like to know whether that is going to last. This brings me to my second

Bordu

question: it being understood that the policy of the present Portuguese Government fails to satisfy the Council and NATO, will you stop your hostile and unmistakable interference? Secondly, I understand the Community's desire to bind Portugal to Western Europe, but I would like to know whether you accept that the Portuguese Government has the right to choose its partners entirely independently?

President. — I call Mr Covelli.

Mr Covelli. — (I) Mr President, I shall be very brief in expressing the support of my colleagues and myself for the general statement of principle with respect to Community relations with Portugal, i.e. that we must not let the opportunity slip and that we must lose no time in giving aid to the Portuguese people, now that they are moving more resolutely towards greater democracy.

The reservations expressed here are undoubtedly well-founded. Only a few unscrupulous colleagues have tried to play them down, deliberately ignoring events which marked the first phase of the change-over in Portugal, when an attempt was made to introduce fascism via the back door and an oppressive and violent minority tried to suffocate democracy at birth.

Even so, at this juncture, in view of the improvement in the situation under the new government, and regardless of whatever a political representative of that country may have said, I am convinced that the European Community has a primary duty to further the growth of democracy in Portugal with immediate aid. We should give credit—no one here has done so up to now—to the President-in-Office of the Council for his undeniably useful initiatives in this matter.

It is now up to Portugal to make progress and to show that she deserves more aid. In the meantime, the European Community can decide how to proportion this aid, and while, inevitably, reservations will remain, given the events which preceded the new democratic trend in Portugal, the people of Portugal must have the certainty rather than the impression of being respected, and thus assisted, now that the doors to freedom and democracy are opening.

(Applause)

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — This is an extremely timely debate. It takes place in fact within a few days of a new government being appointed in Portugal which reflects almost exactly, I think, the balance of the

voting at the elections in April of this year. The debate comes at the end of a remarkable although confused series of events during August and I do not think many of us, during the debate in this Parliament in July, could have been as hopeful as we can be now about the prospects of sustaining a free and democratic political system in Portugal.

Mr President, if I have sensed the mood of this debate correctly, there is a general consensus that the Community is on test in the matter of giving help to sustain democracy as we understand it in Portugal. But there are differences of view and degrees of reservation about the timing of such help and about the degree of commitment that should be entered into. Politics inevitably is always a matter of timing and I would have thought that the lesson that one must draw from the events in Portugal since August, and from the emergence of this new government, is that the time to give help from the Community is now and we must act with the proper degree of urgency. Nobody can forecast events in Portugal or anywhere else, but I think it would be a case of perfection being the enemy of the good if one were to say that we should make no serious effort in terms of Community help until the next round of elections in Portugal or until some other event takes place. The Community's experience in its relationship with Greece has indicated that if events take a turn which the Community cannot accept, then there are ways and means by which Community action can take account of such events. The projects to be supported with Community aid will need to be discussed and agreed in collaboration with the Portuguese government and as these developments progress the Community will have some influence over events.

Having said that, Mr President, let me just remind the House of the present situation. The Commission made proposals to the Council of Ministers in June. These proposals seem to us, in the new situation that has developed over the last few weeks, to be as valid as they ever were. I will not go into the details of them because they were given in the debate in July by Sir Christopher Soames, but I think I can assure my colleague, Mr Fellermaier, that they contain a proper sense of urgency and involve massive and substantial aid which, I think, could properly be designated as a Community Marshall plan as he sought to describe it.

The second feature that is very important in this is that the Community's aid, when it is offered to Portugal and when the discussions begin, should be firmly set within a Community framework and the aid that comes from the individual Member States should be coordinated within that

Thomson

Community framework. I think therefore the next few days will be of very great importance in terms of the discussions now going on within the Council following the meeting in Venice and I think the overwhelming consensus of the debate here is that now is the time, now is the psychological moment to show the proper sense of urgency.

Of course it will always be possible to find reasons for feeling fearful about the way events will develop. Two speakers, Mr Peter Kirk and Lord Reay, drew attention to an interview that Dr Soares, the Socialist leader in Portugal gave to *The Times*. Mr President, I venture to suggest that in this House there is not necessarily a great deal of consensus about economic policy and about the way in which the economic system should be planned. What we do agree on, however, is that we are all parliamentary democrats together with a dedication to democracy and I think that if one studies the interview given by Dr Soares, who has stood up well for democratic traditions under the face of the most immense pressures over the last twelve months, one will see that he commits himself as strongly as ever to achieving his particular political aims by democratic methods.

(Applause from the left)

Mr President, dealing with the affairs of another country, however well disposed we may be, is always a delicate and sensitive matter. As has been said in this debate, at the end of the day it is Portugal itself which must decide what it wishes to do, but I think this is not only an internal Portuguese problem that we must handle with the proper sensitivity, it is also, as was said in the July debate, an internal European problem. It is an internal European problem on which very fateful issues hang: the issues of a free democratic society—an expression which I prefer to the expression a pluralist democracy—the issue of the survival and extension of a free democratic society throughout Western Europe. It is these issues that will be affected by the events in Portugal and by the kind of help that the Community gives. I think there is a widespread belief throughout the Community, certainly one the Commission very strongly shares, that it is in the Community's interest to give powerful help at the right time in order to help Portugal along the road of a free and democratic society. Our justification for doing this is the best of all justifications for democrats, namely that this is the society which the people of Portugal unmistakably sought when they had the opportunity of expressing their view freely at the ballot box after 50 years of dictatorship.

(Applause)

President. — I call Mr Battaglia.

Mr Battaglia, President-in-Office of the Council.
— (I) Mr President, at the close of this debate, in which I am very pleased to participate—in a personal capacity, of course—I would like to come back to what Mr Stewart said in his opening speech, i.e. that the political struggle in Portugal has reached a critical stage.

After a hard political battle lasting several months, the democratic forces in Portugal can now claim to have won. How long will this situation last? Will today's gratifying move towards democracy continue? Can we expect it to be consolidated, or will Portugal plunge headlong into another crisis? The doubts which have been expressed here are understandable and legitimate. Nevertheless, there is no doubt that the democratic forces have achieved a political victory. But neither is there any doubt that Portugal is currently going through a serious crisis, the nature of which is more economic than political. Community action to provide aid is therefore essential.

I would consider it a great political and moral setback for democracy in Europe if the Community were to remain hesitant and undecided in this situation, or be swayed by budgetary considerations. Aid is necessary, this is not only the desire of the Community, Mr Bordu, it is also the wish of the Portuguese leaders. I would like to read out what the Foreign Minister Antunes said in his letter to the President of the Council, asking for the meeting which he should have had with the Community on 22 July to be postponed until after July because of the crisis brought about by the demands of the Portuguese Communist Party.

This is what Melo Antunes wrote:

'I should like to reaffirm Portugal's enthusiasm for the idea of cooperation with the European Economic Community and to express the hope that the meeting which has now been postponed can take place as soon as possible.'

So, Mr Bordu, Community aid does not amount to interference: it is a need felt both by the Community and the democratic forces in Portugal.

We must therefore help Portugal immediately and, of course, realistically, and, at the same time, exercise the caution which is always necessary in human affairs. There are three forms of aid possible. One is to develop economic and commercial cooperation through the future adjustments clause already contained in the 1972 agreement. The development of economic and commercial cooperation—let us be clear on this—would naturally entail long, com-

Battaglia

plicated and highly technical negotiations. Can we follow this route immediately? One thing is certain: this route will not yield immediate results.

Portugal may today have liquidity and balance of payments problems. This would require a direct financial contribution from the Member States of the Community. And this is the second problem which is now being tackled in Brussels.

Finally, the economic crisis in Portugal is also due to a flight of capital and a drastic falling-off of investments. Consequently, any attempt to help Portugal also means giving her the possibility of revitalizing the investments sector. This, in turn, involves the assistance of the European Investment Bank with which negotiations concerning guarantees, the forms of loan and so forth, will be necessary. This, Mr Kirk and Mr Patijn, accounts for the meetings in Brussels. There has to be at least some understanding between the European Investment Bank and the Community on the problem of the interest rate guarantees, i.e. on the technicalities of the loan to Portugal.

So the form of aid that the Community can give has three different aspects. And the date by which we finish our internal consultations is important. The question as to whether there should be a fresh initiative by the Community with regard to Portugal or whether Portugal should again take up the invitation made to her by the Community and which Melo Antunes asked us to postpone, is now out of date, to my mind, in view of the recent visit to Lisbon—the day before yesterday I believe—by the Dutch Foreign Minister, Mr van der Stoel. As the Italian Presidency has stressed, what counts is for the Community to be in a position on 6 October to pronounce on Portugal's financial requirements and request for aid.

As President-in-Office of the Council, I can fully understand the appeal which Mr Stewart made to all the Members of this House to report to their governments, stressing the gravity of the situation and the urgency of the need for effective aid to Portugal.

Lastly, I personally consider that a serious political problem which concerns the political and moral responsibility of a parliamentary Assembly and of all democratic nations cannot really take second place to the budgetary requirements of the individual States.

(Applause)

President. — The topical debate is closed.

I thank all those who took part in this debate and preserved such dignity throughout, perfectly reflecting the concern for Portugal felt in this House.

I also thank the representatives of the Commission and Council.

The proceedings will now be suspended until 2.30 p.m.

The House will rise.

(The sitting was suspended at 1.25 p.m. and resumed at 2.40 p.m.)

IN THE CHAIR: MR BEHRENDT

Vice-President

President. — The sitting is resumed.

4. *Oral questions with debate: Directive on aid to the shipbuilding industry*

President. — The next item is the joint debate on the oral questions by the Committee on Economic and Monetary Affairs to the Council and the Commission of the European Communities on the adoption of a new directive on state aid to the shipbuilding industry without consultation of the European Parliament.

The question to the Council (Doc. 244/75) is worded as follows:

'In November 1973 the Commission of the European Communities put forward a proposal for a directive concerning state aid to the shipbuilding industry ⁽¹⁾. The European Parliament, consulted on this matter, expressed rather severe criticism on the content of the proposed directive ⁽²⁾.

In May 1975 and in view of its application from 1 July 1975 onwards, the Commission put forward a new proposal on the same issue ⁽³⁾ on important subjects diverging very much from the initial proposal and in no way corresponding with the wishes of the European Parliament in its resolution of June 1974. This proposal was adopted by the Council on 10 July 1975.

Why did the Council not consult the European Parliament on the above mentioned proposal for a directive concerning state aid to the shipbuilding industry?

Seing the fundamental differences between the proposal for a directive from November 1973 and the proposal for the lately adopted directive of May 1975, the Committee on Eco-

¹ COM (73) 1788 fin.

² OJ No C 76 of 3. 7. 1974, p. 41.

³ COM (75) 195 fin.

President

conomic and Monetary Affairs finds it misleading that the Council refers to the opinion of the European Parliament. Why did the Council proceed in this way?

The question to the Commission (Doc. 245/75) is worded as follows:

'Why was the European Parliament not consulted on the directive on shipbuilding subsidies adopted by the Council on 10 July 1975?

In view of the fundamental differences between the proposal for a directive submitted in November 1973 and the proposal for the recently adopted directive, the Committee on Economic and Monetary Affairs feels that the Council's reference to the European Parliament's opinion is misleading.

Why did the Commission act in this way?'

I call Mr Notenboom.

Mr Notenboom. — (NL) Mr President, as deputy chairman of the Committee on Economic and Monetary Affairs, I should like to comment briefly on these two questions to the Council and the Commission.

The Committee on Economic and Monetary Affairs has repeatedly examined the Community's shipbuilding policy. It has given great attention to this subject, for various reasons. Shipbuilding is an important industry from the point of view of both production and employment. In addition, the development of Community rules in this area can have a significant influence on the direction of Community policy in other industries. Finally, a number of different national subsidy systems apply to this sector and as they have a profound influence on competition, they raise some important questions regarding the interpretation of the rules laid down by the EEC Treaty on aid granted by Member States. Consider for example Articles 92 and 93. We are thus examining a particularly important sector of Community policy here. The European Parliament must watch carefully the measures which are taken in this area. At its meeting of 15 July of this year the Committee on Economic and Monetary Affairs was therefore astonished to discover that the Council had adopted a new directive on state aid for shipbuilding on 10 July. Not only was the European Parliament not consulted on this proposal but the directive states that it had been adopted after the European Parliament had given its opinion. It is easy to imagine what sort of answer we shall get on this, namely that the European Parliament had delivered an opinion on an earlier proposal for a directive and that it cannot expect to be consulted on every amendment. The committee cannot,

however, accept such an answer because what is involved here is, neither in content nor in form, simply an amendment to an earlier proposal. Although the Commission had aimed in its previous proposal to subject all systems of aid intended to reduce production costs and marketing or investment subsidies to Community rules, the present proposal means that the Member States will have a free hand and will be able to improve the competitive position of their shipbuilding industry vis-à-vis that of the other Member States by means of investment subsidies. It is quite possible, however, that the shipbuilding capacity of the Community as a whole will suffer from this.

Nor in respect of the form can it be maintained that what is involved is no more than an amendment to a previous proposal. In the letter which the Commission sent to Parliament to inform it of the recent proposals the document is described as containing no more than amendments to the previous proposal. One need only glance at the first page of document No COM (75) 195 final, however, to realize that it constitutes a completely new proposal superseding the other one, which even bears a different number, COM(73) 1788 final. Thus, from the point of view of form too these are two quite different documents.

We thus have two different and independent proposals on the same subject. The first was not adopted by the Council, notwithstanding the favourable opinion of the European Parliament, while the second was in fact accepted by the Council, but without the opinion of Parliament.

If I think back to the discussion of the previous Commission proposal in the Committee on Economic and Monetary Affairs, I am quite certain that the committee would never have advised the European Parliament to approve the present directive. It would probably have recommended that the proposal be approved as a transitional measure until the end of 1975, on the understanding that the Commission would in the meantime make a proposal for a directive on the structure of the shipbuilding industry.

The Committee felt that the content of the first proposal was not sufficiently in the interests of the Community as a whole. However, this argument is even more relevant to the new directive and we are inclined to feel that it can best be described by saying that the Commission is being asked to disregard the Treaty and that the opportunities which it offers the Commission to conduct a forward-looking shipbuilding policy are more limited than if the latter were to adhere exclusively to the terms of the EEC Treaty. In other words, we are inclined to believe, though we have not yet considered the

Notenboom

long-term outlook, that if the Commission does not meet our request to draw up a new directive on structure, it would have been better to let the directive which is still in force expire instead of replacing it with a new one.

However, this debate is not about the content of the directive and I shall therefore not dwell on the matter any longer. Nevertheless, it cannot be denied that our critical opinion, the critical assessment of the Committee on Economic and Monetary Affairs of the content of the directive, adds to our displeasure at the directive's unlawful reference to the approval of the European Parliament.

Moreover, we are not only surprised but distressed by the inconsistency of the Council regarding consultation of Parliament. We have now had three directives on aid for the shipbuilding industry. Parliament was consulted on the first directive. But the second directive was approved without the opinion of the European Parliament and then the Council again changed its mind and consulted Parliament on the first proposal in respect of a third directive. The Council was not, however, able to reach agreement on this proposal. The Commission then made a completely new proposal which was adopted without the opinion of Parliament. The Committee feels that this is a deplorable example of Council inconsistency. We were also interested to note that whenever the Commission makes fundamental changes to a proposal, for example the proposal on jam and marmalade, it considers it necessary to recommend renewed consultation of the European Parliament, and we, of course, are in full agreement with this procedure. But when the future of an extremely important job-providing industry like the shipbuilding industry is at stake the Commission does not consider it necessary to consult Parliament.

These are the main reasons which prompted the Committee on Economic and Monetary Affairs to put these questions to the Council and the Commission. The opinion of the committee can be summarized as follows. Two proposals seem to be, and are in fact, involved here: the submission and adoption of the second proposal mean that the Commission has withdrawn its original proposal, and it is wrong to allude to an opinion which the European Parliament has delivered regarding a proposal which has been withdrawn.

I wanted to lay particular stress on this last point, and I would draw the attention of the Commission and the Council to the fact that what is being said here is in effect that the Commission and the Council, if they so desire, can evade their obligation to consult Parliament whenever specifically budgetary questions are

not involved. The Committee on Economic and Monetary Affairs realizes of course that the directive in question was adopted by the Council and can no longer be amended. Of this we are aware. But what we do have a right to expect, and I hope that we shall obtain satisfaction in their answers, is that the Council and the Commission will admit that they have made a mistake in this case and promise that this mistake will not be repeated in the future.

(Applause)

President. — I call Mr Battaglia.

Mr Battaglia, President-in-Office of the Council. — *(I)* Mr President, on behalf of the Council I would like to clear up what seems to me to be a profound misunderstanding. The new proposal submitted by the Commission to the Council in May 1975 and which the Council adopted without amendments in July is no more than a very slightly amended version of the initial proposal which had already been considered and approved by Parliament. I can assure you that if the proposed modifications had related to essential points we would certainly have submitted the new text of the directive to the House.

In fact only three minor amendments were involved: the first was intended to allow for the reduction in direct aids in certain Member States, the second to take account of the decision taken in the meantime by the OECD to make the terms of credit on ship exports more restrictive and the third to take account of the discussions being held with various technical bodies on the problem of notifying the granting of aid to investments. As these are minor rather than essential points, the Council followed the practice now customary between the Council and Parliament, which was explained in the letter sent by the Council to the President of Parliament two years ago and which now governs normal consultation procedure between the two institutions. Nothing more, nothing less.

I am, of course, willing to read out the letter in question which describes the consultation procedure between the Council and Parliament, but as I do not see Mr Dykes in the chamber and cannot therefore consult him as to whether I have said too much or too little and whether this information is sufficient, I shall for the time being sit down again.

President. — I call Mr Borschette.

Mr Borschette, member of the Commission. — *(F)* Mr President, ladies and gentlemen, the proposals for a third directive on shipbuilding were forwarded to the Council in November 1973 but

Borschette

ran into very serious difficulties. During the numerous discussions which took place at the Council the Commission succeeded in closing the gap between the opinions of the Member States, but not in reaching a unanimous agreement.

On the basis of Article 149, paragraph 2 and, as the President-in-Office of the Council has just pointed out, in view of trends in aid in this area, the Commission amended its initial proposal to take account of the opinions of the various Member States.

I hasten to add, however, that the Commission considered that the main points of the first proposal were also contained in the second.

Firstly, reduction of existing aid; secondly, joint consultation regarding aid to investment granted by the Member States and thirdly, the coordination of all direct and indirect aid. This time all aid is covered by the directive. On these three basic points, therefore, the Commission proposal remained the same. It is for this reason that the Commission feels that it was not necessary to consult Parliament again after it had delivered its opinion on 13 June 1974. I thought indeed that the explanations which the representatives of the Commission had given the Committee on Economic and Monetary Affairs had sufficed to remove the misunderstanding which appeared to exist.

Having said this much, Mr President, I think the problem is one of differing approaches. The Committee on Economic and Monetary Affairs is of the opinion that the Commission proposals have been considerably modified. The Council, and the Commission too, consider that the main points of the first proposal have been maintained. As regards the second proposal, I would just add that if another misunderstanding or difference of opinion should arise in the future the Commission will naturally consider any request by Parliament for further consultation with even greater care.

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

Mr Nyborg. — (DK) Mr President, like the Committee on Economic and Monetary Affairs, we are surprised at this new directive from the Council concerning state aid to the shipbuilding industry. I should first of all like to say that we were expecting this directive, that it was shown in the timetable, but that it was adopted without Parliament being consulted. Such procedure on the part of the Council is very strange, all the more so since it cannot be

justified on the grounds that there was not enough time, furthermore the contents of this directive are in keeping with the 1972 directive which was last extended in 1974.

When the European Parliament was consulted on this extension in 1974 it quite rightly objected to it on principle and expressed the hope that a new directive would be formulated in order that the provisions contained in it might be examined. In relation to shipbuilding, our group wants a common policy with clearly defined aims, and consultation between the Commission, national governments and the shipbuilding companies in order to determine what measures are necessary to ensure that the shipbuilding industry in the Community can continue its activities normally.

We are disappointed that the opportunity for consultation was not taken in a situation where it would have been most opportune.

With reference to the principle involved in providing state aid for shipbuilding, it must be stressed that this is undesirable, although it is perhaps understandable that such aid is granted when one considers the powerful interests which often support the request for it.

Many of the undertakings in the shipbuilding sector are privately owned and find themselves in an unfortunate state of dependence if they accept a state subsidy. Furthermore, it should be noted that the OECD agreements governing this sphere, which are not affected by the third directive, have a sound purpose, and care should be taken to ensure that they are observed and cannot be made the object of special provisions.

It is necessary to maintain equal conditions for shipbuilding undertakings in the Community in order to avoid a situation in which competitiveness would be threatened. It cannot be said that these equal conditions find expression in the third directive.

(Applause)

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

Mr Normanton. — Mr President, I think there are three points which have not perhaps adequately or sufficiently been commented upon in the course of this short debate.

Firstly, the question of principle has undoubtedly been very strongly stressed by all three of the previous speakers. But I do feel it is of crucial importance that we should not, in any consideration of any major policy decision to be taken by the Community, ignore the importance of Parliament being given every opportunity to be

Normanton

consulted before and not afterwards. We are not a rubber stamp, even if some of our political and ideological opponents see us in that role. We have contributions to make; we are determined that they shall be listened to, even if on every occasion we cannot succeed in getting those views accepted *in toto*.

The second point I want to make is really more a procedural one, and I hope the House will allow me just for two minutes to refer to the deep anxiety which I think many of us feel is having quite a considerable influence in various national parliamentary establishments. The British Parliament is making serious attempts to allay the anxieties and dispel the feeling of remoteness which exists in national parliaments as regards their contribution to the formulation of Community legislation and directives.

In the context of this particular item on the agenda today, I should like to point out that the Members of the European Parliament who are Members of the House of Commons sought and obtained leave of our House to have a debate on this subject. In the course of that debate one thing was extremely and painfully clear, and that was that the subject matter had changed—though not significantly, not fundamentally—between the time this Parliament had its debate and the time the debate in the British Parliament took place. I am sure the Commission—and I hope the Council of Ministers, too—will take due account of the desire of many European parliamentarians to contribute to the Community's policy decisions by expressing the views, and perhaps the fears, of our national parliaments. If, however, the basis upon which a policy has been drafted by Parliament here, or by the Commission, suddenly changes it is difficult, if not impossible, for the national parliaments to follow. This is a procedural question. I hope the Commission and the Council of Ministers will take note of it and so help Representatives from a number of national parliaments in their task. The House, let me make it quite clear, has in my view little or no grounds for major concern as to the substance of the documents which were approved by the Council of Ministers. I may be offending one or two of my colleagues on the Committee on Economic and Monetary Affairs when I say this, but I think one development since the first directive was drafted is that the proposals on and the decisions to implement the Community's regional policies had not been considered comprehensively in the first deliberations of this Parliament. Those policies are relevant to the conditions now prevailing and likely to prevail in the future. I am sure, therefore, that the House will strongly endorse the view that we

must be consulted on all major areas of policy. This is one which may have unfortunately been overlooked.

(*Applause*)

President. — I call Mr Prescott.

Mr Prescott. — Mr President, most of the controversy surrounding this decision really took place before the delegation to which I belong came to this Parliament. We did hear about some of the ramifications of that debate in our own Parliament, where protests were made about changes in decisions of which neither our own Parliament nor apparently this Parliament was informed.

I will not enter into the issue of the right of this Parliament to be consulted, though clearly, if it has a consultative function, then it is justified in demanding to be consulted before any decisions are taken by the Council of Ministers.

On reading some of the past debates and listening to discussion in committee, I note that the important developments now taking place in this particular industry indicate that the nature of the problem is rapidly changing from what it was twelve months ago. The real threat at that time came from places like Japan and that country is now undergoing tremendous economic problems which were not envisaged something like twelve months ago. Now we are not here to debate the issue of the shipbuilding industry but clearly if this industry is to be affected by the policy that apparently this Parliament believes in, namely to reduce the obstacles to competition in this industry, that will create very real problems for certain countries. In my country we wish to nationalize the whole shipbuilding sector which involves massive utilization of investment and has huge implications for regional development, and clearly any policy that is adopted in the form of a directive has very important consequences.

Possibly in future debates we can argue the relevance of a policy of free competition, something which I, as a Socialist, cannot accept. But what is important is that if we are to deal with the economic problems of unemployment, regional development and investment we cannot solely rely on the philosophy that is embodied in these particular directives and I would support the Council of Ministers and the Commission in the changes they have made, whether marginal changes or fundamental ones. What is clear in this case is that one or two of the Member States particularly stressed to the Council of Ministers and the Commission the need for certain national policies to be recognized and accepted. I support that action.

Prescott

In conclusion I would like to say that I hope the Commission will be looking at the new type of problem that is developing for the shipbuilding industry. In my area in Hull in the North of England, a whole shipbuilding area is being closed down this week, not because of the lack of orders, not because it is not competitive, but because it lacks liquidity. This problem is now facing a number of major shipyards in Norway, in Scotland, and in other parts of Europe. This is not a problem of competitiveness, it is the problem of collapse due to financial conditions. Therefore I hope that the Commission will look at problems like the dry pool shipbuilding sector in my area, where there is high unemployment—with 3 000 more to be made unemployed if this situation continues—not because of lack of orders, not because of lack of competitiveness but because of the strains caused by lack of liquidity and other problems.

(Applause)

President. — I call Mr Notenboom.

Mr Notenboom. — (NL) Mr President, I would like to thank the representative of the Council, Mr Battaglia, and the representative of the Commission, Mr Borschette, most sincerely for taking the trouble to answer our two questions.

The answers were in fact as the committee had expected and as I predicted in my introductory speech.

The Council and the Commission will understand that I cannot of course reply on points of detail on my own, and that the committee will need to consider and discuss these two answers and the debate as a whole. In any case one thing is quite clear, and that is that the Committee on Economic and Monetary Affairs has a different conception of the nature of the amendment, principally because the Community character of the amended proposal is clearly less marked; initially investment aid was subject to the approval of the Commission in Brussels: this approval is not a minor one; the question of whether the Member States are completely free or must consult the Commission in respect of certain action is of the very essence of the Community's work. This is the main point. There are others too, but in view of our heavy agenda I shall not dwell on them. We shall in any case examine the answers in committee.

In reply to Mr Prescott, whom I also thank for his contribution, I would say that nationalization is not in itself relevant to this question. Whether a shipbuilding industry has been nationalized or is still under private control does not affect the issue of whether distortion of

competition must be avoided in Europe and whether the solutions which we are devising for the shipbuilding industry are of a Community nature. The same applies to industrial sectors under private control, semi-public enterprises and fully nationalized undertakings. The problem remains the same.

With your approval a motion for a resolution by the Committee on Economic and Monetary Affairs has been distributed. I strongly recommend the House to adopt this resolution, since it simply requests Parliament to agree that the Committee on Economic and Monetary Affairs should continue to follow and examine the problems of the shipbuilding industry and that it should be empowered by Parliament to draw up a report on it in due course. We shall thus have a mandate to make a political reply to the policy of the Commission and the Council, and will be able to voice the great interest, and also concern, which the European Parliament feels concerning the policy conducted in this sector, which is of such major importance for the economy of our Community, and in particular for the employment situation which is at present so difficult in all the Member States.

I hope that minor administrative difficulties will not prevail and that Parliament will in due course have an opportunity to react in political terms to the policy conducted by the Commission and the Council in this sector. I hope the House will adopt this motion for a resolution.

(Applause)

President. — The debate is closed.

I have a motion for a resolution tabled by Mr Leenhardt on behalf of the Committee on Economic and Monetary Affairs. This motion for a resolution has been distributed. Pursuant to Rule 47(4) of the Rules of Procedure, the author of the motion has asked for a vote to be taken immediately.

Now this is a somewhat unusual situation, Mr Notenboom. According to the usual procedure of the House it is the Bureau which decides whether a committee shall draw up a report or not. This is the first time that a committee has requested that it should be instructed by Parliament to submit such a report.

I cannot now explain in detail what problems and prejudices this involves. Moreover, I am inclined to wonder whether there is much point in drawing up another report on the directive, given that the Council has adopted it. I would, however, like to draw the attention of the Council and the Commission to the fact that Parliament is vigilant and will in the future

President

be more vigilant than ever in ensuring that the Treaty is respected, in other words that Parliament is consulted as a matter of course when important modifications are submitted to the Council in a new Commission proposal.

In this particular case, however, there are two conflicting views on the matter. On the one hand the Council and the Commission say that the new proposal is essentially the same as the one on which Parliament had given its opinion. Parliament, on the other hand, declares that this is not the case. May I now make the following suggestion, Mr Notenboom. You withdraw this motion for a resolution and write a letter to the President in which you

- a) request that the procedural problem be discussed by the Bureau. Following this discussion a memorandum will be sent to the Council and the Commission in which you explain why you consider that the proposal on which Parliament gave its opinion has been fundamentally altered in the final directive; and
- b) request the Bureau for permission to draw up another report on the policy in this area.

I make this suggestion in order to avoid getting entangled in procedural difficulties and setting a precedent which might one day cause us trouble in one area or another. I would ask you to agree to my proposal and to advise the House to proceed in this manner.

I call Mr Notenboom.

Mr Notenboom. — (NL) Your request that I should withdraw this motion off my own bat puts me in a somewhat embarrassing position, particularly since I am not even the author of the motion. The matter is not so simple, and I am not very well versed in questions of procedure either. I would in any case point out before replying to your request that it is not the aim of the Committee on Economic and Monetary Affairs to examine this directive as such retrospectively; there would be no point in doing that since it has already been adopted. What we wanted was a mandate from Parliament to follow the shipbuilding policy in general terms, and to draw up reports on it, in other words to keep our finger on the pulse. That was our aim, and not formally to re-examine this directive after the event. This is a misunderstanding I should in any case like to clear up. Nor do I feel fully authorized to maintain the motion, as we took the discussion somewhat hastily...

President. — May I interrupt you, Mr Notenboom. Do you agree then to my proposal to

address this motion for a resolution to the Bureau in accordance with our normal procedure?

Mr Notenboom. — (NL) ... I was just coming to that, Mr President. I am quite prepared to go along with you as far as procedure is concerned. There would be no point in the Committee on Economic and Monetary Affairs, which for various reasons is none too well represented here at the moment, opposing your chairmanship and procedures. That is not our aim, Mr President. We are quite willing for the Bureau to examine the matter and draw conclusions from this debate and from the opinions of the various groups and speakers regarding the unsatisfactory course of events to date. In withdrawing this motion for a resolution, Mr President, I would ask you to invite the Bureau to bear in mind that the problem is a serious one, and that it is politically vitally important for the European Parliament to give regular attention to shipbuilding. I therefore hope that we shall get a mandate from the Bureau in the very near future.

I shall comply with your wishes and withdraw the motion for a resolution.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I am sure that Mr Notenboom is right to formally withdraw his motion, but what does the Bureau intend to do having studied the motion and having studied the debate we have just had here? Could you inform the House what actions you think the Bureau could take, which would be effective and efficient in this particular case? This would be of interest to the House I think.

President. — I assume that in withdrawing his motion for a resolution Mr Notenboom has accepted my two suggestions,

1. that the committee should request the Bureau for permission to draw up a report, in accordance with the wish expressed here and,
2. that he should request the Bureau to deliberate on the procedural problem and to take a decision and to notify the Council and the Commission of this decision.

These are the wishes put forward by the committee, in my view quite justifiably and in the interests of Parliament.

I think this is the right way to proceed, Mr Scott-Hopkins.

I call Mr Notenboom.

Mr Notenboom. — (NL) That is indeed correct, Mr President. I have perhaps just used the word withdraw in too general a sense. What I meant was that the proposal to ask the House to vote has been withdrawn and that the content of the motion for a resolution will be addressed to the Bureau instead. We shall thus be proceeding in the manner you have just suggested.

President. — Are there any objections to Mr Notenboom's proposal?

That is agreed.

5. Membership of Committees

President. — I have received from the unattached Members a request for the appointment of Mr Romualdi to the Committee on Economic and Monetary Affairs, Mr De Sanctis to the Committee on Social Affairs and Employment, Mr Outers to the Committee on Regional Policy and Transport to replace Mr Romualdi and Mr Pierre Bertrand to the Committee on Cultural Affairs and Youth.

Are there any objections?

These appointments are ratified.

6. Oral question with debate: Conclusions to be drawn from the Conference on Security

President. — The next item is the oral question with debate, tabled by Mr Fellermaier and Mr Radoux on behalf of the Socialist Group, to the Council of the European Communities on the conclusions to be drawn from the Conference on Security and Cooperation in Europe (Doc. 246/75).

The question is worded as follows:

'At the Conference on Security and Cooperation in Europe the states of North America and Europe undertook to implement, in their future relations with one another, the principles laid down in the final documents of Helsinki. The Final Act opens the way to a Europe of peace, security and justice and the steady development of friendly relations and cooperation. This document is not a peace treaty but rather an agreement for peace.

The Conference on Security and Cooperation in Europe could only be convened after relations between the states of Europe had been eased and improved. This was achieved first and foremost through the conclusion of the Four-Power Agreement on Berlin and the Treaty between

the two German states. The Final Act will therefore also apply to Berlin.

The results of the Conference will not hinder the process of European Unity. Rather, they will give the gradual process of détente a new substantial content.

The Council is therefore asked:

1. In which fields and to what extent will the CSCE open up or develop and strengthen, opportunities for economic cooperation between the European Community and the Council for Mutual Economic Assistance (COMECON), on the one hand, and the Community and the individual COMECON Member States, on the other?
2. Did the joint presence at the CSCE of the nine EEC Member States and the fifteen NATO partners prove effective, or did it merely serve, as has been publicly claimed on various sides, the Soviet policy of hegemony?
3. How does the Council intend to share in the task of supervising compliance with what was agreed at the Conference on Security and Cooperation in Europe and how does it intend to associate the Commission with this task?

I call Mr Radoux.

Mr Radoux. — (F) Mr President, ladies and gentlemen, before speaking in support of the questions put by the Socialist Group concerning the conclusions to be drawn from the Conference on Security and Cooperation in Europe, I have to draw attention to two textual errors in paragraph 2 of our questions. They affect mainly the form of the question and not the substance.

These questions, as you know, have to be drafted one month in advance. It was not possible to draft them before 2 or 3 August since the Conference ended on 1 August. We were therefore obliged to work during the summer as well, which meant that working conditions were rather difficult.

These are the two corrections which need to be made:

The wording of question 2 should be as follows: 'Did the joint presence at the CSCE of the nine EEC Member States and the fifteen NATO partners prove effective, or did the CSCE etc'. If 'CSCE' is omitted, it would seem that 'the joint presence (...) of the EEC Member States (...) was the subject of the second verb in the sentence also and that would completely change the meaning of the question!

Radoux

Also, in the same sentence, the final words: 'the Soviet policy of hegemony' should be between inverted commas since those words are not ours but those of people whose comments I shall be discussing presently.

Now, Mr President, I come to the part of our question which refers to press comments and verbal statements on—I quote—'the greater advantage which the other side gained from the Helsinki negotiations'. Firstly, I would make a general comment. It is in the nature of negotiations that no one can hope to be entirely satisfied with their outcome; neither can anyone be entirely dissatisfied. If it were otherwise, the negotiations would fail. Everyone without exception, at least in this House, said that they wanted them to succeed, and Helsinki was indeed a success.

I would make another point. We could have stayed away from Helsinki. All the governments of the Member States decided to go. Now, we knew what gave rise to the Conference. In this connection, the statement made by Mr Molotov in 1954 has been quoted. I do not think that much weight can be attached to the declarations of statesmen. I have more faith in documents. One document which is essential not only for today's debate but also, I believe, for the future and for history is the one which emanated from the Conference of Communist Parties which met at Karlovy Vary in 1967. The countries of the Eastern bloc proposed the calling of such a conference. Therefore, I repeat, the participants knew on what terms they attended the conference.

I would also add that, as regards the Atlantic Alliance, the price of its participation at the Helsinki Conference was the agreement to attend another, which is at present taking place in Vienna, on the reduction of the armed forces and armaments in Western Europe.

Finally, at the end of this first section of my speech, I would ask the question: who signed the Final Act in Helsinki?

Any doubt about the significance of the signatures placed at the foot of the Final Act must be dispelled by the recognition that they include those of heads of state, heads of government, ministers of foreign affairs and the party secretary-general of one of the great world powers. In short, everyone was present in Helsinki and no one raised any objections. We should also note that, by signing this document in his dual capacity as Italian Minister of Foreign Affairs and representative of the Community, the President-in-Office of the Council advanced the cause of the Community's recognition by certain other participants who do not yet have any official links with it.

Addressing myself now to the President-in-Office of the Council, I would make the point that, in introducing other questions from the Socialist Group, I have the impression that I am extending the report which I represented about this conference a few months ago. There are three reasons for this.

Firstly, the report was approved by a vast majority of this Assembly.

Secondly, Parliament has reasons to be reasonably satisfied with the results obtained in Helsinki; this is clear from the most important paragraph of the resolution, which reads as follows: 'The European Parliament insists that the first, second and third committees should produce more balanced results'. I say 'reasonably satisfied' but, indeed, this balance was to a large extent achieved since, in the Conference committee responsible for economic and commercial problems, the Community successfully defended its point of view and its success is of considerable importance for the continuing dialogue between East and West.

Finally, ladies and gentlemen, my attitude remains as I described it, because we are entitled to congratulate ourselves that our Assembly is the first of the Parliamentary assemblies of the Community to debate results contained in the Final Act signed on 1 August of this year.

At this point in my introduction, I would ask: have the first steps already been taken to give effect to the results of the Helsinki conference?

The answer is yes. It is yes in regard to the basket dealing with measures aimed at strengthening confidence. In fact, NATO manoeuvres will take place in Bavaria between 13 and 17 October next. Military observers from Eastern bloc countries with diplomatic representation in Bonn have been invited to attend by the Federal Government. It can be said that in this instance the initiative was ours. A wait-and-see attitude is not in fact compatible with the policy we have decided to follow. Among the consequences of this policy, to which, like all the signatories to the Helsinki agreement, we have committed ourselves, are the obligations to set an example, to act in order to avoid incurring disapproval, and to seize the initiative and satisfy oneself that one is honouring one's commitments.

It is also true—and this is something new in international relations—that the Conference is to have a follow-up which will allow it to be assessed fairly quickly.

The representatives of the 35 participating countries will in fact meet again in 22 months' time, and judgment will be passed on the ways in

Radoux

which the measures decided in the three Conference baskets have been put into effect.

The Socialist Group's question on economic problems relates to the Conference's second basket. The Community, as I have already said, succeeded in having a very important clause inserted, laying down the principle of reciprocity of advantages. Such a provision is indeed important when one considers possible Community initiatives in any of the following :

- a) relations between the Community and Comecon (discussions at present in abeyance);
- b) relations of the Community as such with each of the countries of Eastern Europe individually;
- c) 'cooperation' agreements, the first of which the Community is preparing to enter into, and which it could perhaps one day conclude with one or more Eastern European countries.

Finally, the multilateralization of economic relations. Why is this desirable? Because it is the ideal vehicle between groups of states at a time when, as everyone knows, because of the volume of trade, but even more so because of the overlapping of technologies and of common projects, it is no longer true to say, at least as far as Europe is concerned, that trade does not prevent conflict. There is a change not only in the quantity of trade but in the quality also, and this profoundly alters its character, with all the resulting consequences.

Mr President, ladies and gentlemen, I venture to say that the Conference on Security and Cooperation in Europe is the greatest gesture of confidence in the future which Europe as a whole has ever made. It means breaking with the past, opting for gradual progress instead of resorting to botched treaties which create inflexible situations incapable of withstanding for long the pressures of reality. Western Europe, with the firm backing of a defence system which accepts the principle of *détente*, was even able to suggest to the other participants an experimental reduction in armed forces and in armaments which, if it succeeds, will be the world's first example of partial disarmament. It will then be clear beyond any doubt that disarmament is possible in certain circumstances, which exhaustive efforts in all other forums have not yet been able to produce.

It remains true however that, with economics gradually taking pride of place over other disciplines, our hope of life and social progress rests with our Community of Member States. Hence our last question to the President of the Council on the consequences of the Conference.

This question is prompted by the decision taken in Helsinki to have three types of meeting in Belgrade in 1977: firstly, a meeting of experts; secondly, a meeting to prepare a further meeting of the ministers of foreign affairs; and thirdly, during 1977 at the latest, this same ministerial conference.

Progress will therefore be reviewed and the situation examined in Belgrade, but it is there also, on the basis of work to be undertaken with the minimum delay, that it will be possible to assess whether new *rapprochements* can be achieved. The Socialist Group wishes to be reassured, now that cooperation between states is again being practised, that the Helsinki pattern will be repeated in Belgrade. We want the Council to confirm the mandate which it gave the Commission for matters within its competence in order that the talks may be conducted on a Community basis.

We hope that the Presidency of the Council will in particular wish to maintain the splendid record of successive post-war Italian governments in European affairs. It is with this in mind that we ask the President-in-Office for reassurance today. By giving us such reassurance on behalf of the nine Member States of the Community, he will ensure the best possible chance of success for the peace policy, a peace which we know is within reach on our continent, provided always that we remain vigilant, a peace which will enable us to avoid disappointing all those throughout the world who already place such hope in our Community.

(Applause)

President. — I call Mr Battaglia.

Mr Battaglia, President-in-Office of the Council. — (I) Mr President, I should first like to stress by way of clarification that we cannot fully evaluate the results of the Conference on Security and Cooperation in Europe solely on the basis of the text of the Final Act signed in Helsinki. Though it contains a few clearly defined principles, for the most part the Act simply consists of general provisions whose actual application is to be ensured by the individual States via their own political instruments.

This being the case, the consequences and further development of the results of the Conference on Security and Cooperation in Europe can obviously only be judged—as Mr Radoux has indeed already mentioned—over the months and years ahead on the basis of the actual application of the principles laid down in the Final Act.

Battaglia

Having said this, I shall now consider the three specific questions put by Mr Fellermaier and Mr Radoux. On the first of these I would say that the very aim of the Final Act, particularly the second part, is to promote economic cooperation between the signatory States. However, here too the Final Act only contains some quite general principles and provisions which are to be implemented by the individual countries either independently or, of course, on the basis of agreements. Two developments had already taken place in this connection. Firstly, last November the Commission offered to begin negotiations with the state-trading countries with a view to concluding a trade agreement between those countries and the Community as a whole. Secondly, there have recently been contacts between the Commission departments, very effectively represented by Mr Wellenstein, and the Comecon secretariat.

The Helsinki Conference did not affect these earlier developments. More particularly, it did not alter the trade agreement plan submitted to these countries by the Community, which is still as valid as it was. However, it can be expected that the headway made in Helsinki along the road towards closer cooperation with these countries will permit further progress, both in the area of trade agreements and in that of collaboration with Comecon.

In regard to the second question, it must be said, not only at the outset but throughout the negotiations, the nine EEC countries, backed by some other Western countries and on some issues even by other neutral or Third World countries, collaborated successfully towards achieving their pre-established aims, and it is now indisputable that the results of the conference largely satisfy the original objectives of the nine Member States. These results do not, and obviously cannot, represent more than one stage along the road towards *détente*. Their real significance cannot be assessed other than on the basis of how each country in East and West actually applies the principles endorsed and the general measures agreed at Helsinki. In other words, the proper implementation of the Helsinki agreement now depends on the political responsibility and good faith of the countries which attended the Conference.

As regards the last question, it goes without saying that the Member States, like Mr Radoux and like the Community institutions in their own spheres, will be following further developments with close attention. And with reference to Mr Radoux's kind remark on the consistency of my country's foreign policy, I should like to enlarge on the point by recalling the final declarations made at the time of signing in Helsinki

by the Italian Prime Minister, who was at the same time President-in-Office of the Council of the European Communities. Speaking of the further working-out of the results of the conference, he said that the Community would state its views in the light of its own internal norms, whenever matters of Community competence were at issue. It is clear that the Community is fully competent in matters of trade. The conclusions to be drawn from this, Mr Radoux, are obvious.

(*Applause*)

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

Mr Stewart. — Mr President, we discuss this problem of the Helsinki conference as part of what is, I suppose, the greatest problem that faces European nations at the present time: the fact that Europe is divided into two groups between whom there are profound ideological differences. That has happened before in European history, but the present situation has an additional factor, namely that the two groups are equipped with weapons of enormous destructive power. It is the combination of these two aspects, the two ideological groups and the terrifying weapons that they possess, which puts us in a position which mankind has not previously experienced. The problem that has been facing us for many years, certainly since the end of the war, is whether these two groups can continue for as far ahead as we can see, to live at peace with one another. In the recent past this has at times been a somewhat uneasy peace, a peace that has repeatedly required the exercise of diplomatic skills in order to preserve it, but nonetheless the nations have lived at peace. It is to be hoped that if we can do this, if we can ensure a long period of what has come to be called peaceful coexistence, the underlying strains between the two groups will in time disappear.

I want to stress, Mr President, and I shall return to this, that we are dealing with a long, continuing problem. We have to think in terms of decades or generations. And the conference that was held at Helsinki must be seen as one incident in this process of trying to preserve peace in a unique, unprecedented situation.

I feel I should refer to the fact that there have been criticisms of holding the Helsinki conference at all and of its outcome. I would therefore like to put these questions to Parliament: suppose that the states of the West had resolutely and repeatedly refused to go to a conference of this kind? We had known that for a long time the states of Eastern Europe had wanted

Stewart

such a conference. That request was at first regarded with a good deal of suspicion and unease in Western Europe. But suppose we had persisted in that attitude indefinitely? Time would have passed and a generation would have grown up to whom the last war was only history, to whom one would hope that any armed conflict was only history. The members of that generation would have found themselves living in a world divided into two armed camps and in our countries they would feel that our governments apparently had no idea what to do about the situation, being prepared to sit there indefinitely staring at the other side across a heap of armaments and refusing even to talk about the situation when asked to do so.

I suggest that if that had been the attitude of the Western nations, the coming generation would have been more and more in doubt about its wisdom, more and more in doubt about the necessity to maintain our defences at a proper level. At the very least, putting one's expectations at their lowest, it was necessary to go to this conference in order to demonstrate that the West had its own hopes for mankind, was as eager as anyone in the East for the preservation of peace and did not want to be put in the pillory as purely unconstructive.

The second question I would put is, having gone to Helsinki, did the West in fact lose anything? To that I am quite sure the answer is no. It has been suggested that going to the conference and signing the final act could be regarded as an acceptance or even an approval of the power exercised over Eastern European states by the Soviet Union. But in practice, did we lose anything? We know very well what the military and political situation is in Eastern Europe. We know very well that there is no immediate prospect, as far as we can see, of altering that situation. We know that no sane person would want to alter it by force. That situation existed before the Helsinki conference. It still exists. We have not admitted that it is right. If we have admitted that it exists, it is something we had to admit before as a matter of plain fact.

Did we gain anything at Helsinki? It has been apparent from the answers we have heard, that progress still needs to be made in the field of trade. But I want to draw Parliament's attention to the fact that in one part of the proceedings at Helsinki certain codes of behaviour were laid down, something that mankind has done so often: declarations that human beings had certain rights, that families ought not to be separated, and we spoke also of the desirability of promoting the free movement of people and ideas. It can very well be said, and examples

can already be quoted, that the standards which were set at Helsinki are not in all cases being observed. Indeed, nobody at Helsinki has entered into a treaty or legal obligation of any kind. These are declarations of intent. But I do suggest this: it is going to be that much more difficult for any nation in Eastern or Western Europe to behave in a tyrannical manner towards individuals; it is going to be that much harder for them to prevent the free movement of people and ideas. Whenever they do that, they will have to go against what they have, nominally at least, agreed to in Helsinki.

We have noticed recently that it has become slightly easier than it was for a family or an individual to emigrate from the Soviet Union. It is a little easier than it was for somebody in that country to paint and exhibit a picture of which the government does not approve. I do not want to overestimate these things, but I do think we make a mistake if we behave as if these developments were not occurring at all. As I say, we are dealing with a problem where we must think in terms of decades and generations. It seems to me, therefore, looking merely at what has happened since the Helsinki conference it can be truthfully said that by attending the conference we removed from ourselves the reproach that we were unconstructive.

We lost nothing diplomatically, militarily, territorially or in any material sense by going there. We have set up again a standard of conduct from which it will be that much harder for anyone to depart in the future. These are modest gains, but they are important gains. But more important still—and this is why, Mr President, I have stressed the time factor so much—is the follow-up to the Helsinki conference. It is referred to in the last paragraph of our question.

There is to be the conference in Belgrade. I would like to say that a former British Government, of which I was a member, believed that it would have been right to have a permanent standing commission on East-West relations set up as a result of the Helsinki conference. At one time that notion was acceptable to the Russian Government, but enthusiasm waned on both sides. I think that is to be regretted. I feel that it would have been really worthwhile to have a permanent body at the level not of politicians but of officials, who, whenever anything happened that appeared to put a strain on East-West relations, could consider how, in the terms of the final act of Helsinki, we could get together, try to remove the tension quietly and unobtrusively, and keep the peace of Europe on an even keel. It has not been decided to go as far as that. However, there is to be the fol-

Stewart

low-up conference in Belgrade. What I think is important is that the Council and the governments that compose the Community should not go into that conference unprepared. They should be studying the whole development of events from Helsinki on, so that when they go to Belgrade they are able to point out to the other side areas in which we feel they could do more to make Helsinki a success, and asking them in turn for their comments on us. I feel if we can think of this in its proper historical perspective as a long, continuing process, in the end the judgment of mankind will be that it was right to hold the conference and, in view of the magnitude of the problem, it has achieved a modest, but extremely valuable success.

(Applause)

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

Mr Klepsch. — *(D)* Ladies and gentlemen, my Group feels that this debate is rather premature. We would have preferred the procedure used hitherto whereby the question is first carefully sifted by the Political Affairs Committee and then debated here on the basis of a report by that committee. The advantages of this procedure were made clear by the reply of the Council representative to the questions put to him, a reply which could not have been more comprehensive than in fact it was since it could not go further than the Council's public statement immediately after the Security Conference. My Group would therefore like to see the Political Affairs Committee given a mandate to follow carefully developments after the Helsinki Conference, to scrutinize the particular sections in relation to the stated aims, and to compare the reality with the intentions. Mr Radoux cited an excellent example in remarking that the Federal Republic of Germany, acting on the Helsinki agreement, has invited observers to manoeuvres. We hope that Germany and the Western countries will not be alone in doing this, but that it becomes accepted practice in the Soviet Union and the Warsaw Pact countries, too. Only then can we say that we have made real progress. This is one of the questions on which I would like to concentrate in connection with the 'increased security' which the agreement is supposed to provide. For apart from that, only a small section of so-called confidence building measures has survived. And we are still waiting for the goodwill and preparatory measures announced or implemented by the West in Helsinki to meet with a corresponding reaction in Vienna on the talks on mutual troop reductions. But, I repeat, my Group would like to see the Political Affairs Committee submit a

report in good time, that is before 1977, and this House could then give its considered opinion on the developments.

I should now like to point out that, having already made known my Group's views in the debate of 9 April, I see no need to retract any statements made then, or to disassociate myself from the resolution which the House adopted almost unanimously on that occasion. Mr Radoux is quite right. This resolution, and the fulfilment of its demands, should form the basis of our future judgment. Frankly, not all the principles which I then enunciated on behalf of my Group were incorporated into the final agreement, few though they were. Obviously, we find this rather disappointing. I should now like to concentrate on three points connected with today's debate.

Firstly, are we able to say that the Community of the Nine exerted a positive influence on the Conference, and that it was able to stand up for its interests even during difficult stages in the Conference? On behalf of my Group I should like to repeat what I said before the final session, namely that we were very pleased to note how well the Community of the Nine cooperated. I wish to emphasize this.

Opinions on the outcome of the Conference have diverged widely. Personally, I endorse the Council's comment that the Conference's real significance can only be assessed once we know to what extent all the reaffirmations of principle and jointly agreed measures are converted into deeds by the participant states. The Nine, for their part, are resolved to act according to the principles proclaimed at the Conference and to ensure the practical application of all the measures decided upon. These are not empty words, and I should like to remind the previous speaker that alongside the declarations of intent made at the Helsinki Conference most of the participating countries have firm commitments under the UN Charter and similar documents, which are now repeated in a rather weaker form as declarations of intent. Thus we must examine what becomes of these declarations, and on this point my Group agrees wholeheartedly with the reply given by the President-in-Office of the Council.

The Conference has been given wide publicity and has naturally been widely discussed in national parliaments and in public life, in fact everywhere. Comments on the Conference have ranged from lyrical acclaim to the most cynical scepticism. There were those who think we are about to enter the promised land. Others believe that we still have most of the wilderness to cross, and to cross together.

Klepsch

But however we view the outcome of the Conference, on one point I fully agree with Mr Stewart: only time will tell which assessment was correct. So there is little point discussing that here, and in my opinion our questions, which the Council has answered before the House, have in many respects not yielded very much. My Group is prepared to back the Council in insisting, particularly in matters affecting economic and trade relations, that the Community be treated in all negotiations as a single entity, and that the Community's rights as an international body be respected. And even if this leads to occasional difficulties with eastern European States, the Council and the Commission should still insist that the rights incorporated in the agreement are upheld.

My second point is that we certainly agree that in all matters connected with the Helsinki agreement it is desirable—and we emphasize this—that the Council, the Commission—to the extent of its competence—in short, the Community countries should act in common and consider themselves a single political entity which has to negotiate during this very difficult period.

Thirdly, I would emphasize in connection with the fulfilment of the aims of the Conference that it is of course still too soon—as I have said before—to make any statement other than that we must continue, as in the past, to uphold faithfully the commitments which we have entered into at international level with the United Nations and the Charter of Basic Human Rights, as well as agreements of a contractual nature. However, the extent of these commitments depends, of course, on whether all the participants do the same. I should like to emphasize this most strongly on behalf of my Group. We shall only be able to make a conclusive statement on this when really concrete results have been achieved in all the areas on which we have pinned such great hopes, for example the famous 'basket' 3, and 'basket' 1 concerning the link-up between the MBFR and the Security Conference.

Ladies and gentlemen, it is clear that as we enter the phase of testing the results of the Conference we can merely state that what we wanted was increased security. The way in which the confidence-building measures are implemented, and the further progress of the MBFR talks will shed light on this. We also wanted more freedom of movement—this House has already been emphatic on this point—and we wanted more adequate consideration, that is we wanted to see that the other side, with which we talked and reached agreements, was similarly committed. We shall have to discover whether this has been achieved. On behalf of my

Group I wish to say that we support the views of the Council, and ask both Council and Commission to exercise their usual firmness in any further dealings.

(Applause)

President. — I call Lord Gladwyn to speak on behalf of the Liberal and Allies Group.

Lord Gladwyn. — Mr President, I do not know whether many of my colleagues have actually read in its entirety the immense declaration of some 30 000 words by 35 states, ranging from the United States and the Soviet Union to San Marino, which was signed at Helsinki on, I think, July 31 last. If they have not, then they should, for it probably contains the greatest number of impeccable principles governing international relations that has ever been pieced together in one document. It is indeed, as I think Mr Klepsch noted, far more comprehensive even than the Charter of the United Nations which in some sections, of course, it merely recapitulates. If observed, the declaration should, therefore, clearly result in the accomplishment of that age-long dream of humanity—perpetual peace. The only question is what likelihood is there of such observance. Here certain doubts do legitimately arise.

For instance, it is solemnly laid down that each signatory has the right to choose and develop its own political, economic and social system. Very good! But what does this mean? For if such a choice is to be exercised as a result of free elections—and how else can it be exercised?—then it is clear that it cannot be exercised in any totalitarian state. Yet, if that is so, what real choice is there? A free state can, of course, choose to be Communist, but no Communist state can possibly choose to be free.

Then again it is, very properly, laid down that frontiers can be changed by peaceful means or by agreement. But at the same time all existing frontiers, more particularly, of course, the frontiers in Eastern Europe, are declared to be inviolable. So it does not look as if, in practice, there was much prospect of any of these frontiers being changed.

Likewise, all participants are free—so the declaration says—to cease to belong to any international organization or multilateral treaty if they so desire. This right is certainly exercisable, as we know only too well, in the West. But is it really supposed that it could be exercised by members of the Communist bloc? True, Yugoslavia did just that in 1948, but then she was not occupied by a large Russian army. If

Lord Gladwyn

Russian forces are ever withdrawn from eastern European countries, they also might well be able to choose freedom, but hardly otherwise. Even Romania finds a large Russian army situated on the other side of what is now its inviolable northern frontier in what used to be Romanian territory.

It is, further, laid down that all participating states will refrain from any intervention, direct or indirect, individual or collective, in the internal or external affairs of any other participating state, and will refrain from any form of armed intervention, or threat of such intervention, against such a state, and also of any form of coercion. Well, well. But it is, unfortunately, impossible not to recall what happened in Hungary in 1956 and Czechoslovakia in 1968. Those sad events are too close to us to be forgotten. And these states, after all, Hungary and Czechoslovakia, had more solemn, and much more legally binding guarantees against aggression under the Charter of the United Nations than they now have under the Helsinki declaration.

Finally, all participating states agree to respect freedom of thought, conscience, religion or belief; the freedom of the individual to profess his belief in accordance with the dictates of his own conscience; and the right of national minorities to equality before the law and opportunity to enjoy human rights and fundamental freedoms. I must say, my dear colleagues, the imagination boggles at the possibility of squaring all this with the present treatment of intellectuals in the Soviet Union or that of national or religious minorities in, shall we say, Georgia, Latvia or the Ukraine.

What it all amounts to is that the Soviet Government has, on paper, completely renounced and repudiated the infamous Brezhnev doctrine and likewise has agreed, in principle, to liberalize the entire Soviet Union—it says so in the declaration. It has also, presumably, agreed to accept the verdict of the Portuguese people as expressed in perfectly free elections. Now one does not want to be cynical, but I must say all this is hard to take at its face value. Let us indeed hope that all our doubts will be dispersed by what actually happens during the coming year. As I think Mr Klepsch said, time alone will tell. Mr Radoux says that our recent action in inviting representatives of the Warsaw Treaty Organization to attend October manoeuvres is a good instance of implementation. Perhaps. But I do not think that they have yet accepted the invitation, still less have they invited us to attend their manoeuvres on the other side of the Iron Curtain.

I repeat, however, that it would be wrong for us to be completely cynical. It is certainly remarkable, I would even say it is extraordinary, that the West should have got the Soviet Union to subscribe formally to all these far-reaching obligations and many others that have not been mentioned, as well. Some may say that the USSR was only induced to do so by the advantages it foresees in the next chapter of the declaration, namely, that entitled 'Cooperation in the field of Economics, Science, Technology and of the Environment' so let us glance for a moment at these.

They are not inconsiderable. A vast programme of cooperation between the industry of the West as a whole and that of the Soviet Union is, in effect, laid down in principle and includes the participation of Western companies in the exploitation of Soviet raw materials, the communication of the necessary know-how to Soviet and other Communist enterprises, the joint undertaking of huge projects such as the construction of roads, presumably motorways, linking East and West, in fact a very large number of proposals designed to develop, expand, modernize the in some ways rather backward Soviet industrial machine and to encourage the production of consumer goods in the Union, designed to raise the whole standard of living of the Soviet people.

All this is, no doubt, very good in itself. More especially the very long passage regarding cooperation on environmental matters is to be welcomed, and welcomed warmly. The only grave doubt is whether, in the absence of early progress in the even more important Conference at Vienna on MBFR, this enormous programme of industrial aid may, as I remember suggesting in my speech which I made in April on the same subject, enable the Soviet Government to finance a gigantic armaments effort which it might not otherwise have been able to do without depressing still further the standard of living of what they always refer to as the broad masses.

I have no time left, Mr President, except for the briefest of references to the very long chapter on Cooperation in Humanitarian and other Fields. Of course, some of the principles here laid down as regards, for example, town planning, cultural exchanges, educational cooperation or facilities for scholars and so on, can and will be implemented to the advantage of all. No doubt also a few more people may be allowed, if they wish, to leave the workers' paradise, rejoin spouses, or marry foreigners. But for the life of me I cannot imagine the Soviet authorities affording foreign journalists, as is here in effect laid down, liberty to pursue

Lord Gladwyn

their normal vocation, as in the West, and roam about as they will, still less the early appearance on Soviet bookstalls for sale to the general public of such newspapers as the *Washington Post*, *The Times* or even *Le Monde*. I shall also be agreeably surprised if no further attempt is made to jam at least some foreign broadcasts to the Soviet Union. It was not mentioned at Helsinki, but it is well known, that, whereas Communist propaganda in or directed towards Western countries is perfectly legitimate, propaganda in or directed at Russia in favour of free societies is taboo.

So if I may venture a conclusion it would be this. Our negotiators, and among them I include, of course, the Commission who contributed so much to the final result, are to be congratulated on having achieved so much on paper, and perhaps even something of positive and enduring value as well. It may even be possible for the Community to achieve some kind of break-through on trade by arrangement with Comecon. Even if the Soviet Government does not fully live up to its undertakings on the human side it will not necessarily be a disaster. Even if they get rather more out of the great economic and industrial projects than we do it will not be a disaster either, provided always that some broad balance is maintained. Indeed, if there is such a balance, much good for both sides could come of this cooperation. What would, however, be a disaster would be if, having got essentially what they want both as regards frontiers and as regards industrial cooperation, they then refused to respond by agreeing to any real progress in Vienna. But we shall, presumably, know during the coming year, whether such progress is possible or not.

If it is not, then the whole huge declaration of Helsinki will not be worth more than the paper on which it was written. The truth is that, though it may well be possible for both the blocs to reduce the burden of armaments and thus to lessen tension by mutual agreement, a genuine and lasting *détente* between totalitarian and free political systems, the lion lying down with the lamb, is not possible. Given its nature and its basic philosophy the Soviet Union must, if only to maintain itself in power, strive to undermine and divide what it calls the capitalist or imperialist, or bourgeois or social-fascist powers, that is to say all countries not under its influence. There is little use fondly imagining that it can ever abandon Hegel and Marx.

That does not mean however that war is inevitable. War can only be likely if the West is so greatly and demonstrably inferior in armed strength to the Soviet Union as to tempt it,

as it were, to force the hand of what it considers to be its manifest destiny or if SALT fails and the armaments race is completely out of hand. For these reasons it will be apparent that I for one, and here I believe I speak for the whole Liberal Group, can only give a very qualified blessing to what, with such difficulty, was actually achieved at Helsinki.

(Applause)

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

Mr Krieg. — (F) Mr President, the Group of European Progressive Democrats was always in favour of holding the Conference on Security and Cooperation in Europe; the principle on which it was based was of course in keeping with the ideas which our Group has constantly supported. We are all in favour of *détente*, of *entente*, of cooperation, and therefore we can only approve of the work done at this Conference even if, at least in our view, the difficulties and the problems resulting from that work are inevitable and will be extremely difficult to resolve in the weeks, months and years to come.

We find it extremely significant that the European Economic Community should have been able to present a really united front at this conference, which principally concerned Europe. It is, however, essential too that our first objective should be to safeguard Community interests.

It is abundantly clear from current events that Europe must speak for itself and not delegate this duty to any other country. Similarly, it must not expect others to guarantee its safety but must itself assume that responsibility. The signature of the Final Act on behalf of the European Economic Community demonstrates clearly the determination of the Nine to apply the measures within their competence. While the Helsinki agreement does not have the force of an international law, it must be considered by all of us as a first step towards *détente* and reconciliation in Europe. However—since we are well aware that the value to be attributed to actions, statements and declarations should be judged in the light of experience—we must now see whether the Helsinki declaration can produce on the Soviet side a new tolerant attitude towards the question of the national independence of the countries of Eastern Europe, and whether it will make for easier progress towards a negotiated reduction in armed forces in Europe at the Vienna talks.

In effect, a lower level of military tension would allow some liberalization of present regimes

Krieg

in Eastern Europe, alter their relations with the Soviet Union and help both East and West to solve their economic problems.

The most important section of the Helsinki document, at least in our opinion, is certainly that which deals with proposals for cooperation in the economic, scientific, technological and environmental fields. It is in these areas that the Community's influence should be most clearly seen.

Every day there are clearer signs of the natural growth in commercial, economic and industrial relations between the two parts of this still divided Europe, and it is no secret that in the European Community West Germany is the foremost exporter to the countries of Eastern Europe.

Practical cooperation in developing contacts between the representatives of official bodies, undertakings, firms and banks engaged in international trade must therefore be welcomed and encouraged.

My Group also attaches great importance to Art. 3 of the Helsinki document dealing with cooperation in the humanitarian and other fields. If there is in fact to be a steady development of economic and industrial relations between all the countries of Europe, the countries of Eastern Europe must take a more flexible view of the state's authority over its citizens. Do some of these countries not still require travel passes, which are the very denial of individual freedom? If a lasting spirit of détente is to be created between the countries of Europe, people who wish to do so must be able to obtain entry or exit permits and have the basic right to move freely, those for example who have decided to marry a citizen of another country; journalists must also enjoy freedom of movement, as must also newspapers and publications from other countries.

In conclusion, I would add that, since this conference was concerned essentially with Europe, it is right and necessary that the countries of the Community should themselves be able to discuss, negotiate and, if possible, reach agreement with the countries of Eastern Europe.

The process of political integration of the countries of the European Community is not and must in no circumstances become incompatible with future negotiations. This is an important and fundamental consideration and will become even more fundamental as European union draws nearer.

As others before me have said on several occasions, the Helsinki conference and its conclu-

sions were not a setback for the West which, in fact, lost nothing and indeed had nothing to lose. The result of this conference, however, must not remain a catalogue of the rules of international decorum. At the beginning of the 19th century, the celebrated Treaty of Vienna produced a catalogue listing similar rules of decorum. In our view it is essential that for the sake of future generations we should achieve better results than our ancestors did.

(Applause)

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

Lord Bethell. — Mr President, this important agreement deserves, I think, a few words of welcome and a few words of caution. Those who have read through the agreement carefully will be very impressed, as other speakers have been, by the ground which it covers and by the promises which it seems to hold out for the future, for decades ahead, of a world which will be at peace. It covers not only military matters but questions of environment, of trade, humanitarian issues, everything that touches the populations of the signatory countries most deeply. One can only try at this early stage to look on the bright side and hope that most of these provisions will be fulfilled by the signatory countries.

One welcomes, for instance, cooperation in the realms of science and technology and there are many fields where particularly the superpowers, both of whom have signed this agreement, could pool their resources and make genuine achievements which they could not do so easily if they were to work separately. Already there have been certain achievements in space and certain achievements in medicine which are the result of this sort of cooperation. And I believe that the Soviet Union genuinely wants the benefits which it can obtain from Western know-how, particularly in fields in which, by its own admission, it lags behind the West. I am referring to such fields as banking, tourism, the automobile industry, the production of consumer goods, where we are quite far ahead of the Eastern bloc countries and where there is no reason why we should not cooperate and why the Soviet Union should not benefit.

The Soviet Union has, however, been careful, when obtaining these concessions, to pay the lowest possible price and I would like first of all to draw attention to some of the concessions which the Soviet Union is supposed to have made, particularly as regards basket 3, the question of humanitarian issues, and to point out where such concessions may perhaps not be

Lord Bethell

implemented or on which we should certainly keep a very careful watch. It is I suppose, Mr President, too much to hope that the Soviet bloc countries will fulfil their promise to respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion and belief, to promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms. Do we really think that the Soviet Union and its allies will carry out this promise and that political rights and freedoms will be promoted and encouraged and that political parties will be able to form in those countries? I do not believe we do.

But let us not worry too much about that. Let us try and be realistic and think about the areas where perhaps we can expect some sort of concession, where something may be gained. There have been provisions signed about reunification of families and ease of travel and I must say how very much I welcome this and how deeply I hope that at least some of these provisions will be fulfilled by the Soviet Union. Any person who is familiar with Soviet affairs will know the heartache and the suffering which is caused by the present policy of the Soviet Government, in total violation of the Universal Declaration of Human Rights, in not permitting its citizens to leave its territory and to return to it. Families are divided, husbands are separated from their wives, grandmothers are unable to come to the West to visit their grandchildren. The suffering is immense. The numbers may be few but the principle is one which I think we should all take very seriously. I was particularly shocked therefore, only a few days after this declaration was signed, to notice that the Soviet authorities were, for no particular reason one could detect, putting obstacles in the way of the marriage of the chess grandmaster, Mr Boris Spassky, and a French national. I can only hope that reason has prevailed and that the authorities will relent on that particular point.

There are other areas, I am afraid, where the Eastern bloc countries are not relenting. There was a case two or three weeks ago involving a representative of the International Pen Club, the organization representing writers of the world. A senior official of the Pen Club wished to go to Prague to carry out his lawful pursuits, to talk to writers and he was refused a visa by the Government of Czechoslovakia. Now, I wonder to what extent this squares with the promises signed by the Government of Czechoslovakia to promote wider dissemination of books and artistic works, to promote fuller mutual access by all. I wonder whether perhaps the Czechoslovak authorities have studied this document with sufficient care. Again, we read

that journalists will be permitted to carry out the legitimate pursuit of their professional activity and be liable neither to expulsion nor to otherwise being penalized. I wonder whether, in that case, Mr David Bonavia, the correspondent of *The Times*, who was expelled from the Soviet Union a couple of years ago will be readmitted. He certainly was accused of no security matter. This treaty of course does allow for sanctions to be imposed on people who violate the security of signatory states or who break the laws of signatory states. That is fair enough, but I doubt if there is anything in this treaty which allows for sanctions to be imposed on people who simply write disagreeable articles.

I may mention in passing that three years ago I applied for a Soviet visa and I am still waiting for a reply. I wonder to what extent this squares with the provision made here by signatory states to examine in a favourable light and within a suitable and reasonable time-scale requests for visas. Is three years a suitable time scale I wonder? Well, we shall see. We shall see whether in a few weeks time, when this document has been properly digested by the Soviet bloc countries they relent and whether they put right all these matters which I have referred to.

As I said, let us look on the bright side. Let us hope that the humanitarian considerations will be respected, that this agreement will be observed by all the signatory countries, that, with regard to economic cooperation, serious and productive work will go on in the Economic Commission for Europe, a United Nations body of which all the signatory countries are members. I would ask the representative of the Council whether he will consider forming some sort of liaison team between the EEC and the Economic Commission for Europe. It would seem to me that that could provide a beginning in cooperation between the EEC and Comecon which we all hope will come about in the course of time.

The other thing I would like to ask the Council to do, which I am told it is already doing, is to monitor this agreement very carefully. I believe that through the political cooperation machinery the Council plans to monitor this agreement and to note any breaches of it. I would invite anybody who knows of any breach to communicate it through his government to the Council of Ministers to enable the Council through their political coordination machinery to monitor this agreement. If the agreement is being observed then it will be an excellent one. If it is being breached then clearly we will come to the conclusion that we will not fulfil those terms of it which are beneficial to the Soviet Union. One cannot have a one-sided agreement. And I trust

Lord Bethell

that the Council will watch this very carefully and raise any breaches in Belgrade in 1977, as laid down in this agreement, or possibly earlier, or even make such breaches public, because this will indeed make it clear that we regard this agreement as one that should be observed.

In conclusion, Mr President, I want to express my hope that this will lead, decades ahead perhaps, to a more peaceful Europe, a more united Europe and certainly a secure Europe and to that extent I want to be optimistic. But my word of caution is that we should not be lulled into a fool's paradise and somehow led to believe that this agreement means an end to ideological conflict and military confrontation, because I do not believe it does. And anyone who believes that *détente* means that, is propagating a dangerous myth.

(Applause)

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

Mr Ansart. — (F) Mr President, ladies and gentlemen, I should first of all like to say that we are pleased to note that the questioner, Mr Radoux, has reached a certain number of objective conclusions with which we are in agreement; furthermore, we share his view that not all the issues have been settled, that obviously none of the participants at the conference were completely satisfied with the outcome. This conference was a compromise involving thirty-five countries which undertook in future to observe new standards, both for themselves and in their mutual relations. However, we feel that the results of this conference on security and cooperation in Europe deserve to be unreservedly welcomed. This agreement is all the more welcome in that it is almost unprecedented and is clear proof that, in this difficult world, a world forever changing, it is possible to surmount the differences in our social and political systems and agree on the one issue which is of crucial importance, that is, peace and the *détente* which must precede it. It is true that, if the agreement is observed, all the countries of Europe will at last experience an era of *détente* and a constant improvement in cooperation and in friendly relations, while at the same time preserving their independence and national sovereignty, which as you know we hold to be very important. It is also true that it was only possible to convene this conference as a result of considerable effort and a steady improvement in relations between the different governments. It was therefore a great victory for negotiation over coercion.

The same factors will apply in the future and

patience will still be required. Our hopes, aspirations and proposals will be many and varied. Given this new situation, what new steps will the Community and the different countries which compose it take to attain that heartfelt wish of all our peoples, complete supervised disarmament, beginning with a prohibition of the use of nuclear weapons and the immediate cessation of all testing, including underground testing?

We also hope that all European countries will foster economic, political and cultural cooperation, and that they will allow these activities to enjoy all the advantages afforded by contemporary society which, for obvious political reasons, have not been used to the full until now and are far from exhausted. It is for example well known—and regrettable—that full advantage has not been taken of the opportunities provided by, for example, the German Democratic Republic, Poland and the Soviet Union which, to mention only three, are huge markets which could contribute to an upswing in the European economy. At a time when the economic crisis in the capitalist world is having an increasingly harmful effect on the peoples of the Community and resulting in unemployment which unfortunately looks like lasting for some time yet, it is right and reasonable to consider another trading policy, a policy which would not be fettered by self-imposed restrictions which obviously fly in the face of contemporary reality, whether one likes it or not. We also hope that with the growing success of the policy of *détente*, we might see the end of the policy of military blocs, and of economic blocs which make for static positions, and which stand in the way of cooperation between peoples.

Furthermore, the text submitted to us by our colleagues in the Socialist Group asks, according to some interpretations, to what extent the position adopted by the nine countries of the Community has proved effective or may have served the policy of hegemony attributed to the Soviet Union. I think the answer is self-evident and can be found in the text of the question which reads: 'The Final Act opens the way to a Europe of peace, security and justice and the steady development of friendly relations and cooperation', and the text continues: 'It is an agreement for peace'. Who, in view of this statement, could question the need for the Helsinki conference, its effectiveness or its results?

With reference to the Soviet Union, any impartial observer will acknowledge that the conference, as Mr Radoux pointed out when introducing the question, was originally proposed by the conference of Communist parties meeting in Karlovy Vary; he will also acknowledge the part which the Soviet Union played in ensuring

Ansart

that the conference took place and also, indeed, the realistic attitude it adopted throughout. I am not here to defend the Soviet Union and it does not in any case need me for that. I make the point because it would be wrong to consider a sequel to the conference while already putting forward preconditions and doling out praise, blame and accusations, which can only have the effect of limiting the significance of the conference. Listening just now to some Members denigrating this outstanding event in a most discreditable way, I said to myself: 'If we had time, I could pay them back in their own coin.' But I will not do so.

There are indeed no permanent achievements in this world, where peace is involved. The evil forces which unleash wars in defence of their interests and privileges are always there, waiting to start again. The expression of Jaurès, the great socialist tribune, that capitalism bears war within itself as a cloud does a storm is still unfortunately true, and we regret it. It is therefore, Mr President, with the double hope that the peoples of Europe will defend the policy of *détente* and peace and that there will be extensive cooperation in every field between the countries of Europe that I close these few remarks on behalf of the Communist and Allies Group.

(Applause)

IN THE CHAIR: MR SPÉNALE*President*

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

Mr Seefeld. — (D) Mr President, ladies and gentlemen, the Socialist Group, and, I believe, the great majority of Members of this House, are aware that the Conference on Security and Cooperation in Helsinki was not intended to produce contractual agreements. The representatives from East and West wanted rather to take the opportunity of telling the world how their respective countries intend to uphold the principles of cooperation and security in Europe. This was done, and we thank all the participants for their considerable personal efforts and also for the clear declarations made there.

It has already been agreed that a further conference will be held in two years, probably with different faces round the table. It will then be possible to ascertain the progress made towards achieving the aims of the Helsinki Conference. Since the Second World War there has been no such conference in Europe at which so many

statesmen have made known their peoples' desire for cooperation and *détente*. It has been stated for the first time in this part of the world that it is in the interest of the participating nations to avoid renewed tensions and to narrow the gap between East and West. We are witnessing the beginning of a new development, which should not be hindered at the outset by mistrust, as it has unfortunately been in some quarters, particularly by the Christian-Democratic opposition in my country. What is needed in order to ensure success is mutual trust! Those who are not willing to give their trust really should not take part in discussions on *détente* in Europe.

In addition to the already mentioned aims and principles underlying the Conference, we as politicians of the European Community are equally interested in economic relations. We therefore consider the agreements reached under Basket 2 to be of particular importance. I should like here to ask the Commission how far its discussions on mutual economic aid with the Secretariat of COMECON have progressed. I will go further: have any other meetings been held since the first contacts made at official level? Or, to put it more bluntly, what has been happening recently? Is it true that the COMECON countries have again expressed interest in cooperating with the European Community? As the question now under discussion has been addressed by my Group to the Council of Ministers, the Commission may feel that it has not been addressed and perhaps does not intend to answer these questions.

So I would ask the Council representative whether there is any further information on this matter which could be of use in this debate.

I should like to comment on the remarks made by my colleague of many years standing, Mr Klepsch, who, I must admit, made a relatively reasoned speech. But he was speaking here on behalf of the Christian-Democratic Group, a fact which clearly affects his powers of assessment. Had he been speaking as a member of the German CDU party, his speech would presumably have been less positive. I sometimes feel that German Christian-Democrats outside Bonn put on statesman-like airs; at home everything is different, for—I shall come back to this—it is greatly to be regretted that while the Helsinki Conference has been acclaimed throughout Europe and throughout almost the entire western world, the democratic parties have shown such lack of unity. That the Italian fascists see nothing in a policy of *détente* need surprise nobody. Nor is it surprising that Albania's communists did not want to joint the ranks of those working towards *détente*. But what is absolutely astounding is that the

Seefeld

Christian-Democrats in the Federal Republic of Germany should join this unholy alliance of opponents of *détente*. Lined up against them are the 35 countries which met in Helsinki and which signed the agreements, as well as their political associates in Italy, Belgium, Holland and elsewhere. In addition, we should not forget that the Italian Christian-Democratic government signed the agreement on behalf not only of its own country but also, for the first time on such an important occasion, for the Community as a whole.

Unfortunately, the Christian-Democrats of this House do not appear to have exerted a favourable influence on their German colleagues. Yet we still hope that those members of the German opposition who did not speak at the special session of the Bundestag and who abstained from voting will produce convincing arguments to stir up their own ranks and bring both of Germany's Christian-Democratic parties back to the positions of solidarity which were normal in the past among the major democratic political groupings of the West and which will, I hope, also be so in the future.

I should like to make a second comment on Mr Klepsch's remarks. He thought that this debate was premature and that the matter should first be clarified by the Political Affairs Committee, and then discussed on the basis of a report.

Ladies and gentlemen, we all take every opportunity of pointing out that the political character of this Parliament must be strengthened. Those who want to achieve the politicization of the European Parliament should also be willing to comment on important political questions whenever the opportunity arises. Today is such an opportunity, and so we make our positions known, and I on behalf of my Group can tell you that we shall work to ensure that this becomes even more common practice, whenever other suitable political occasions arise.

I should like to conclude by saying that we in the Socialist Group see the Helsinki Conference not as an end in itself, but as a starting point for new possibilities of cooperation. We shall not allow the policy of gradual *rapprochement* to be obstructed by the outdated policies of yesterday and earlier.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — (I) Mr President, ladies and gentlemen, the position of the Christian-Democratic Group has been clearly explained by

Mr Klepsch. I should just like to stress one or two points in connection with the main conclusions reached at the Helsinki Conference.

Whenever this House has had occasion to discuss the Helsinki Conference, as, for example, when Mr Radoux presented his report, or when dealing with the many questions on the progress of negotiations or on the main obstacles encountered at the Conference itself, the Christian-Democratic Group has always maintained an open-minded and realistic position. While we have been vigilant and critical, we have also been deeply interested and hopeful of success.

In other words, our Group has taken a constructive stand on this event, which concerned the major problem of our times, that of peace. We have been and still are well aware that this problem will necessitate realistic agreements to be concluded slowly and patiently between the two major blocs into which the contemporary world is so tragically divided.

Although, as all the speakers have pointed out, the Helsinki Conference did not result in a treaty involving specific legal obligations, but only a declaration of intent and a set of moral commitments, and must therefore be seen as essentially a political event, it evolved in our opinion, in the way I have just described, as we had always hoped it would. The European Community has shown its goodwill sufficiently clearly, and has displayed a responsible approach based on the various geopolitical realities and a willingness to take advantage of any opportunities these offer. Its basic objective has been to contribute to progress towards international peace and security. This, moreover, is what the Community has done consistently since its inception. Robert Schuman said that it was created first and foremost as a work of peace, to promote international cooperation and understanding in freedom and peace.

In considering the prospects of achieving the various commitments undertaken by the signatories, we must bear in mind the bitter lessons of recent history. Nevertheless, in my opinion this solemn undertaking signed in full view of world opinion, and the creation of machinery for further progress are true political achievements. Present reality is full of dark fears, but we now have a basis for machinery which will allow us to break free from them.

We seem therefore to be making progress towards peace, and it is recognized that peace must be based on security and collaboration. Apart from positions adopted partly as a consequence of specific local disputes, we have found a wide measure of agreement in this

Bersani

House on the declared objectives of the Helsinki Conference.

Between now and the Belgrade Conference in 1977, the bodies provided for by the Conference will have to perform arduous tasks of control and cooperation. We therefore hope that the Council of Ministers will renew the Commission's mandate as soon as possible, so that it may continue to act constructively and responsibly in this area. The Christian-Democratic Group joins the other Groups in sincerely hoping that the EEC, speaking with one voice and operating as a single entity can make the fundamental contribution to this supreme problem of our times which it is its duty to make. Mr President, ladies and gentlemen, in concluding these brief comments I should like to remind you of what Mr Klepsch had to say on behalf of our Group, emphasize the extent of agreement between ourselves and most of the other political groups, and endorse our realistic yet positive political assessment of this important event in international life.

President. — I call Mr Battaglia.

Mr Battaglia, President-in-Office of the Council. — (I) Mr President, I should first like to thank those who have spoken for their extremely interesting and discerning comments, as these have certainly contributed to our understanding of the problem and have also given the Council a better impression of Parliament's views on the matter.

Before answering the two specific questions put to me, I note that there is substantial agreement on the fact that the Act signed at the conclusion of the Conference contains a statement of general principles, and that we must wait to see how these are actually applied by each individual State.

The first specific question was put by Lord Bethell and the second by Mr Seefeld. To Lord Bethell I would say that the Community has no choice but to watch carefully all further developments in European security and cooperation following the Helsinki Conference. I would point out that the Council of Ministers which met in the framework of political cooperation a fortnight ago in Venice issued a communiqué stating that the ministers had agreed to continue political cooperation, and to concert in their activities in respect of the implementation of the Final Act of the Helsinki Conference. This communiqué already implicitly provides the answer to Lord Bethell's question.

To Mr Seefeld, who asked if there have been any further contacts with COMECON, I would

reply that this matter was also discussed at the last session of the Council of Foreign Ministers a week ago, and that in fact there have been no further contacts. We were—and still are—waiting to hear from Comecon, but hope there will be a response some time.

(Applause)

President. — Does anyone else wish to speak? This item is closed.

7. Change in the agenda

President. — In view of the numerous items still remaining on the agenda, it is obvious that we will not be able to deal with them all without a night sitting.

I therefore propose that the proceedings be suspended at 7 p.m. and resumed at 9 p.m. Considering that there are already 13 amendments to the report by Mr Albers, our debates are not likely to finish until about 1 a.m.

On the other hand, it is out of the question for us to hold two consecutive night sittings. As you know, the limitations imposed on this Parliament by its operation are different from those of our national parliaments. There is the problem of interpretation and the problem of the physical strain on the officials, perhaps also on certain of our colleagues.

I therefore suggest that tomorrow's agenda be rearranged so as to obviate the need for a second night sitting.

I therefore propose that Parliament should decide to bring forward the debate on the wine-growing sector, including the report by Mr Frehsee, which was to have been the last item on tomorrow's agenda, and to hold it immediately after the report by Mr Normanton on competition policy. We would thus be sure of holding this debate on Thursday as planned, at a reasonable time. Any items which would not have been dealt with by 8 p.m. tomorrow evening would be carried over to the beginning of Friday's agenda.

I hope that Parliament will accept these proposals, since I feel it is quite impossible for us to hold two consecutive night sittings.

I call Mr Bersani.

Mr Bersani. — (I) Mr President, with regard to the night sitting, I feel that we should consider this decision a little later on. We have a series of social debates in which, to judge by the number of Members now present in the

Bersani

House, not very many colleagues are likely to speak.

President. — Mr Bersani, I take your point, but if a decision on this change is left until later this evening, there will not be time to make it known for tomorrow morning.

Secondly, there are 13 amendments to the Albers report, and there are many speakers listed for the following report.

The risk of having two night sittings must be avoided, Mr Bersani, and I must uphold my proposal.

Are there any objections?

That is agreed.

I call Mr Hillery.

Mr Hillery, Vice-President of the Commission. — Mr President, the separation of the Normanton report and the oral question with debate by Lagorce means that Mr Borschette would have to remain here throughout the agricultural debate to reply to the oral question. I wondered if the Parliament would agree to a postponement of the oral question with debate until the October part-session?

President. — I ask Parliament to decide on the proposal to postpone the oral question by Mr Lagorce until the October part-session.

Are there any objections?

That is agreed.

8. Report on the development of the social situation

President. — The next item is the report drawn up by Mr Marras on behalf of the Committee on Social Affairs and Employment on the Report of the Commission of the European Communities on the Development of the Social Situation in the Community in 1974 (Doc. 161/75).

I call Mr Marras, who has asked to present his report.

Mr Marras, rapporteur. — (I) Mr President, ladies and gentlemen, the debate on the development of the social situation in the Community has generally been held by our Parliament in previous years at one of the spring part-sessions. This has often been a routine item for us, but as long ago as 1973, Mr Pêtre, reporting on the developments in 1972 before the explosive occurrences linked with the energy crisis, warned

the Community bodies of the first signs of a deterioration in employment and the beginning of a disturbing process of inflation. We should be failing in our duty this time if we did not attach due importance to these problems.

The debate is being held later in the year than usual, probably because somebody was under the illusion that if the matter was considered in September, we could be more optimistic about the economic upturn and the end of the crisis than would have been possible last spring. But the upturn has not taken place. It remains a hope for the future: and just as the biblical kings followed a star to see if the son of God had been born, today people are looking westwards, towards America, watching for signs of a resumption of economic activity which will affect our Community, too.

This autumn, as the motion for a resolution points out, the situation is still deteriorating. Even if comparisons with the 1929 crisis may frighten many Members—as happened in committee—I must say that this is the most serious crisis that the Community has ever experienced. The United Kingdom, for example, has not seen levels of unemployment like today's since 1940. This is not a short-term economic crisis as some may have thought, but a structural crisis of the European system of production, a crisis of capitalism, and the alarming data are there for all to see. I have no intention of addressing harsh words at my colleagues; I shall confine myself to quoting the principal facts.

In September, the Commission stated that there were 4 675 000 unemployed persons in the Community. This means that since July—in other words in a period of 60 days—there has been a total increase of 200 000 in the unemployment figure. Last year, at the end of the summer, there were 2 280 000 unemployed. The total has thus doubled in 12 months. And we know that total increase of 200 000 in the unemployment figures in the Community are rather dubious. There remains a tendency for partial unemployment to increase, the present level being 2 200 000 persons. All the figures I have quoted come from official statistics published by the Community institutions.

The number of unfilled vacancies has fallen disastrously. There were 260 000 vacant posts in France in June 1974, but only 114 000 in July 1974. In the United Kingdom, 431 000 jobs were vacant last year and only 183 000 twelve months later. In the Federal Republic of Germany, the trend has been for unemployment to rise more rapidly among women than among men. In Belgium, half of the persons registered at employment offices—90 000 to be precise, are women. Perhaps the most disturbing aspect which is

Marras

beginning to assume an exceptional importance and political dimension in the Community and in each of its Member States, is the fact that one out of three unemployed is under 25. Unemployment among all the working population has increased by 32%, but for young people the increase has been 49%. And in recent months—this factor has not been taken into consideration in the calculations—3 million young persons holding certificates, diplomas and degrees have left their educational establishments and joined the labour market.

I fully endorse the comments made most pertinently, it seems to me, in a Community document: 'Being refused any active participation in economic life before experiencing the satisfaction of doing a job, causes a trauma in young people which distorts their attitude to work itself and to society in general for many years.' At the elections on 15 June in Italy, when young people of 18 acquired the right to vote for the first time, it was not without good reason that we saw a powerful swing to the left among young people.

Migrant workers—we shall be returning to this subject during the debate on the Albers report—are among the hardest hit.

In Italy, the unemployment fund made payments in 5 months of 1976 in respect of 100 million unworked hours as against 12 million in 1974, an increase of 832%. The situation is thus deteriorating; the facts are alarming, and more than one Member, including some who are not usually thought to have progressive views, such as Mr Cousté, have rightly pointed out that a situation of this kind may lead to the disintegration of the Community. Others have said that the credibility and future of the Community will be measured against this problem, that of the right to work. If we do not manage to meet this challenge, the future of our Community looks bleak indeed.

The facts I have briefly outlined reflect the need for a Community social policy. We used not to have a Social Action Programme. In considering the aims and proposals contained in this programme, whose principal target is full and better employment, one is bound to ask whether the social aspect can continue to be separated from the economy in general and from all the other Community policies. If we continue to keep social problems separate from all other Community policies, we shall, Mr Hillery, simply be playing the part of a medical service during a war, and we shall end up by having to approve directives and decisions such as those on the control of poverty, which will require much greater funds in future.

The Social Action Programme is, therefore, inadequate, and we have pointed this out in the motion for a resolution. Social policy must be adapted to a reality which has changed completely since the policy was first elaborated. Above all, these particular problems must no longer be considered separately from all other Community policies. In our motion, we therefore ask, as our political group has been doing for years, for a tripartite conference to be convened on employment, not simply as a dialogue between the Ministers of Social Affairs and Trade Unions, but as a dialogue with the Economic Ministers who bear the greatest responsibility for this situation. It appears that we shall be told this evening that a conference of this kind is in preparation. This, then, is the most serious problem facing the Community and the one by which the younger generations in particular will judge it. We, in Parliament, have never concealed the gravity of the problem. We have discussed it repeatedly at the initiative of various political groups, particularly my own, but I feel that the Parliament must make an effort to bring the importance of the matter home to the other institutions, and in particular the Council of Ministers. If the remedial measures proposed are confined entirely to the social sector in isolation from economic considerations, the true requirements of the situation will never be met. The Social Fund and action taken under it provide a classic example. It is impossible to separate these two aspects. Of course, when remedial action is proposed here, differences of opinion arise because of the different approach of each independent political group to the solution. But we seem to be in agreement on a number of points: action by the Community and its institutions is altogether inadequate in this area; there is no coordination between the different policies—the new regional policy provides a good example of this; there is no Community policy on employment, either. If my remarks seem exaggerated, let us remember the highly relevant and significant words of Mr Bertrand—then chairman of the Committee on Social Affairs and Employment and now the eminent leader of the Christian-Democratic Group—when we were discussing an extension of the Social Fund to cover the restructuring of certain industrial sectors: 'We lack an economic policy, we lack a social policy; the Nine seem to be going round in circles, each waiting for the other to break out.'

And so consumption must be limited, economic expansion restricted and exports promoted! The myth of the balance of payments seems to have become the key element in all economic action. Thus we arrive at the insoluble basic contradiction of attempts to export to countries where consumption is higher, while they in their turn

Marras

attempt to reduce consumption and defend themselves against the outside world. Complete rethinking of the Community's overall approach to economic development, dominated today by the free market and laws of profit, is essential following the unsuccessful decisions taken up to now. No one, not even our political party, which has so many links with the working masses, has a magic wand with which to solve problems affecting eight or nine million unemployed workers at the present time. Nor is the Commissioner responsible for social problems capable of conjuring tricks. The problems are vast, but sometimes solutions are not adopted which, even if they would not bring a drastic solution to the problem, nevertheless seem to most of us easy to implement.

Perhaps my memory is deceiving me or I have got the figures wrong, Mr Hillery, but I think you said in this House that if working hours in excess of 40 per week were eliminated in the Community, employment could be provided for 2 million persons in the Member States. The abolition of overtime is a measure which could be coordinated by the Member States. The same applies to action against illegal work and clandestine immigration. 5 or 600 000 migrant workers are employed under disturbing conditions without labour permits in the Community. Earlier retirement is also another measure which would open hundreds of thousands of new jobs.

These proposals fit in with other measures suggested by the Community such as earnings supplements for young farmers who remain on their farms—and the proposal has now been made that these benefits should be extended to all young people seeking their first job—early implementation of measures governing mass and individual dismissals, in respect of which instruments have already been proposed by the Commission and adopted by Parliament.

We must not be under the illusion that the Social Fund can solve all the problems. I know that the Commission has made an effort this year to increase its appropriations from 365 to 500m u.a. This represents barely 5% of the entire Community budget, and I hope that Mr Hillery's proposal will meet with success, but I am afraid that the Council of Ministers will once again try to reduce it. The Social Fund has its limitations, due primarily to the level of its appropriations, and unless we consider how it can be modified to serve as an instrument of an active employment policy, it will in all probability not produce the results which the present situation requires. The Dublin Summit Conference last year did not comment on this problem. At the Brussels Summit, the trade unions urged President Moro to act on the

employment problem. I am told that the central theme of the December Summit in Rome will probably be that of the European Parliament and Mr Tindemans' first report. But I am afraid that if the Rome Summit does not include this problem among those to be dealt with immediately—and I would ask the Italian President on behalf of all my colleagues in our Committee to ensure that it is included—it is going to be an extremely difficult winter for most of the citizens and workers in our Community.

(Applause)

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

Mr Adams. — (D) Mr President, ladies and gentlemen, on behalf of my group I should like to thank Mr Marras for submitting this detailed report on the development of the social situation in 1974, which also deals with the prospects for 1975 and later years. As Socialists, we can approve this report in its entirety.

Mr President, I should, however, like to consider once again the developments since the Commission drew up its document. I consider it significant, and at the same time disturbing, that vital questions of the kind raised in the Commission's document and in our report are not treated as urgent by the European Parliament. That seems to be the case again today, Mr President. We are debating the social situation in 1974 almost at the end of 1975. You all know, ladies and gentlemen, how late in the day the key importance of a European social policy for the maintenance and development of the Community's economic system was recognized.

It was only at the 1972 Summit Conference that the then Federal Chancellor, Willi Brandt, managed to convince his European colleagues of the need for Community initiatives in this area, in respect of which only vague legal pointers can be found in the Rome Treaties. It has now become clear to many—I say many, and not all, Mr President—that the Economic and Monetary Union cannot be created without an appropriate social policy and a social union.

In 1972, the institutions of the European Community were committed to submit a Social Action Programme by 1 January 1974. It was agreed, and I quote, 'to set up a coordinated policy in the area of employment and vocational training, to improve working and living conditions, to guarantee the participation of workers in management bodies, to facilitate the conclusion of European outline agreements in appropriate areas and to strengthen and coordinate

Adams

measures in favour of the consumer law.' Half-way through the first stage towards the implementation of this action programme, which covers the period 1974 to 1976, I wish to point out now that important steps have already been taken, but not always in accordance with the time-table. In his report, Mr Marras has discussed the failures in detail.

Let me recall what has already been done, and in view of the short period for which the outline of a European policy has existed, it seems to me that a great deal has been done. The Council has decided on participation by the European Social Fund in measures in favour of migrant and handicapped workers, the establishment of industrial safety committees, the extension of the area of terms of reference of the body responsible, a directive on equal remuneration for men and women, a directive on mass dismissals, a recommendation on the 40-hour working week and 4 weeks paid holiday, a European foundation for the improvement of living and working conditions and a European centre for vocational training, as well as measures to control poverty.

The following proposals are also pending in the Council or will, we hope, soon be submitted: the action programme in favour of migrant workers, provisions on the protection of the rights of workers in the event of company mergers, measures to harmonize the Member States' employment policies, a common policy on occupational training, equal conditions for men and women at work, harmonization of the Member States' policies in the area of social security and guidelines for an action programme in respect of industrial hygiene and safety. We shall be considering these matters today or tomorrow.

I should like to take this opportunity, Mr President, to thank the Commission specifically for its efforts.

On the other hand, quite frankly, the Council of Social Ministers cannot be said to be particularly active in the present situation or in taking the necessary decisions. We believe it has been characterized by a lack of willingness to reach decisions and to cooperate. In the light of the present situation, I do not wish to consider again in detail the statements made by Vice-President Hillery at Parliament's sitting of 18 February 1975, when the general report for 1974 was submitted to this House; the statements were taken up again by Mr Marras in his report.

I shall try to confine my comments to a consideration of the unfortunate trend which has continued in a particularly serious form: I refer

to inflation, unemployment, especially among young people and women, as well as unemployment in certain specific sectors and among migrant workers.

In face of the generally deteriorating crisis, I do not intend to raise the question of the advantages or disadvantages of a particular economic system. Mr President, we simply note that inflation is rising, as is the number of unemployed, while the number of vacant jobs is falling.

It has now become clear that—at a time when growth rates were constantly rising—the relationship between a harmonious economic and social development at Community level was not sufficiently recognized.

The impossibility of solving future world economic problems nationally was recognized at least in theory when the first consideration was given to Economic and Monetary Union in the Community. We must remember that the consumer price index in the Member States rose in the Community by an average of 20% between July 1974 and 1975, and there is no prospect of bringing this trend under control in the short or even the medium term.

On the other hand, there has been a disturbing rise in the number of unemployed in all the Member States; here the different statistical standards used must also be taken into account. Consequently, there is real cause to suppose that in some Member States, especially France and Italy, the official figures are well below the real situation. In our view, the present trend is for unemployment to rise so that—taking into account the normal seasonal fluctuations in the late autumn and winter—the number of persons without work in the Member States will be in the region of five million. Could the Commission say whether it shares our view of developments in the autumn and winter?

Mr President, these general figures are disturbing enough, but the prospects for a short or medium-term solution to this crisis become almost non-existent when the figures are broken down by sector, and above all by the social groups concerned.

Unemployment is running at above average levels among women, young people and migrant workers. In several EEC countries half the unemployed are under the age of 25, and their social status in the individual Member States differs. In the Federal Republic, the young unemployed are primarily those who have no vocational training; in Italy that is not the case. In Italy, young people with extremely good training are now without work.

Adams

In this connection, I would refer to the written question I tabled at the February part-session, which was discussed at the sitting of 18 February 1975. In view of the social situation reflected by these figures—supplemented by the Commission's latest analyses, which suggest that there is little prospect of a turn in the conjunctural trend—the bodies of the European Community must, in our view, take rapid, far-reaching, Community-wide initiatives.

We realize, Mr President, that in the first instance the Social Action Programme and the European Social Fund could be used. We suggest, firstly, the introduction of a flexible retirement age; secondly, the creation of a Community system of support for the unemployed; thirdly, the submission of proposals for Community action to maintain incomes during occupational retraining measures; fourthly, regulations governing individual dismissals, and fifthly—Mr Marras has already raised this point—measures to combat illegal employment.

The Socialist Group of the European Parliament noted with satisfaction the submission by the Commission to the Council of Ministers in mid-April 1975 of a proposal aimed at far-reaching coordination of the employment policies of the Member States of the European Communities. In addition to this coordination, research should be carried out on the labour market and measures to improve employment statistics and labour market forecasts.

In the context of coordination, the Commission proposes an exchange of information on the problems caused by unemployment, the prospects and priorities of each country and a joint study of employment problems affecting specific groups of workers. In addition, the role of national and Community instruments of employment policy should be studied. Above all, cooperation between the national labour administrations should be improved with a view to achieving a transparent labour market situation through the European system of notifying vacancies and employment requests internationally.

On 13 May 1975 the European Parliament rightly called in a resolution for a minimum of 200m u.a. to be included in the 1976 budget simply to cover retraining measures for workers most seriously affected by the consequences of the energy and structural crisis in the various branches of the economy. Parliament's opinion suggests that the resources of the Social Fund should not be used too sparingly. It is worth recalling that both the Council of Ministers and the social partners look unfavourably on the Commission's original proposal on intervention by the European Social Fund for the benefit of

structural adaptation operations as the decisive selection criteria are to be the level of the gross national product and chronic balance of payments deficits.

The Council of Social Ministers undertook to consider a new proposal by 30 November this year.

We share the view of the European trade unions that aid from the European Social Fund must be granted to all sectors of the economy on the basis of criteria such as unemployment figures and the prevalence of short-time working. Special intervention is also necessary in favour of some seriously affected regions. The resources of the European Social Fund can do no more than facilitate back-up measures. In this connection, there can be no question of a co-ordinated employment policy.

Clearly the need is not only for the facilities afforded by the European Social Fund to be expanded, but also for a dynamic approach to coordination of national employment policies. Coordination of these policies is in fact contained in the Social Action Programme as a priority measure. It has also been called for by the Economic and Social Committee in a report on the employment situation and by the Commission in its report on the employment situation in the context of the energy crisis. Finally, the need for coordination was stressed by representatives of the governments and of the workers' and employers' organizations at the tripartite European Social Conference in December 1974.

We consider that the Standing Committee on Employment would be a suitable body for co-ordinating employment policies over and above the Commission's proposals. The European Social Conference of 16 December 1974 to some extent provided an impulse for the achievement of one aim of the Social Action Programme which must be pursued more energetically, namely increasing participation by the social partners in the economic and social policy decisions of the Community. This demand was also supported by you, Mr Hillery, on 10 September.

At the European Social Conference, the European Trade Union Confederation, having regard to the high unemployment figures, called not only for an immediate meeting of the Standing Committee on Employment, but also for joint meetings between representatives of the workers' and employers' organizations in the different sectors of the economy. The aim should be to set up joint committees for each particular sector. Mr President, we fully support these proposals made by the European Trade Union Confederation.

Adams

I come now to my closing remarks. We view the social union as closely related to political and economic and monetary union. European social policy must discharge its tasks actively and in a forward-looking spirit on the basis of socialist principles. Without social justice for all, European integration cannot be assured. European social policy must not only tackle shortcomings of the existing system, but also set its own interdependent aims of organizing working conditions, rationally pursuing the democratization of the economy and providing adequate social security, thus comprehensively helping to improve and secure the position of workers in the Community.

We need a common approach to employment policy in the Member States. We wish to improve the quality of the working environment and working conditions in progressive stages. A catalogue of social aims must become the basis of further European development in the area of social security, ensuring that the systems of social protection are qualitatively harmonized in the Member States in a spirit of progress.

(Applause)

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

Mr Van der Gun. — *(NL)* Mr President, on behalf of the Christian-Democratic Group, I shall begin by expressing my gratitude to Mr Marras for the manner in which he has drawn up his report and resolution. I would also like to thank the Commission for its annual report, which is clearer and more comprehensive than on previous occasions.

And now you will all be thinking of course that the Christian Democrats are grateful, happy and content. But that is not the case. We have reacted to this annual report with mixed feelings. It is indeed better and clearer. That was already apparent from the remarkable speech made by Mr Hillery on 18 February in Strasbourg on the social developments in 1974, but the European Parliament is not dealing with this matter until September 1975. This remark is not intended as a criticism of the Commission. I believe that we are ourselves partly responsible for the delay. A debate is bound to be less valuable if it is not held until the ninth month of the following year.

My next remark concerns our disappointment at noting that the report on the social situation is primarily a report on the social policy pursued by the governments of the various Member States. The Community's own social policy seems a poor relation in comparison. It is true that

a number of important decisions have been taken. My colleague, Mr Adams, has already referred to them. These are of course important matters, but I think we must keep our feet firmly on the ground and recognize that in comparison with the enormous problems facing us in Europe, the contribution at European level is indeed small. Basically, all we are doing is helping to mitigate somewhat certain negative effects of economic integration. This is the reason for a number of measures to the benefit of migrant workers and in the area of social security, and also for the working methods of the European Social Fund in this sector.

But then we ask the question which the whole of Europe is after all asking, especially the several million unemployed in Europe: what action did the Community in fact take in 1974 as a contribution to the solution of the extraordinarily important problems which arose? We are bound to observe that relatively little was done. Once again it is not my intention to criticize the European Commission; I am referring to the Community as a whole. The same applies to the extraordinarily far-reaching problems of inflation and its consequences.

At European level, the Community has two instruments to promote employment: the European Social Fund and the European Regional Fund. What did we do with these two instruments in 1974, and what can we do with them in 1975? I have said repeatedly that if Europe is to become a living reality and a real Community, the population of Europe must really notice the Community's activities and feel the positive effects of developments in the Community at a particular time.

But what is happening in practice? The governments of various Member States have injected thousands of millions in order to reactivate the economy in their own countries. In itself, this is completely understandable and justified, but what is being done about all this at the European level? Are the national measures taken by the Member States in fact tested against a particular form of European policy? Is there any mention of effective coordination, or is the true situation such that each government is seeking to solve the problems in what seems the most convenient manner on the basis of national rather than European considerations?

Mr Haferkamp clearly said yesterday that these injections of funds into the economy are discussed and implemented in the context of a general programme. It would then be unusually interesting for Europe and the European Parliament to be informed of the content of this overall plan and general programme. So far, at least in the case of the various national measures taken

Van der Gun

by Member States, I have not gained the impression that the Community is exerting any significant influence on the Member States' projects. This is regrettable because we are once again facing a development which is merely making all coordination—a prerequisite for the implementation of any European policy—even more difficult.

Let me now raise one particular European question, namely the whole employment situation in the synthetic fibre industry. This is not a new matter. I would remind you that Mr Vredeling, Mr Bos and myself put written questions on this subject to the Commission as long ago as 1973. We received an answer at the time but now see that mass redundancies again seem likely in this sector and that there are great difficulties in regard to employment as a whole. We should like the Commission to say whether there is any possibility of its acting to bring the employers and workers in this sector together at European level with a view to jointly seeking a solution to the problems.

Mr Marras has rightly said that the situation regarding young unemployed persons is particularly disturbing. We fully agree with him. I shall not go into this aspect in more detail as Mr Pisoni will be speaking about it in a moment. But unemployment among young people is in fact catastrophic to judge by the increasing amount of statistical data published on this subject recently.

I should also like to hear the Commission's views on two points which are being raised more and more often in connection with employment. On these two points, coordination at European level would certainly have important consequences. I am thinking firstly of the problem of distributing available work between employees. What do we mean by better distribution? Do we mean that working hours must be shortened and working time restricted so as to make more work available to the unemployed? Are we suggesting that the incomes enjoyed by workers at present should be maintained with shorter working hours? In other words, should employees be able to work 35 hours in return for a 40-hour wage? This problem is under consideration in all the Member States. It would be extremely regrettable if divergent national measures were again taken in this area, since it would only make coordination more difficult later on.

In this connection, the whole problem of initiatives taken by the public authorities themselves arises. We are told that the public authorities should set up public undertakings, produce certain products and take certain risks. This, too,

is a fundamental proposal whose consequences are difficult to see at the present time. Developments are, however, under way in the individual Member States, and we therefore consider it desirable for a European position to be taken on problems of this kind.

Then there is the subject of inflation. Some time ago a report was published on the importance of index clauses in the various collective labour agreements. Little was done about this, however. This is a fundamental problem which is also being discussed very generally. Here again, we should like to hear the Commission's views. What action does it intend to take in this area? Absorbing the effects of inflation on workers is not the only question here. How does the Commission intend to solve these problems of inflation, which has disastrous consequences for many hundreds of thousands, probably millions in the Community as a whole, of small self-employed persons.

I also have a procedural comment to make. I refer to the fact that we, in Parliament, are being faced increasingly with programmes and draft directives—several are on the agenda at present in the Committee on Social Affairs and Employment—from which it transpires that the committees of experts have not yet been heard by the Commission on the matters at issue. We also note that contacts between the Economic and Social Committee and the European Parliament are not functioning satisfactorily. Let me quote just one example, namely the protection of the interests of employees in the event of mergers and so on. The Commission has proposed the formation of an arbitration committee on this question. We debated the matter for several hours in Parliament and finally accepted this proposal. But then the Economic and Social Committee, which includes representatives of the employers and workers in all the Member States, unanimously rejected the entire arbitration procedure. We believe that on questions of this kind the parties concerned should hold their discussions before Parliament finally adopts a more or less definitive position. We should therefore particularly welcome closer consideration by the Commission of the procedure followed on questions of this kind.

As Mr Adams has said, we must also stop viewing social policy in isolation from the economic situation and economic and financial policy. This is unrealistic. The social situation and the economic situation are closely interlinked. At one moment we are talking about the economic situation—perhaps twice a year—and at another we are debating the social situation, but only once a year, which, in our view, is far too little. In the present situation in par-

Van der Gun

ticular, we in Parliament must give social problems the attention they deserve on the basis of good documentation provided by the Commission. Let me quote another example. We are calling for longer compulsory schooling, for earlier retirement and better distribution of employment opportunities, involving in fact shorter working hours; but in all this we are forgetting one point. In themselves there are no doubt laudable objectives, but the result will be that fewer and fewer people are working and those who are working will have to bear the cost of the increasingly large groups of inactive persons. This is a fact which we cannot possibly overlook in any European social policy. We therefore urge the Commission to make the necessary preparations to ensure that in future a different procedure can be followed in dealing with social policy. We consider it desirable for social policy to be debated in a more topical form on the basis of a Commission memorandum instead of discussing a period in the past on the basis of an annual report. Having regard to the disturbing employment problems now facing us, we should also particularly welcome a full debate in the European Parliament this year, and at the earliest possible date, on the employment situation in Europe and the role which the Community can play in this area. *(Applause)*

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

Mr Geurtsen. — *(NL)* Mr President, the report on the social situation in the Community in 1974 is set against a rather sombre background. In my view the pessimism is justified by the economic crisis which prevailed in 1974 and which, as has repeatedly been said, is still with us now, characterized by high rates of inflation and a very large number of unemployed.

Mr Marras has already spoken on this subject and there is no need for me to repeat what he said. The situation has not improved in the meantime, on the contrary it has tended to deteriorate. The rate of inflation may perhaps be falling but unemployment is still rising all the time. The reasons for this undeniable development are not too easy to circumscribe, mainly because there is no single cause or a limited number of concrete causes. On the contrary, we are faced with a complex set of causes whose interrelationship and effects on each other are often easier to presume than explain effectively.

These causes include, of course, the rise in raw material prices which began in 1973 and reached a climax with the increase in oil prices at the end of 1973 and in early 1974. An understand-

able reaction to this development practically throughout the Community consisted in taking measures to limit consumption which followed the restrictive measures taken immediately after the 1973 rise. This was understandable but, with hindsight, it is a pity that these measures were taken precisely because they heralded a period of underemployment which is still with us. A further consequence has been overcapacity which has been heightened by the recession in world trade. This cause reflects one real aspect of the problem, namely the conjunctural aspect, but, as the Commission itself has done, we must go further if we are to explain the problems more fully. Conjunctural unemployment is in fact accompanied by a relatively far more important structural element, and the confusing fact is that the structural element in turn has two causes.

The first cause is industrial or, more accurately, economic restructuring in the Community. All sectors are affected by this. Restructuring is more necessary in some Community countries than in others. We are not of course debating economic policy now and I shall be brief on this aspect. But I felt it necessary to stress that restructuring, while not an impossible operation, is certainly extremely difficult to the extent that we are unable or not fully able to develop a common policy in the energy and monetary sectors which are vital here. The problem is of course more complex, but these two sectors are clearly essential to the development of a common economic policy which in turn can provide the necessary basis for a common social policy.

In my view a second structural cause of unemployment lies in the slowness over many years to create new jobs and make investments, accompanied by a growing offer of labour. Naturally this phenomenon is not due solely to the fact that the rise in labour costs is outstripping productivity; but it is an important contributory factor because it is easy to understand that it encourages the replacement of industrial equipment and the exclusion of the labour factor in favour of capital investment.

The continued increase in industrial wages and the corresponding erosion of profitability has given a labour-saving direction to investment at the expense of the number of new jobs. This process is further reinforced by inflation which has undermined the healthy financial structure of innumerable companies.

I have not listed these causes with a view to pointing an accusing finger at anyone. It is up to us quite simply to recognize what has gone wrong and then see what is needed to bring things back onto the right lines. I must also admit that I have made these points because

Geurtsen

I have little appreciation for the way in which some people take the present situation as an opportunity to conclude that our economic structure, and in particular the system of production undertakings, is on the point of bankruptcy. This reasoning reminds me of a person who shoots a bullet into someone's heart and then blames his victim for not having a strong enough constitution to resist. In the past our system has proved that it can increase welfare and above all well-being. What is important is to restore optimum operation of the system through common action. No doubt Mr Marras will disagree with me. But where we do agree is in thinking that the economy must be restored if a responsible social policy is to be pursued in the Community. Measures towards this restoration must be of two kinds. They must be aimed both at the restoration of profitability in industry and at the termination of underemployment.

This brings me to the question of the reflationary programmes in the various Community countries. I do not propose to consider whether too much or too little is being done or the nature of the measures taken. I recognize that conditions are not the same in all countries and that these measures need not be identical, either. What does interest me greatly is to know whether we have here a genuine Community policy or at best bilateral or tripartite agreements coupled with the hope that mutual concertation will take place. In other words, what is the Commission's role in all this? Is the Commission looking at the internal and external effects on the Community as a whole, and is it giving on this basis instructions, recommendations and where necessary criticisms, or is the Commission in effect being by-passed? To put it in very simple terms, I believe that a coordinated approach must be followed in the simultaneous battle on two fronts against inflation and unemployment. Only a coordinated policy can lead to a final result in which the problem will be solved without the simultaneous disintegration of the Community. The question at issue here is not only all the measures taken at Community level and in particular in the social sphere—these are extremely important—but also whether there is sufficient willingness to give the Commission the central role which it requires to pursue an effective common economic policy from both the structural and conjunctural angles.

Social policy must of course be directed at strengthening the position of the weak who have been left behind in our society. These are in particular migrant workers, working women, young people, especially school leavers, and also elderly workers. But these are not the only

groups concerned. A large body of self-employed persons is also involved—persons who are attempting to provide for their own subsistence in their profession or trade. A report in which some attention is given to employed persons and a few words said on the subject of agricultural population cannot be a complete social report because it only deals with part of the problem. In this connection I must criticize the Commission, which has made the common, but to my mind unforgivable mistake of suggesting that the socially weak are only to be found among workers in paid employment. The opposite is often the case. Allow me to quote a few figures from my own country, the Netherlands. Here more than 40% of self-employed tradesmen have an income below the minimum wage. Each year thousands of self-employed persons, not only in the Netherlands, are forced to close the door of their shop or workshop because they quite literally cannot earn their bread. We are shocked when a large enterprise dismisses two thousand workers. But we stand by almost in silence when every month in the Netherlands five hundred more shopkeepers are forced out of business. We regret the often slow improvement in the real incomes of workers, but we forget that the self-employed have to learn to live for years with a real decline in their earnings. And what is happening in the Netherlands does not differ significantly from developments in other countries. I am not saying this to elicit sympathy, but to open our eyes to the realities of the situation. The activities of the self-employed are still an important source of jobs. And this employment is not of a soul-destroying kind: it allows human relations to come into their own, and the humanization of work does not have to be laid down as an objective, but maintained because it already exists. I know that the resources of the Social Fund and of the Regional Fund are in principle partly intended for the self-employed, but the fact that there is no mention of them in the social report speaks volumes. In practice, next to nothing is being done in this respect. Or at all events not enough for it to be worthwhile stating what is being done. What I would like is for the Commission to pursue a more active and even a more aggressive policy in this area. The question is whether the Commission is willing to do so. Not a passive wait-and-see policy and a willingness to engage in well-meaning studies, but an active policy consisting in detecting the trouble areas and volunteering help. I await the answer with interest.

I realize that I have scarcely touched on our rapporteur's report. Not because I do not appreciate the value of this report; on the contrary, I recognize that it is good in many respects although I would set a big question mark against

Geurtsen

the rapporteur's own comments in paragraph 33 on the solution of the problems. This does not, however, diminish my appreciation and respect. Fortunately, in this Europe of the Nine each and everyone is allowed to have his own opinion and express it. It is precisely this *choc des opinions* which can help us to find the correct solution. In the first place, of course, short-term issues are involved. But that is not all. The fall in employment in the agricultural sector is largely over in some parts of the Community, but not yet in others. Here and there the decline in employment in the industrial sector has appeared as a permanent phenomenon, quite apart from the present problems. In the tertiary sector, too, automation has taken its first step forward. We cannot assume that the loss of jobs in the first two sectors will simply be absorbed by the tertiary or quaternary sectors. This will require a far-reaching reappraisal of the future structure and distribution of available work, of the organization of working and leisure time. And through all this runs the problem of the migration of labour and the migration of job opportunities. To complicate matters further, we are also confronted with environmental factors, raw material problems, energy difficulties and monetary questions. This list is not complete but it gives a good illustration of what lies in store for us. Of one thing I am sure. If we do not find a common response to this challenge the problems of today are child's play measured against what awaits us in the last quarter of this century.

What we therefore need, precisely for the purpose of a good and responsible social policy in our Community, is a European economic plan in the broadest sense of the word covering all sectors of the population. We shall only be able to complete our task if we manage to combine our scientific forces. This is an immense task, a challenge to the Commission. I am convinced that the basic question is not whether all this is possible. If we are to succeed in maintaining our standard of living—and we must succeed in that especially for the benefit of those who are economically underprivileged and cannot manage on their own—I am left with only one conclusion. The question is not whether all this is possible—it must be done.

(Applause)

IN THE CHAIR: MR MARTENS

Vice-President

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

Mr Terrenoire. — (F) Mr President, ladies and gentlemen, I shall of course begin my speech by congratulating Mr Marras on his excellent report.

May I also say to the Commission that I followed with interest its report to us on the social situation in 1974. During that year a number of initiatives, several of them fortunate, were taken by the Commission but not always followed by Council action. A policy is beginning to develop, and it corresponds to the wishes of Parliament. One might hope, and we do hope, that it will progress more quickly and further, but the Commission deserves to be congratulated on what it has achieved.

1974 is well behind us from every point of view, since, unfortunately, the social situation has deteriorated considerably since last year and is no longer comparable to the situation we knew in the past. That is why our discussion, this afternoon, is something of an anachronism. The situation in 1974 has nothing in common with what we are experiencing in 1975. That is why, beyond the initiatives and successes of the Commission and Mr Marras' report, I shall concern myself rather with the proposal for new policies to be adopted this year and especially in the coming months.

Faced with the gravity and importance of the employment problem, the Group of European Progressive Democrats has decided to sketch in the broad outline of a common policy of full employment. A document, which I had the honour to draw up, has just been adopted on this subject by my group. It will be forwarded to you, ladies and gentlemen, and to the Council and Commission as soon as it is published.

Since a major debate will be held on this question at the next part-session, I shall simply present to you today the main lines of the policy we are recommending. Faced with the increase in unemployment, we believe that a wide range of action is necessary not only at national, but also at Community level, since unity is one of the first requirements for success. A global and permanent policy in this direction is necessary. Everything is interlinked. While the Social Fund must be the cornerstone of the entire system, the Regional Fund, as other Members have pointed out, also has an important part to play.

It is up to us to define the outline of a common policy rejecting all Malthusian principles and based on the notions of the family and quality of life. Our group proposes essentially two series of actions. First, long-term actions including, in particular, the creation—this is a vast, but essential enterprise—of a new world economic order since the interdependence of our nations

Terrenoire

is growing all the time and the energy crisis and monetary disorder have broken the fragile equilibrium of the world economy. All our ills stem from this. We are witnessing the redistribution of world wealth. The growth which we experienced in recent years has drawn to an end. We shall never experience it again, or at least not in the old form. Our attitudes must therefore be revised, and it is up to Europe, to our European Community, to prepare itself so that it is not taken unawares again. That is why we would draw the attention of the Commission and Council to this aspect of the question.

We are confronted with the difficult problem of the division of labour on a world scale, of the determination of needs and the establishment of a competitive balance linked with the social evolution of the developing countries. The progressive coordination and harmonization of the national policies of the Member States are also essential. Only unity of action can give Europe the necessary weight on the international scene and effectiveness internally.

Moreover, unilateral action in one field often creates the most unfavourable conditions in others. It is pointless fighting against unemployment without knowledge of the employment market. However, not only are the present statistics inadequate, it is also impossible to compare the data for the different Member States. A serious effort leading to harmonization and a greater number of measuring instruments is the basis for all action. The aim to be achieved consists in establishing the means of obtaining a sophisticated advance analysis for each sector, region and country. Action at one particular point can only be effective if it does not disturb the pattern elsewhere.

This clearly highlights the importance of the role which can and must be played by educational and vocational guidance in the context of a policy of full employment. Moreover, the educational apparatus must be sufficiently flexible and adapted to the requirements of the world today. Unfortunately, that is not the case, and too many young people are coming onto the labour market without the training which would enable them to fill the vacant posts. I know that you are concerned with this and that the Community is trying to take appropriate action, but there really is a worrying and serious lack of coordination in this area.

In parallel with this progress, short-term action would be useful. Quite apart from the economic upturn which we are awaiting as the only real source of new jobs, but which must be accompanied by measures aiming to restore confidence in order to avoid a new round of

inflation, immediate action is possible, particularly action to facilitate early retirement.

Why should retirement be linked exclusively with the notion of age? It is an insurance paid for by premiums. A flexible scheme could be applied establishing a ceiling based on age, varying from one sector to another, and a floor proportional to the number of years' contributions, which could itself vary by sector. In this respect we recommend lowering the ceiling from 65 to 60 for certain social categories such as women and persons engaged in strenuous work and the maintenance of this ceiling for other jobs at 65 for a period which I hope will be limited throughout the Community. As to the lower qualifying limit for a full pension, it could be reached after 40 years' contributions or 35 years in the case of the social categories I have already mentioned, in particular women and workers doing particularly strenuous jobs. This means that a person embarking on a first job at the age of 14 or 16—and this is still not uncommon in our Community—could in future obtain a full pension at the age of 54 or 56 and even less in the case of women or persons doing strenuous jobs.

We also believe that when the economic climate deteriorates as it has done now, it is important to avoid distortions affecting particular sectors, regions or undertakings. Solidarity must come into play. We consider that in these circumstances, the maximum legal duration of the working week must be lowered and overtime discouraged with a view to promoting employment.

The problem of women deserves especial attention since we all know that when they have a job, they do not and cannot forget their family and household responsibilities. With young people and immigrants, women are the worst affected by unemployment. Specific measures must therefore be taken in their favour; the measures we recommend concern the Community as a whole since they may already exist in certain countries. Provision could, for instance, be made for the introduction of a sufficiently attractive household allowance for mothers and better facilities could be provided for part-time work. We consider it essential to ensure social protection for women at home to encourage them to raise their children and enable them, in due course, to return to their occupation if they so wish.

Many other short-term measures are desirable: in particular, incentives for mobility of individuals and capital coupled with a carefully thought-out policy of national development; specific measures in favour of young people; incentives for craft trades and small and

Terrenoire

medium-sized concerns which, in our Community, represent a regional industrial fabric endowed with a more human dimension than the large units. But I think I shall have occasion to return to these proposals next month.

I do not wish to overstep my allotted speaking time and I shall conclude by saying that the responsible authorities have at their disposal a wide range of measures enabling them to combat unemployment effectively. But their success is closely linked to two conditions: overall Community action based on perfectly defined principles and the participation of the interested parties. This brings me to the important role of wage contract policies in which the Group of European Progressive Democrats is particularly interested.

Recourse to the principle of supplementary aid from the Social Fund for national financing in accordance with arrangements appropriate to the gravity of the problem is one of the best means of achieving the aims of a clearly defined policy through an equitable distribution of efforts with a view to active rather than passive support. Consequently, resources must be made available. We are therefore bound to be disturbed by the information we have received about the decisions apparently taken by the Council on the endowment of the Social Fund. Efficiency is always profitable even in the social sector; the overall appropriations needed will therefore no doubt be lower than the sum of the appropriations expended at present by each Member State. Harmonization and coordination of national social policies would in themselves constitute a first step, which is easy to take as the cost would be relatively low. This would have a fundamental impact in developing a feeling of belonging to Europe in the minds of every citizen. It is indeed regrettable to note a tendency for the European spirit to decline in our various countries. The workers in our Community are unaware of the existence of that Community in their daily lives. The information media tell them that Europe exists. But they do not feel its existence in their jobs and in their family or social life. However, relatively simple means could be made available for them to gain a better understanding and more experience of the Europe which we all want. Let us therefore ask our governments to meet much more often to define together a common social policy. Let us urge the Council of Ministers of Employment or Social Affairs of the Community to discuss the various policies pursued by them in their respective countries and to harmonize these policies since it is regrettable in the extreme, and indeed dangerous, to note that countries which are so close and interdependent economically, have such disparate social provisions.

I think that social policy provides us with a means of making Europe popular. I venture to hope that in the particularly painful circumstances facing us today in the employment sector, we shall not let this opportunity slip from our grasp.

(Applause)

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

Mr Dykes. — Mr President, this debate has been a sombre occasion and one which makes us, I believe, in this whole Parliament feel extremely anxious about the problem of unemployment. In strictly technical terms it should, of course, be a debate on a report which is now out of date, a report drawn up last year on the social situation—an excellent report despite being out of date—which was referred as far as back as February to the Committee on Social Affairs and Employment.

I would like to speak briefly not only on behalf of the Conservative Group but also as a member of the Committee on Social Affairs and Employment and draftsman of the opinion of the Committee on Economic and Monetary Affairs on this Commission report. While that report and the consequences and conclusions we should wish to draw from it and from some of the excellent suggestions made by Mr Marras as the rapporteur, should, technically speaking, determine the structure of this debate, it is now inevitably a general debate on unemployment at the present time, the end of September 1975.

Mr Terrenoire, I am sure, will forgive me if I do not take up all the detailed points he made in his very interesting speech, a major and fascinating policy speech which led me to believe that elections were pending in France, although I am sure that is not the case. But it certainly was a speech rich in content, with many interesting proposals, and I certainly liked one or two that he made towards the end. I think I am correct in saying, Mr Terrenoire, that we had a delegation here from the Meurthe-et-Moselle department yesterday, who saw not only the French politicians in this Parliament, not only your group, Mr Terrenoire, but other groups as well, including my own. And you could see the deep anxiety in those people's minds about this horrifying problem of unemployment in, let us remember, one of the relatively more successful economies in the Community—France, the great success story in perhaps the last ten years in economic terms, even relative to Germany, which was much further ahead and still remains so. But the problem of unemployment, even in the most successful economy in Europe—namely

Dykes

Germany—is intractable, seemingly insoluble at this time. But one has to wait, of course, to see what the effect will be of the measures that were announced earlier on this year by the German Government to get their economy going and of the fairly sizable package of measures with which the French Government recently followed suit.

Mr Marras should, of course, in the tradition of this Parliament, be congratulated on the brilliance of his report, and his characteristic ingenuity and skill have meant that although he had to shed some of the more tendentious parts of his much longer original report, he now has produced a considerably toned-down report, a report which is now almost completely devoid of some of its more controversial utterances. He has left the ideology of Milan, Naples and Turin at home, and for that reason we should all be grateful to him for producing a modified document of great clarity and great conviction. But Mr Marras nevertheless has sought, with his characteristic skill and ingenuity, to reintroduce some of those elements from his original draft report by way of amendments, which are not acceptable, I believe, to many Members of this Parliament. And if he wishes to proceed with those amendments later on, I can say, certainly on behalf of the European Conservative Group, and perhaps on behalf of other political groups, that some of his detailed proposals—a miniature manifesto, if you like, of what he would do if he was managing the Community economy—are not acceptable. I personally hope, Mr Marras—I trust you will not misunderstand me and think I am being rude to you, which is certainly not my intention—that your amendments are defeated in this important debate, because if the resolution as it now stands, without your amendments, is adopted by this Parliament, that will be sufficient. I do not believe it is right for you to put forward a particular slate of ideas or proposals on such questions as more housing, building more schools, controls on prices and price freezes as you and your colleagues have done.

If you do not acknowledge the reality of the deep-seated recession Europe is currently suffering, all you will be doing, Mr Marras, is indulging in platitudes, which may be useful to you back home—I remember the recent election results of the Communist party in Italy—but will not in anyway be useful to us in this Parliament if we are to formulate some constructive suggestions which the Commission can accept and pass on to the Council of Ministers. The principal reason why I say this to you and to your colleagues, is that there is nowhere in your list of ideal, typical measures any reference at

all to the question of wage restraint and wage control. It may be wrong to assume that wage control in the deep-seated recession we are suffering in Europe now, is going to be conducted and effected other than by those very physical economic forces which are the recessionary trends in all the economies of the Member States to varying degrees. Only Denmark and Great Britain have some kind of wage control policy, albeit with different elements. But if you do not, Mr Marras, have wage control in your list, then it is unacceptable.

I am sorry, Mr President, if I have laboured the point, but I think it is very important to get a balanced economic view of the pressing priorities facing us, if we, but primarily of course the national governments, who have the overwhelming role and function in this regard, are to play a part in engineering that real European economic recovery which Mr Terrenoire wants as much as I do. Otherwise we will be failing all generations in this Community, not just the younger generation.

I am, however, disturbed not only by what Mr Marras very elegantly tried to do several months ago and has now equally elegantly conceded; I am also disturbed by a manifestation here in this debate. We are very grateful, I am sure, that Commissioner Hillery is here. We are very grateful for what the Commission has done on this score. On the other hand, I wish to express my disapproval at the absence of any representative from the Council of Ministers. There is, I believe, a distinguished person in the front row who is a *chef de cabinet*. I may be wrong, but I do not think there is a political representative of the Council of Ministers present during this debate, Mr President. There are now nearly 5 million unemployed people in the EEC. This great economically successful organization has been thought of as unbeatable, irrespective of party ideology. This is now no longer true. The old history of growth and rapid expansion, as Mr Terrenoire said, is over. There are now nearly 5 million people unemployed in Europe; the total is rising extremely fast, one of the reasons probably being, I feel that the measures recently taken by certain governments, including the Italian Government, will need ample time to begin to work through into the system. And the Council of Ministers is not represented here. Mr President, you may be able to tell me why they are not here. Someone in the Council might be able to give you an explanation if not now, then, some time later. Members of this Parliament are bound to ask why the representative of the Council of Ministers is not present. I do not wish to sound improper; it may well be that Mr Battaglia has had to

Dykes

attend a function or a cocktail party somewhere. I would just like to know later on. In stark contrast the Commission representative is present, and we are grateful for that. After all the Commission will be the prime mover in any future action as regards social policy and the extremely modest measures that the Europe Community and all our Institutions can try and take over the next year or so in an attempt to mitigate this unemployment situation to some extent.

We have heard speeches today about the Social Action Programme, how slow it has been, how frustrating, but nevertheless it has started. We see now, even more disturbingly, that whilst the Social Fund has already begun to have marginal success in combating unemployment, the Council of Ministers is now sitting in judgment on the Social Fund and proposing cuts in the forward estimates for 1975 and 1976. The Regional Fund will also be cut if the Council of Ministers can get away with it; it is still a draft budget, and the proposal is for a cut in the forward estimates. And this is all happening at a time when these contracyclical measures for abating unemployment in the underdeveloped regions of the Community are even more vital, no matter how small the total of Community resources is in comparison with what the Member States can do.

I therefore put it to you, Mr President, that reducing unemployment is a grave social as well as political and economic obligation. It is a disgrace, I believe, that the doctrine of full employment has been discarded by some people who now say two things, that it is too difficult to maintain full employment and that unemployment is not such a terrible thing nowadays since the benefits are generous: in Germany the unemployment benefit is equivalent to 90% of one's wages and so on. Do not let anyone, any politician anywhere, ever say that any person who has been unemployed for more than a few weeks wants to remain so, despite the fact that he is drawing benefits. The Community itself therefore has this obligation to see what can be done.

The question of female unemployment is pressing, too, because the ratios are higher amongst female workers, even if those statistics are a little artificial. The question of proceeding with equal pay is of vital importance and the progress made by the Member States in this regard has been all too slow and indeed pathetically modest, and I include the United Kingdom in that as well.

Mr President, I would sum up—and I hope that

this meets with the approval of some Members of this House—by saying that the Member States really have to take their own national action; we have already seen the first moves amongst the major economies—Germany, France and Italy, though nothing yet in Britain, which is in that acutely difficult inflationary situation which seems to be manifested in only one other Member State, the Republic of Ireland, and is therefore lagging behind the other economies. The main action will come from the Member States, but in the coordinating meetings of the Council of Finance and Economics Ministers ideas can be exchanged, and this Parliament can also take part in the critical debate over the next year or so.

Mr Marras, because of his doctrinal position and his deep beliefs, to which he is fully entitled, feels that this is a deep-seated structural crisis of capitalism, and there may be other people here who would agree with that. I do not accept that argument. But I am as worried as he for different reasons: my targets are different, but my anxieties are the same and my worries have the same dimensions. My fear is that we will, all too easily, renounce the old traditional verity that unemployment is the main thing to be avoided. When inflation started to accelerate so alarmingly, it became impossible to consider unemployment alone and not attach the first priority to the problem of inflation. But the rate of inflation in the EEC is now slowing down tangibly and materially, even in the United Kingdom. This therefore gives all of us collectively a chance to say what we are going to do in the future to achieve economic recovery, to try and aim for a resumption even of a more subdued and modest rate of growth, and for this we have to have the preliminary studies, we have to have the harmonization of unemployment statistics and so on to make the job easier. So unemployment must be the first priority.

Mr President, I am coming to my concluding remarks now. Even if the Commission's resources that are used for this purpose are miniscule, they must be used not only effectively as regards their operational consequences, but visibly, as the representative of the Group of European Progressive Democrats said, so that the ordinary man and woman in the street can see not only that their national governments are trying to do something about this grave problem, but also that the Community and this European Parliament, too, is trying to do something. And I hope we will do something more next year when the next Report on the Social situation is due, well before those awful figures exceed

Dykes

5 million, 5.5 million or indeed the spectre of 6 million people with no employment.

(Applause)

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

Mrs Goutmann. — (F) Mr President, ladies and gentlemen, now that Mr Marras has presented his report, I shall confine myself to a few remarks on behalf of the Communist and Allies Group.

I shall simply add my voice to those of the other speakers who have said that it may seem inappropriate to be discussing the development of the social situation in the Community in 1974 in the month of September 1975. But I believe that, in view of the situation we are now experiencing, this debate is more topical than ever because the social situation has in fact deteriorated throughout the Community.

When the Rome Treaty was signed, one of the essential affirmations contained in it was the existence of a major Community social policy. At the end of 1974 and in 1975, despite the efforts undertaken and despite the many resolutions and directives adopted, we are bound to note a failure. The adoption of a few measures has not meant an improvement in social policy. On the contrary, the figures quoted by Mr Marras, by our Socialist colleague and by a number of other speakers, bear witness to the failure of the social policy. The reason is that far from being a self-contained policy as it may seem to a superficial observer, this policy is in reality directly linked with the economic and financial strategies of the Europe of Nine.

This morning, Mr Battaglia, the President-in-Office of the Council, stressed that there was no Community economic and financial policy, but that these policies were discussed and coordinated at the level of the Member States. It is true that there is some coordination. Let me quote one example: the plan for economic revival launched by Mr Giscard d'Estaing in France was examined beforehand with the President of the Federal Republic of Germany and also, as we now know, with President Ford. In other words, economic policies are coordinated and while there is no real Community policy, there certainly is a particular strategy. This strategy consists in effect of supporting the big multinational companies by the systematic injection of public funds, by exorbitant tax benefits and by giving priority to exports. This encourages concentration, the ruin of small and medium-sized undertakings and above all exploi-

tation of workers and degradation of their living conditions. This policy has led Europe into the crisis and difficulties which are causing so much trouble today.

As long ago as 1973, and more particularly in the past year, both at national and at Community level, efforts have been made to impose austerity and sacrifices and a lower growth rate on us, supposedly to save the economy and restore it to health. But the result is thousands of unemployed, almost five million now throughout the Community, and millions of partially unemployed. The result is also galloping inflation and worsening monetary disorders coupled with high wastage at institutional level.

I shall quote just a few examples. A moment ago our Conservative colleague mentioned the steel industry. Yesterday almost all the groups were approached by a CGT/CFDT delegation from the Lorraine steel industry. They had come to tell us about the situation in the steel industry in that part of France.

The decisions of the ECSC, which is a Community body, have resulted in a decline in production of over 15 % in the steel industry in all the European countries. This has caused the ruin of entire regions, and in particular of the Lorraine.

It is leading to the closure of the iron ore mines in Meurthe-et-Moselle, while at the same time the big steel trusts have made more than 200 % profits in a year. They have received subsidies of more than 1 000 m francs from the French Government, and all this has resulted in millions of dismissals.

In addition to the steel industry, there is also the example of the textile sector. Here, too, industrial concentration has resulted in tens of thousands of dismissals, in reductions in working hours and wages and finally in the closure of many factories.

The common agricultural policy is resulting in a degradation of the purchasing power of the farming population in most Community countries. Inflation and the rising cost of living have, however, brought additional profits to the big monopoly companies. In this context the Community's social policy has consisted essentially in compensating in an altogether inadequate manner the most glaring effects of the policy of big business. Today unemployment and inflation are the most direct consequences of the economic policies of the Community's Member States. How are we to believe that the European Economic Community could give priority to the fight against the twin evils of inflation and unemployment?

Goutmann

In reality the basic flaw in this social policy is that it is treated too much as a policy of assistance or better distribution of income.

However much goodwill may be shown by everyone—and not everyone shows goodwill—this policy runs up against the requirements of the economic policies of the Member States and the big monopolies whose essential objective is to restrict all social expenditure.

In addition the Community's social policy has more often than not been one of small steps aimed at limiting and calming the discontent of workers who are struggling for the legitimate satisfaction of their claims.

Most of the measures decided upon have not been applied. The proposals approved by Parliament and forwarded to the Commission and Council have not been applied—I am thinking of equal wages for men and women, of the reduction in the working week to 40 hours and of 4 weeks paid holiday. The Social Fund is insufficient and merely enables aid to be sprinkled in small doses here and there. The Regional Fund is also too small, and we are not sure that it benefits the workers in the first instance; strict parliamentary control would no doubt enable its uses to be better ascertained.

We in the European Parliament can no longer be content with the expression of pious hopes. We must on the contrary show that Parliament can act effectively. Otherwise we shall surely move on to new failures.

We must envisage an altogether different concept of a genuine social policy. The Parliament, Commission and Council would do themselves an honour if they turned this social policy into an instrument to defend human dignity by effectively recognizing the right to work, by protecting employment and decent wage levels and developing collective socio-cultural facilities. This presupposes not a stagnation of production as is the case at present or a fall in the growth rate but, on the contrary, economic revival through an increase in consumption by the people, through development of national resources and essential sectors of industry, safeguarding and defending employment, effectively fighting against inflation and waste and democratizing all our institutions. This is the purpose of the amendments tabled by the Communist and Allies Group, and in reply to Mr Dykes, who was surprised to see our colleague Mr Marras, table amendments of this kind, I would say that it is the right and duty of every political group to table amendments. We have tried to define in greater detail the social policy that should be pursued in the European Economic Community. These are not immediate meas-

ures which would provide an answer at once to the needs of the workers and enable a solution to be found to the problem of unemployment and inflation.

It is only in this context that a major Community social policy can be situated. We shall therefore support these amendments.

President. — I call Mr Bertrand.

Mr A. Bertrand, chairman of the Committee on Social Affairs and Employment. — (NL) Mr President, as chairman of the Committee on Social Affairs and Employment, I should like first and foremost to express my great satisfaction at the manner in which the members of our committee have conducted this debate on a report which has been kept very concise by our rapporteur, Mr Marras, and deals with past events; this debate has in fact been topical, and we have been able to discuss the present social situation in the Community. The advantage of this report on the social situation in the Community, even though it relates to the past, is that it has given us an opportunity to talk about today's problems. I should like, then, to thank Mr Marras for his report and also the Commission for its annual report on the social situation in the Community. I hope that it will try to submit its report on the social situation in the Community in 1975, which is to be totally different in nature from the twelve previous reports on this subject, as early as possible in 1976 so that we can then discuss it at an early stage.

We have observed in this debate that we are faced with a number of problems which are beginning to have terrifying social consequences for large sectors of our population. If things continue in this way even broader sectors of the population will be affected. A situation will then arise which will be altogether dramatic for young people and persons with university qualifications. We are therefore surprised that the governments still believe that these problems can be effectively countered in an ego-centric national manner.

I do not intend to repeat, Mr President, what has already been said in detail. I shall simply point to a few facts. In our Community inflation in the period from July 1974 to July 1975 has ranged from 6.2% in Germany, the lowest level, to 26.2% in the United Kingdom, the highest. The levels of inflation in the seven other Member States lie somewhere between. This means a fall in purchasing power with all that entails. In the period from July 1974 to July 1975 unemployment has risen by 6%—the lowest increase—in Italy, which already has more than

Bertrand

one million unemployed, by 111% in Germany and by 216% in Denmark. The percentage increases in the six other Member States lie somewhere between these extremes.

Mr Adams gave a frightening analysis of the categories to which the unemployed belong. Mr Dykes also drew attention to this factor. Mr Geurtsen placed the problem on a broader social basis by referring, in the context of social development in general, to the problems of the self-employed, small and medium-sized undertakings, and also the difficulties faced by farmers. Here the difficult question of financing arises, a question which cannot be overlooked.

The number of jobs offered has fallen by 8% in one Member State and 74% in another. This causes a great imbalance on the labour market. In addition, we are faced with a stagnation of investments with all the consequences which will result in a few years' time. It therefore seems inevitable that unemployment, a reduction in purchasing power and the problem of reduced employment opportunities will last for a long time.

What then are the institutions of the Community doing about these problems? The Commission has drawn up a number of action programmes for social measures, for migrant workers, for hygiene, safety and health protection at work and for equal treatment for working men and women. In brief, the Commission has presented a series of proposals in a number of social areas: extension of the powers of the European Social Fund, creation of a vocational training institute, employment opportunities for handicapped workers with aid from the Social Fund.

The Commission has, then, presented a range of proposals to the Council. But we are obliged to note once again that action comes to a standstill in the Council, where there is no agreement. The Council of Ministers of Social Affairs is barely able to approach certain urgent problems. We are therefore not surprised by the irony with which Mr Dykes observed that the Council is not represented in this debate today. It is a pity that the Council is not here because it is too busy dealing with the real problems. And then we read in our newspapers that the Finance Ministers met this week, that the economic situation was on their agenda and that the Ministers considered that there was nothing new to report at present regarding the economic situation in the Community! They dealt with this matter in ten minutes and they even decided not to meet again in October but to postpone their next meeting until November because the economic development in the Community

involved no new factors. I wonder whether these people are living in our economic Community or on the moon. Are they so remote from the crude reality of what is happening today? I am stressing this point because the development of our Community is now threatening to grind to a halt in the Council. Therefore, as chairman of the Committee on Social Affairs and Employment, I shall make a number of concrete suggestions.

Firstly, it is vital for this Parliament to hold a detailed debate on the economic and social situation in the Community as soon as possible, and preferably in October. This debate must be prepared thoroughly because by its content and scope, it can lead to concrete conclusions which Parliament may submit to the responsible Ministers through public opinion.

Will the Commission be prepared in October to introduce this debate on the economic and social situation by a statement on the real economic and social facts as they appear from the higher reaches of the Community?

Secondly, can the Commission tell us what practical proposals it has submitted to the Council in the areas of economic policy, employment, the fight against inflation and energy policy, to enable Parliament to gain an idea of the documents which are at present lying on the Council's shelves and to enable Parliament to react!

Thirdly, will the Commission take steps to have the Council convene as soon as possible the tripartite conference of the social partners and governments to work out jointly a common economic and social plan to counter the situation at present facing us.

Fourthly, I would ask the Commission to do its utmost to bring the Ministers of Social Affairs, Finance and Economic Affairs together in an enlarged Council meeting to discuss this whole complex of problems. An end must be put to the small-minded policy by which the Ministers of Economic Affairs meet to discuss economic problems without regard for the social aspect, the Ministers of Social Affairs meet to discuss the social problems without having at their disposal the necessary financial resources to take action, while the Finance Ministers behave as if they had no idea what was being considered by their colleagues in the two other sectors. On behalf of the Committee on Social Affairs and Employment, I would ask the Commission to give serious considerations to these suggestions and enable us to devote a more detailed debate to this matter than is possible today.

(Applause)

President. — The proceedings will now be suspended until 9.00 p.m.

The House will rise.

(The sitting was suspended at 7.10 p.m. and resumed at 9.00 p.m.)

IN THE CHAIR: MR BORDU

Vice-President

President. — The next item is resumption of the debate on the report drawn up by Mr Marras on the Report of the Commission of the European Communities on the Development of the Social Situation in the Community in 1974 (Doc. 165/75).

I call Mr Yeats.

Mr Yeats. — Mr President, before embarking on what I have to say, I should like to congratulate the rapporteur on the amount of valuable work he has put into the preparation of this report. The report itself is a very full one and contains a variety of very useful tables and information about the social situation in the Community.

This debate on the social situation takes place, Mr President, at a time when all our countries are suffering from the effects of a world economic crisis that is without precedent during the past 40 years. We are of course dealing in this debate with the report of the Commission on the development of the social situation in the year 1974, but the Committee on Social Affairs and Employment was entirely correct in linking in its report the events of the year 1974 and the present year. We certainly cannot forget that in the past 12 months the number of unemployed has doubled, so that now in this period of 1975 that number is not far short of 5 million. And, while there has been some tendency for the rate of price rises to slow down somewhat, we are still a very long way from a return to what in more normal times would be looked upon as a tolerable level of inflation. The rapporteur is quite right when he says in his report that in the different Member States there have been contrasting views as to the relative importance that should be attached to the problems of inflation and unemployment. The truth of the matter is, of course, that one cannot separate these problems one from another. It is a sad reality that where, in certain instances, efforts have been made to preserve employment at all costs without paying adequate attention to the evil of inflation, the only result has been to bring about even more rapid falls in living standards. There has also often been a sort of fatalistic

assumption that inflation is an incurable disease due entirely to the energy crisis and that there is therefore little or nothing that can be done about it. But, in a situation in which prices have risen in some countries by some 40% in 2 years, it is a useful corrective to have it pointed out for us in the committee's report that only some 2 or 3% of that 40% rise was in fact due directly to the extra cost of oil.

It would seem that both inflation and also unemployment could be dealt with within a reasonable period, provided that courageous policies were pursued and in particular adequate action was taken at Community level. Unfortunately the experience both of the year 1974 and also of the present year has been that the necessary will has simply not existed in the institutions of the Community. The Paris Summit of last December promised 'above all vigorous and coordinated action to deal with the problem of employment'. Fine words, but what in fact has been done? One must admit that the answer can only be 'very little'. We do not yet even have harmonized Community statistics on unemployment. There are at least 3 different ways of computing unemployment in various Member States, and in these circumstances it is impossible to make any really accurate comparisons of the extent of unemployment in the different regions of the Community.

We can certainly welcome very much what the Commission has been doing. There has been a great deal of activity in connection with the Social Action Programme, and it is not the fault of the Commission that parts of this programme have lost some of their relevance because of the economic crisis. And I think we can agree wholeheartedly with what has been said by, amongst others, Mr Adams and Mr Terrenoire with regard to the enthusiasm and the effectiveness of the work that the Commission has put into the Social Action Programme. It is satisfactory that there should have been decisions by the Council in the field of equal pay for men and women and of mass dismissals. We can welcome also the establishment of the European Vocational Training Centre and of the European Foundation for the Improvement of Living and Working Conditions.

It is, I would suggest, very important that present economic difficulties should not be used as an excuse for slowing progress on the Social Action Programme. As urged in the resolution before us, the Council should adopt as soon as possible, the measures already agreed by this Parliament, such as the safeguarding of workers' rights in the event of mergers between undertakings and the question of the equal treatment of men and women in the field of employment. We

Yeats

can also welcome the Council decision of last July to extend the scope of the Social Fund to cover those under 25 seeking work.

One can only regret that the real value of this extension was so much reduced by the absence of any provision, in the present year, of correspondingly increased resources for the fund. This Social Fund is of course by far the most important weapon available to the Community in the social field. The report of the Commission for the year 1974 shows clearly how inadequate were the resources available to the Social Fund in that year to deal with the immense problems presented to all our countries by the economic crisis. There has, since last year, been a further very large increase, indeed a doubling in the number of unemployed. And there is little reason to believe that there will be any substantial improvement during the next 12 months. Indeed, the numbers out of work this winter seem likely to rise very rapidly. In view of this dangerous situation it is depressing in the extreme to find the Council at this moment, apparently, preparing to make substantial cuts in the Commission's proposals for the Social Fund in 1976. The attitude of the Council apparently is that because times are bad, money must be saved at the expense of the Social Fund. On the contrary, simply because times are bad, it becomes all the more essential that the fund should be provided with really adequate resources. We in this Parliament must do all we can in the coming months to see that proper provision is made for the financing of the Social Fund. In this way we might at least be able to do something to ensure that in future years these annual reports on the social situation in the Community may be a little less depressing than the document that is at present before us.

(Applause)

President. — I call Mr Pisoni.

Mr Pisoni. — (1) Mr President, ladies and gentlemen, it is late, and I shall confine my observations to just a few aspects, and one in particular which seems important to me even though it has been dealt with at length by the rapporteur, Mr Marras, whom I congratulate on his report, and by the other Members who have spoken.

Apart from the observations on the delay with which we are debating the social policy situation and the conditions currently facing our economy, it has clearly emerged from the debate that there are two fundamental and serious evils: inflation and unemployment. However, it has also emerged that if we combat these evils with the traditional instruments such as certain monetary manoeuvres, we run the risk of going from

Scylla to Charybdis, but it is unlikely that we shall manage to escape from our present dilemma, namely that in combating inflation we are liable to increase unemployment, while if we try to increase consumption, we shall incur the opposite risk. In Italy we have seen a considerable improvement in the balance of payments and a reduction in the rate of inflation, but this development has been accompanied by a considerable increase in unemployment. The two phenomena, the two evils, are clearly interdependent and must be fought with more courageous measures than those traditionally used. The most disturbing factor is unemployment. Not only does unemployment affect 7 million European citizens, 5 million fully unemployed and some 2 million partly unemployed; it also threatens our entire economic policy and jeopardizes the social achievements of workers who have steady jobs.

Of the various types of unemployment I wish to stress particularly the form which has the greatest political significance and is the most disturbing, namely unemployment among young people. Mr Marras has quoted figures in this connection and pointed out that this type of unemployment is reaching extremely large proportions. According to the Commission's figures, there are in fact more than 1 700 000 young unemployed persons who have never had a job and represent 35% of the total of unemployed, even though young people make up only 20 to 25% of the entire working population. Thus the ratio which should be 1 to 4, is in fact 1 to 3 in the case of unemployment.

This increase in unemployment among young people is therefore disturbing, having regard to the reduction in the number of available jobs. Unless there is an increase in the number of available jobs, it will be very difficult for us to combat this unemployment among young people and instead it will continue to rise at a terrifying rate. Reference was made earlier to the 3 million young people leaving our universities with a diploma or degree, not knowing what outlets they will find on the employment market. I should like to quote from a study recently carried out in Italy by Professor Birtig on unemployment among persons with university training; the study draws very disturbing conclusions. According to Birtig, the number of unemployed graduates in Italy today already runs to several tens of thousands, but by 1980 the number will have increased to 125 000. He also makes a number of remarks which I shall take the liberty of reading to you, drawing a comparison between the situation in Italy and that in Europe generally. He concludes that at European level, too, the figures are much higher than those I have quoted. He writes as follows:

Pisoni

'In the course of two years, the number of young unemployed has risen by 77% in France, 121% in Ireland, 210% in Germany and 405% in Denmark. In the Netherlands half the persons looking for jobs are under 25, and almost everywhere women are more numerous than men. Suffice it to say that the number of young persons looking for jobs in France is a good 330 000. Side by side with the familiar economic crisis other factors revealing profound changes under way in our industrialized society reflect the causes of this dramatic phenomenon. In the past quarter of a century there has been a strong tendency for the working population to become younger. The number of young people in the age group between 15 and 25 has doubled from 15 to 30%. Moreover young people are coming onto the labour market with a much higher level of education than their parents, and they are naturally looking for suitable jobs. Many of them go on to reject the rules on which our system is based.'

The author ends by asking what the European Community can do to solve this serious problem and concludes sadly 'very little'.

This is a profoundly disturbing reply since if the experts themselves cannot see solutions, the phenomenon appears all the more serious.

Faced with this unemployment which, as I have said, largely affects university trained people, what proposals has the Commission to make?

These proposals, also quoted by Mr Marraa, are broadly of three types: firstly, recourse to the Social Fund—but we know only too well how limited the resources of the Social Fund are for an objective such as this. Secondly, he proposes an improvement in vocational training adapted to the various types of job available; but when the economy is suffering from such a high level of inflation and the demand for jobs is also high, it will be difficult indeed to find a realistic solution through better vocational training. It will only be possible to reduce such high percentages of unemployment by very small margins. Finally, the Commission proposes the creation of a European labour market in which it will be possible to distribute the labour supply according to demand; but this, too, seems to me a doubtful remedy which will not be capable of solving the essential problem.

Some other type of solution would be necessary, and already interesting proposals have been made in the sense that they aim at an increase in the number of jobs available. This is in fact the only valid method—the number of available jobs must be raised. This can be done by creating new jobs—which does not seem feasible in the immediate future given the present situation—or by seeking to free jobs occupied at present. These are the paths open to us. It may be possible to persuade a few young people to return to agriculture. In this sector the population is rather old because in recent years

we have dissuaded young people from looking for jobs in agriculture. There may be some job opportunities here, but certainly not tens of thousands.

In addition, two further measures which seem valid have been proposed: one is to eliminate overtime, which would bring considerable benefits, and the other now being discussed in France, for example, on which I have read statistics in *Le Monde* and surveys in other newspapers, is to lower the retirement age to 60. This would clearly free a number of jobs, although a measure of this kind would certainly have some difficult consequences—but we have here to choose between two paths which both have their advantages and their drawbacks: the least painful is still the one I have just referred to.

Another more difficult measure which could, however, be beneficial is as follows: since everyone must live regardless of whether he or she has a job and since our society cannot leave individuals without a minimum level of subsistence, we could, through an appropriate strategy, place greater emphasis on social jobs and employ a greater number of persons on low-cost social work: this is the most difficult path to take, involving the greatest political commitment, but it would enable our present difficulties to be alleviated somewhat.

I shall end, Mr President, by calling on the Commission to engage in a detailed debate on the social situation at our next part-session, as a number of other Members have already requested; this debate would deal with all the problems involved and in particular with inflation and unemployment. I would also ask the Commission to face up boldly to new and imaginative ideas and to give particular attention in the context of unemployment among young people, to the problem of unemployed graduates. While everyone suffers from being without work or in a situation which prevents him from asserting his own independence and dignity or making a contribution to society, how much greater is the suffering of those who have been made more sensitive to this situation by their studies. I would therefore appeal urgently to the Commission to make the necessary choices with the maximum degree of courage.

(Applause)

President. — I call Mr Santer.

Mr Santer. — (F) Mr President, it is late, and we have heard extremely detailed statements by other speakers; I shall therefore limit myself to a few general remarks.

Santer

On 18 February 1975, Parliament heard Mr Hillery report on the way in which the Community's social policy had been implemented in 1974 and on the prospects for this year. I regret the fact that a debate on the social situation in the Community, which is more in the nature of a retrospective analysis, could not take place earlier. We are all aware as parliamentarians representing our peoples, that social problems are at present the greatest challenge—Mr Marras has rightly noted this—facing the Community. Public opinion will judge our Community by its ability to take up this challenge and master the present difficult situation. And when I say public opinion, I am thinking of workers and of the least favoured sectors of society, retired people, young persons, the sections of the public who are generally the most seriously affected by the recession and present economic crisis. These categories of the population are not interested in the institutional development of the Community that we hope to see. They are faced with highly practical problems, and their disenchantment seems entirely comprehensible to me, however much they may support the idea of European unification. Hence the importance of taking up this challenge, because if we do not succeed in gaining the support for the European cause of the broad masses of the working population, who are worried about their own future, no institutional development towards a European union will ever have the popular support which is essential for the construction of a Europe of individuals and peoples.

The Heads of State or Government shared the same concern when, at the October 1972 Summit Conference, they stressed the need—these words recur in all the reports—for wide-ranging and vigorous action in the social sector.

The Commission itself stresses in its last report that in 1974 social problems reached a scale such that it is more than ever essential for all Community policies to be focussed on the achievement of the three principal social objectives fixed at the first Paris Summit of 1972. The main lines of economic and monetary policy at national and Community level are essentially the fight against inflation and growing unemployment.

While I agree with these declarations, I am bound to note that the achievement of these objectives is not progressing with the determination seemingly reflected in the official communiqués.

It is true that in its resolution of 21 January 1974, the Council drew up a Social Action Programme for implementation in successive stages. But since this programme itself represented the lowest common denominator among the Nine,

could it not be the subject of a general review in the light of the social and economic events of recent months? Should we not set new priorities, harmonized with the economic policies of the individual Member States? In analyzing this problem and taking into account the proposals considered or adopted by the Council, we are forced to conclude—and the rapporteur has given us a precise outline of the situation in his written report—that an impressive number of proposals remain pending either because the Commission has not yet presented them to the Council or because the latter has not yet adopted them. This is a situation which Parliament cannot continue to tolerate if it wishes to retain its credibility with the general public.

Mr President, I do not wish to become involved in a detailed discussion since I consider that the social and economic problems should be considered in detail at another parliamentary debate in the near future carefully prepared in committee. On this point I fully endorse the proposal made just now by Mr Bertrand.

We discuss many problems, all of them no doubt extremely important, in this Chamber, following the aspirations and inclinations of the Members concerned, but we rarely have a full and serious debate on the problems which go right to the heart of millions of people in this Community. That is why I insist, Mr President, that at the next part-session of our Parliament we should hold a major debate on social problems such as unemployment, especially among young people, inflation and price rises, to find, as far as we are able, means of enabling the Community to combat effectively and efficiently these disconcerting trends which are the external symptoms of a progressive degradation. In this debate we must find a concrete answer to the question which the Commission itself raised at the end of its report when it asked along what lines the Community's social policy should be developed after 1976. I think this question is extremely important. We must give a clear and straight reply during our next debate, since nothing less than the future of our Community is at stake.

(Applause)

President. — I call Mr Albertsen.

Mr Albertsen. — *(DK)* Mr President, I should like to join with other speakers in this debate in thanking Mr Marras for the report he has presented. As a member of the Committee on Social Affairs and Employment, I have been able to take part in the discussions on this subject and know with what energy and industry Mr Marras has worked to obtain as good a result as

Albertsen

ever possible. Certain passages have been worded otherwise than was originally suggested by Mr Marras, but we shall not reproach him for this on this occasion.

Given the serious situation in which all Member States find themselves, with considerable unemployment and economic problems on a scale unprecedented in the whole post-war period, it is reasonable in this debate to point to these unfortunate aspects.

However, I must say that the amendments tabled at the last minute by the Communist and Allies Group are so broad in scope and so numerous that it would be quite unreasonable—I might even say irresponsible—to decide on our attitude towards them here today. I presume that those who have tabled these amendments would agree on this point. It would not be right at the present time to adopt a definite standpoint on the question of a 40-hour week, or other far-reaching matters.

We of the Socialist Group want a thorough debate here in Parliament, and we have come a long way with our preparations for it. I can understand from the statements made in the debate here today that literally the entire Parliament holds the view that we should have a general debate devoted solely to the problem of employment and associated difficulties.

We believe that the present high level of unemployment—which for many has already lasted a very long time—is such that we must, both in our individual countries and in the Community bodies, give unprejudiced and energetic consideration to using all necessary means at our disposal to eliminate or at least reduce unemployment.

In the short term the Member States and the Communities can stimulate purchasing power and implement various public works. But in the long term there are a number of wide-ranging problems, and it is to some of these which the Communist and Allies Group has been referring. There is the question of lowering retirement age and possibly lengthening holidays and—what is of particularly far-reaching importance—the question of shorter working hours.

But all this is something that can only be dealt with by effective governments, by responsible parliaments and by a Community that is working efficiently. Even good benefit arrangements do not remove the human problems and distress which afflict persons unemployed for any length of time. The deterioration of morale, the undermining of confidence from which millions of people suffer because they are unemployed, and the burden for their families cannot be overated.

I wanted to make these points to show with what gravity and concern we in the Socialist Group regard the most serious problem and the most serious crisis facing the Community at the present time. The very structure of our society may be changed if we cannot with our present social structure and patterns manage to solve these problems. That is why it is most regrettable that, while we today in this Parliament are discussing these matters and all the groups are expressing their serious concern and calling for increased public activity, a discussion is going on in another forum, but also within the Communities, which in certain areas runs in a diametrically opposite direction. We much deplore this fact and hope that the voice of this House—not only on unemployment but in general on the report underlying the debate and about which we are all today in agreement—may be instrumental in bringing about a serious debate on this subject in the coming part-session or possibly, if it can be better prepared, at a committee meeting during one of the coming part-sessions.

(Applause)

President. — I call Mr Härzschel.

Mr Härzschel. — (D) Mr President, ladies and gentlemen, I, too, should like first to thank Mr Marras for his report, which has given us a great many suggestions. I shall also be brief because many problems have already been referred to by the various speakers. But I think we should clearly recognize that our debate today is on the social situation in 1974, although all the speakers have necessarily referred to the present situation as well.

The key problem is the elimination of unemployment. All other questions relating to social security depend on this. And since we cannot discuss social policy in a vacuum, I consider it necessary for this question to be viewed in the context of economic and financial policy. Allow me therefore to make a few critical observations.

Quite apart from the fact that we are discussing this report at such a late stage, it would surely be desirable for the future to consider whether we should not hold a major social debate once or twice a year, referring also to economic policy and financial policy aspects, as otherwise the debate can only take place in a vacuum when it comes to the question of unemployment.

We are bound to note that the governments of our countries and the Commission, too, are helpless in the face of unemployment and that they have not as yet made proposals capable of eliminating unemployment. On the contrary we note that the situation is deteriorating and that

Härzschel

we have certainly not brought this problem under control.

Confessions of faith in the need for social security are all very well. We have heard brilliant analyses and accurate diagnoses but no one has offered the medicine capable of curing this illness. And the individual proposals which we have heard certainly offer no solution to the problem as a whole.

When I consider what Mrs Goutmann proposed or what we have just heard, namely a reduction in the retirement age or shorter working hours. I feel bound to reply that this is all very well. But it all depends on whether we are able to achieve full employment again, since you cannot reduce the retirement age if you do not have enough jobs and persons paying contributions. In the Federal Republic this year we shall be faced with a gigantic deficit in our pension and insurance funds. How can you propose additional benefits without at the same time explaining how they are to be financed?

The same applies to shorter working hours or the abolition of overtime. Theoretically this is all very well, but in practice it is impossible to implement.

Ladies and gentlemen, allow me to make another critical remark. We should also recognize that the Social Fund is not an instrument of labour market policy. This we have noted. I wanted to make this point clearly while recognizing that the resources of the Social Fund can be used for important tasks. In the present crisis, however, the Social Fund is quite inadequate where a labour market policy is concerned. We must recognize this fact and therefore consider by what instruments it might be replaced. We gladly recognize the real achievements, but we are faced with this major problem of eliminating unemployment, and here the Social Fund is not enough. On the contrary, we see our countries obliged to cut the resources allocated to the fund because they can no longer pay out contributions from their tax revenue.

We can see that the situation will deteriorate, as Mr Adams has explained. Therefore, Mr President—and here I support Mr Bertrand—we should hold a debate as soon as possible in the presence of the Council to learn from it what form Community action might take so that we no longer have individual measures taken by individual countries, with everyone proposing separate programmes for investment projects and additional funds to stimulate an economic revival, but without any form of coordination.

We should also raise the matter of the Regional Fund: this was seen as an instrument to combat

regional unemployment, but it is taking a great deal of time to set it up.

In this situation, ladies and gentlemen, we must recognize that none of us has a patent recipe and that the need here is not for discussion of points of detail but for a joint debate between all the responsible sectors, namely the Ministers of Finance, Economic and Social Affairs. This is the only way of achieving an improvement.

I believe that time is now short. We cannot go on talking for much longer about what is to be done. On the contrary, we must develop proposals to bring the situation under control if still greater damage is not to be done to the economic fabric.

In stressing this point once again, I would also propose the organization of a debate in our Parliament at the earliest possible opportunity, to be attended by those responsible for the relevant sectors who are capable of taking decisive action on labour market policy. I refer to the Ministers of Economic Affairs, Finance and Social Affairs.

Mr President, I should like the Bureau to consider whether this debate could not be held as early as our next part-session in Strasbourg. *(Applause)*

President. — I call Mr Bersani.

Mr Bersani. — *(F)* Mr President, I, too, shall begin by thanking Mr Marras for his detailed, well documented and strikingly committed report.

As Mr Marras and other Members have pointed out, our debate today has raised the question of the way in which the vital matters of social policy and the social situation are being tackled.

The course of this debate today, and especially this evening, shows that our proceedings must be adapted to the gravity of the problem and the responsibilities resulting therefrom. I therefore fully endorse the proposal made just now by Mr Härzschel, although I should like to make one further comment: another debate must be held as soon as possible, preferably at our next part-session in October, by a method more consonant with the needs all of us have noted.

In my modest opinion this debate should not only be attended by all the institutions but, in such a difficult situation, it would also be desirable to invite representatives of the social partners to ensure that all the responsible social bodies are present, if only indirectly.

It would also be desirable to consider whether a social debate of this kind should perhaps be

Bersani

held at least twice a year on the basis not only of the formal documents worked out by the Commission's departments, but also of further comments by the Commissioners responsible, beginning with the Social Affairs Commissioner.

Our debate today is clearly coloured by the situation we are experiencing now, towards the end of 1975, and we are bound to refer to the more traumatic aspects of the present economic crisis which has deteriorated well beyond the forecasts contained in the Commission's document on 1974. Unemployment, and all our colleagues have stressed this, is today the most serious and urgent problem. While we were concentrating our efforts on fighting inflation, the problem of unemployment reached explosive proportions—as we had already been warned it would from several quarters. But we have not yet found a way of simultaneously fighting the two evils which are increasingly interlinked.

In this context the problem of unemployment seems to us most urgent. Behind it other shadows are looming. Mr Pisoni has referred here to the growing wave of unemployment among young people. I have in mind another Italian study which anticipates in three years' time, in about 1978-80, a new wave of widespread dimension when a large body of university graduates will come onto the labour market. From this structural angle, there is no prospect of an improvement in the situation. What are we to do? The instruments at our disposal, as everyone has said—and I am sure Commissioner Hillery will agree—are quite inadequate to solve the problems. As we have often said they are inadequate under normal conditions and particularly now that a crisis of unprecedented proportions in the post-war years has overtaken the Community and much of the world.

The European Social Fund is in fact a sum of limited actions whose effects cannot be very far-reaching. Even the way in which the resources of the Social Fund are used does not seem convincing to me—and this is not the specific responsibility of the Commission. The need for an emergency programme has become apparent from our debate today. Unemployment is growing week by week in a number of countries and only in a few areas are there any signs of a reversal of the trend. The pointers to an improvement awaited from the United States and from the Federal Republic are certainly not sufficient to suggest a general upturn in economic activity in the West. The signs of recovery are appearing in fact more slowly than expected.

The situation facing us in the next few months will still be very difficult. This leads us to pass an even more severe judgment on the delays

and general weakness of the Community's economic revival programme.

When in 1964 some countries, in particular Italy, were experiencing a crisis to some extent comparable with the present crisis, the Commission intervened decisively with a closely interlinked complex of social, economic and conjunctural measures. We consider similar action essential today if an adequate cure is to be found to the evils facing us. I remember how in 1964 Commissioner Marjolin came to Italy for discussions with the Government, unions and employers. After full consultations an emergency plan was introduced, helped of course by a conjunctural change which enabled us to overcome the crisis fairly quickly.

I have the impression that in comparison with the machinery brought into play then, we have not only failed to make substantial progress but even lost ground.

A number of proposals have been made in this debate. Some of them deserve close attention. Reference has been made to the 40-hour week, to earlier retirement at 60, which does, however, raise complex financial problems, four weeks' paid holidays, the elimination of overtime and special measures in favour of young people. There are elements here which ought to be included in an emergency programme.

The situation is so serious that timely and effective remedies must be found. Despite this, the Council of Ministers will be considering next Monday the proposal for a sharp cut in the 1975-76 budget; specific cuts are likely in the Social Fund and in chapters relating to social policy. This news causes us grave concern. For my part I can only give a serious warning: next Monday the Council must take account of the vote emerging from our debate this evening.

From the present purely defensive stage, in which only holding action is being taken, we must move on to a more active phase—whatever the objective difficulties may be. This action must strike at the root causes and promote a policy of participation and involvement of everyone in every country; this action must be similar to that taken in most European countries which are trying to strike at the heart of the problem.

Social policy must be given a different direction and emphasis if it is to become a valid contributory factor to the construction of our Community.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, I would like to use my time to put six rather specific questions to the Commission.

First of all, what meaningful consultations took place with the Governments of the Federal Republic and the United Kingdom before the cuts were announced yesterday?

Secondly, what was the Commission's attitude? I have been told by telephone from the UK today that, in the opinion of some journalists, the Commission was 'weak-kneed' when confronted with Chancellor Helmut Schmidt. I would like to know from the Commissioner whether he thinks this criticism is fair or unfair?

Thirdly, what effect will the cuts have on employment? Is there a Keynesian multiplier effect in operation or likely to be in operation?

Fourthly, how will the cuts affect the lower income groups?

Fifthly, what will these particular cuts do, in the view of the economists who advise the Commission, as regards the rate of inflation? There are some of us who think that the first priority for Western Europe is to contain inflation. This particular set of cuts does not do very much about that.

Sixthly, how will the cuts apply to Northern Ireland where unemployment, particularly among young people, is a major engine of the present civil strife?

Mr President, as one who spent the spring of this year speaking throughout Britain during the referendum campaign and taking a good deal of time to praise the Social Fund, I am not only disconcerted, but rather dismayed at what is taking place. I would be grateful if the Commissioner could feel free to comment on these rather specific questions.

(Applause from certain quarters)

President. — I call Mr Hillery.

Mr Hillery, Vice-President of the Commission. — Mr President, I am doubly grateful to Mr Marras for his excellent report and the very constructive motion for a resolution and for bringing the debate right up to date by getting away from the subject matter as such, that is the Report on the Social Situation in 1974. I think this is normal. Parliament found, and I find, that September 1975 is somewhat late to discuss the social situation in the Community in 1974, and I would hope next year to be able to present to Parliament the report on 1975 by the month of March, and if Parliament is able

to make suitable arrangements, we should have a debate much earlier in the year.

As I say, it is to the credit of Mr Marras that he has been able to bring the debate forward to cover the problems of today which preoccupy all of us. I should like, however, to deal with the report since there are many aspects of it which require a response from the Commission, certainly the points regarding the activities of the institutions of the Community. In paragraph 5 of the motion for a resolution Parliament

'notes that there are considerable delays on the part of the Commission in implementing the Social Action Programme and submitting proposals relating to it.'

The Commission has endeavoured to submit the various proposals to the Council within the time limit laid down in the Council resolution of 24 January 1974. But this has not always proved possible, as several of these proposals have required much more time to prepare than we had expected, and we needed a great deal more time for consultation. Now that we have begun a process of wider consultation, it is our experience that the preparatory time is much longer than it was before such consultation was taking place. I would also like to point out that not all the actions under the Social Action Programme require presentation of specific documents of instruments. Many can in fact be implemented without any further ado. For example, the increased and deeper involvement of the social partners in decision-making in the social and other fields at Community level has occurred over the last two years without any special proposals having to be presented to the Council.

With regard to the establishment of appropriate consultation among the Member States on their social protection policies and on their employment policies, two groups of highly specialized experts have been set up by the Commission to marshal the essential information material on which initiatives may be based later on.

Finally, on the subject of delayed implementation of several actions in the programme, I must explain that some details are outside the control of the Commission. For instance, the establishment of the General Safety Committee depended mainly on the nomination by the Member States of representatives of the governments, and this took some considerable time. The establishment of the European Centre for the Development of Vocational Training and of the European Foundation for the Improvement of Living and Working Conditions required a great deal of preparatory work:

Hillery

budgetary provisions, staffing, accommodation and so on.

If I could refer to paragraph 6 of the report, it is the general practice of the Commission to present all its initiatives in the form of concrete proposals. There are, however, occasions when it seems both desirable and necessary to present material in a way that shows the interrelationship between progress in a number of policy areas and in a way which indicates the broad guidelines being followed by the Commission. This is where the programme format has real value, and the Commission is anxious that the choice and the purpose of programme presentation should be clearly understood. Programmes are intended to be followed up by concrete proposals to the Council as soon as these can be formulated, and this has recently been the case for the women's programme, to which a directive has been added, and for the poverty programme, which is now backed by a draft Council decision.

The question of whether the Social Action Programme ought to be brought up to date to meet the new situation and requirements resulting from the change in economic circumstances is one which I am often asked. My answer is to say that the objectives of the Social Action Programme are still both realistic and relevant, particularly when one takes into account the powers and financial means available to the Community institutions in the social field. When we set out to produce the Social Action Programme in response to the request of the Paris Summit, we did it on the basis that those who drew up the Treaties of the European Communities saw economic growth as the great solver of all social problems and that by the time of the Paris Summit in October 1972 the peoples of Europe had come to realize that economic growth, while solving the major problems of unemployment in the Community, had not solved all the problems, had left pockets of unemployment, large pockets of poverty and had, in fact, created new problems. So the Social Action Programme was introduced to meet that new situation. I think the Social Action Programme is even more relevant today, but it was never intended to take the place of economic policies. It was never intended to take the place of coherent action by the nine Member States of the European Economic Community in economic affairs. The Social Action Programme is, as I say, as badly needed today as ever, but it is doing it a great injustice to demand of it that it replace in the Community serious efforts at the economic level to overcome the recession with which we are dealing. As far as the Social Action Programme itself is concerned, I would like to say that over and

above the proposals which have been submitted to the Council over the last 18 months, there are further actions which will be presented for approval in the coming months, implementing the programme within the time period required at the beginning. These proposals include those concerned with the problem of creating better living and working conditions for migrant workers and their families, the extension of trade union rights to Community migrants, schooling for migrants' children, establishing consultative committees for migrants and a paper regarding the coordination of immigration policies with regard to third countries. Another important communication will deal with illegal immigration. Furthermore, the Commission will very soon be submitting the revised and updated first European social budget to the Council, and it will then ask for a mandate to prepare a second budget. I would like to emphasize that the social budget is considered by the Commission as an extremely useful instrument for the coordination of future social policy and in particular social protection policy throughout the Community.

Paragraphs 8 and 14 of the draft resolution underline the necessity of increasing the intervention possibilities of the European Social Fund as well as the resources available to it, a view which is fully shared by the Commission. This fund is considered to be the most important instrument of social policy at Community level, and the Commission has proposed a Council decision on intervention by the fund to encourage structural adjustment measures. This proposal, which was introduced in mid-April, was made to meet the new requirements of the labour market resulting from the crisis, which has necessitated structural changes. The particular proposal was not foreseen in the Social Action Programme, and it should be considered as a supplementary action arising out of the updating of the Social Action Programme.

Parliament was informed in June of the outcome of the Council meeting to discuss that proposal. The decision taken was that financial aid is to be granted from the Social Fund—Article 4 of the Council decision of 1971—for specific operations likely to facilitate the geographical and vocational mobility of young people under the age of 25 years, priority being given to those starting work.

The Council further agreed to take a decision by 30 November 1975 on a proposal to be submitted by the Commission which is intended to facilitate the geographical and vocational mobility of people who are or have been employed in the sectors particularly affected by the employment imbalance related to the recession.

Hillery

sion, by taking due account of those regions which have high unemployment. In my opinion, this proposal offers the most practical support which the Commission can propose to help Member States in settling the present unemployment problems in specific sectors and regions in the Community. In order to make this action as effective as possible, the Commission has already proposed a considerable increase in the financial means available to the European Social Fund in the 1976 budget.

I might say that the unemployment which we largely relate to the conjunctural changes has a very strong structural aspect, and all our expertise tells us that it is necessary from now on to use the Social Fund for its original purpose, that is as an instrument of retraining and replacement of workers. The function of the Social Fund has never been to create new employment. It has been to give each worker who needs it the possibility of taking up better employment than he has already or new employment if the employment which he is in is threatened or disappears. Those who think the Social Fund is of such magnitude that it can create employment for all the millions of unemployed in the Community are misled. It is an instrument of training and retraining and redeployment of resources, and seen in that way I think Parliament will regard its activities to date as highly successful. I do anyway.

Paragraph 18 considers that

'the Commission should encourage the convening of regular meetings between the social partners in the economic sectors hardest hit by the crisis.'

The Commission fully agrees with this, and there have already been *ad hoc* joint meetings held at sectoral level. More meetings are envisaged for the future in the sectors of ports and docks, shipping, textiles, the shoe industry, the food industry and some others.

Finally, I should like to refer once again to the question which was discussed in the part-session in June: a tripartite conference between representatives of both sides of industry, the Commission, and the Ministers for Social Affairs and for Economics. You have already seen that the most recent Council meeting held in Brussels in July welcomed the idea of a tripartite conference and invited the Commission to formulate proposals for it. The Commission has examined the possible agenda, and in a letter to the Council has proposed the general theme which the tripartite conference could take and urged that the conference be held at an early date.

In contributing to the debate, like the Members of Parliament, I am very conscious of the seriousness of the unemployment situation in the Com-

munity. In our Community now the figures which are available are not strictly comparable from one country to another, and the figures we have are not all for the same month, but we have a rough figure of 4.7 million unemployed, and I am afraid I have to accept the word of Mr Adams, that it will become worse and go over 5 million people. These are men and women and as somebody said, a large number of young people worried about their future. The vast majority of people are not unemployed. They are still in employment and have never known the psychological scars which come from a spirit of being rejected and from redundancy. But it is these scars which can, especially in the young, sew the seeds of great problems for the Community in the future. We would hope that this realization would bring those in the Community who can play a part in improving the situation to adopt an attitude of community spirit in dealing with this major problem. The social proposals implemented within the Community framework have given many thousands of unemployed workers opportunities for training and retraining which have helped them or will help them to get into new jobs. There are in the Community quite a number of vacancies, and it is possible that strong action through the Social Fund and cooperation at national level will provide an appreciable number of unemployed young people with work.

We also believe it is possible to increase the numbers employed in certain services. We believe in work sharing: I think it was in Parliament in June that I made the assessment that if the 40-hour week were widely or fully implemented in the Community, about 2 million new jobs would be created, that is if supplementary hours were not worked. The Community legislation, as I said before on the Social Action Programme, helped to protect sectors of the working population which are most vulnerable when economic activity slows down: women at work, workers affected by mass dismissal, migrant workers, young people and the handicapped.

In answer to a question raised here, there are already possibilities, too, for the self-employed. The new Social Fund is open for the retraining of self-employed people, and we are at present drafting a directive with respect to the extension of social protection to the self-employed among others.

But these social activities, as I say, have a very small area of effect. The real area of return to normal will be the area of economic decision-making. No one is more conscious than I am of the limits within which the Commission's initiatives in the social field have to be framed and of the practical constraints on the range and

Hillery

speed of Community action. There is a limit to what can be achieved by the Social Fund even if there were a massive injection of cash and a great deal of ingenuity and agility was applied in adjusting its scope. It will be important, I know, in the Community in the period ahead to find we are speeding up the flow of Social Fund projects, and we are beginning in the Commission to work on a review of the fund, which is at present scheduled for 1977.

The unpleasant truth is that even in the present crisis perspective, to talk in these terms seems to me to be unrealistic. Smaller matters, significant but smaller matters, smaller advances in the Community's social policies are already threatened, as has just been mentioned, by the tightening of the budget purse strings by Member States. This is something that I believe the people of Europe will not understand, and will not forgive, either, and is symptomatic of an introverted approach to the current economic and social situation in the Community, which I judge to be potentially dangerous. Given that there are no miracle solutions to inflation and unemployment and that there is no expert consensus on the causes, direction and duration of the present trends, it is nevertheless agreed unanimously that there is a trans-national and indeed global dimension to our problems. There are no insuperable technical problems about reaching general agreement on specific national and Community initiatives of limited scope which would ease—certainly not aggravate—some of the symptoms of reduced economic activity. Why some people, who should know better, are tempted to ignore the supranational dimension of inflation and unemployment and to resist even relatively small Community initiatives in the belief that they themselves can best protect their own economic stability, I do not understand. I can only guess that such thoughts spring from the traumas of remembered history which resist the consensus of logic and consequent experience. Now is certainly not the time to weaken the resolve to strengthen the social commitment of the European Communities. Apart from participation in joint undertakings, commitment in any field means openness to relevant new ideas and a preparedness to welcome the participation of everyone who has something to offer to the common cause.

As we look ahead to the winter, the most promising aspect of the present very depressing picture is the programme of Community consultation already being prepared. Before the end of the year we will probably have had a further meeting of the Standing Committee on Employment. As I have already mentioned, we hope to have a tripartite conference, including the Ministers for Economic Affairs, and a

meeting of the European Council is scheduled in addition to the normal Council programme. The Commission welcomes and supports the development of such dialogue. We have already, as I have said, sent to the Council an outline of our views on the organization of the tripartite conference and will table a discussion paper for use at the conference before the end of next month. There need be no shortage of ideas. I believe that the scheduling of these meetings is a welcome initial indication of an appropriate openness of mind. Ideas such as work sharing and special youth employment projects which I have mentioned, raise problems for all parties concerned, for the trade unions, for employers' organizations, for governments. But I think that the time has surely come where everybody concerned must see how problems caused for them weigh in the balance relative to the weight of human tragedy and the real possibility of further economic, social and even political damage inherent in the present situation.

Before I finish, I would like to refer to the suggestion made by Mr Van der Gun and Mr Bertrand that Parliament hold a socio-economic debate in October. The Commission would welcome that and would of course be willing to participate in the shape of a declaration to be made as a basis for the discussion. This declaration, I may say, would be prepared and made by the Commission. Here again, we seem all to recognize the importance of economic considerations in dealing with what is now known as the social situation in the Community, and I think that in such a debate and in the tripartite conference, which will include the Ministers for Economic Affairs, we should have a clearer concept of the effect of our economic policies, the lack of cohesion in the Community, the decisions, as the last Member who spoke said, which are very difficult to understand and certainly in no way possible to justify. He asked six questions. They were all much the same. Can the action be justified? All I can say is that in no way can the action of cutting the budget at this time be justified in my mind. There is nothing of advantage in it in terms of the Keynesian formula, which works with deficits only. As I have said, the Social Fund does not create employment, but reducing the funds available reduces the possibility workers have of preparing themselves for potential new employment which will come when the recession is over, or for placement in vacancies that now exist and are not filled because the workers are not trained for them. There is nothing whatever to be said in favour of cutting down the budget at this stage.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — I thank the Commissioner for his candour. He was quite correct when he said that the people of Europe will not understand. Some of us in our weekend speeches are going to have some explaining to do on this issue. For instance, how on earth does one explain in Belfast or Londonderry that one is cutting back the Social Fund? That is the one thing we should not do, and I thought the Commissioner took the point that this does not help us to fight inflation. It really is very difficult to comprehend why this has been done.

I should like to ask one rather aggressive question. The Commissioner having said what he has, why is it that the Commission as a whole was not seen to fight for what it believes in? I may have got history a bit wrong, but as I understand it, in the days of Walter Hallstein the Commission did fight. It really took off the gloves and did battle with national governments and confronted them in the forum of European opinion. I would expect the Commission to take the same kind of action now. Am I wrong in thinking the Commission has been far too meek? I would just add that some of us think that it may be the job of Parliament to help.

(Applause)

President. — I call Mr Marras.

Mr Marras, rapporteur. — (I) Many Members have expressed their legitimate concern at the fact that a problem of this scale and importance has been considered by parliament under conditions such as those of a night sitting, which do not correspond to the magnitude of the issue. Mr Bersani went further when he said that this debate was perhaps not worthy in view of the gravity of the problems. He was not referring to the speeches, which have all been excellent, but probably to the way in which the debate has been organized.

At this point, I wish to recall Mr Hillery's statement; he accepted the proposal made by Mr Bertrand and Mr Van der Gun. The Commission has undertaken to make a statement and indicate its policy on employment at the October part-session; Parliament will then deliver its opinion on the Commission's observations. It is quite appropriate for a parliamentary debate to be held enabling all the groups to pronounce on this matter.

On behalf of the Committee on Social Affairs and Employment, I thank Mr Hillery for accepting this proposal.

(Applause)

President. — Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion for a resolution.

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

The preamble and paragraphs 1 to 5 are adopted. On paragraph 6 I have Amendment No 1 tabled by Mrs Goutmann, Mr Cipolla, Mr Lemoine and Mrs Caretoni Romagnoli and worded as follows:

Add the following text to paragraph 6:

'Regrets also greatly that the Council of Ministers, whilst approving the recommendation on the 40-hour working week and four weeks' paid holidays, should have put back the date of implementation to 31 December 1978, whereas the Commission and Parliament had come out in favour of 31 December 1975 for the 40-hour week and 31 December 1976 for the four weeks' paid holidays.'

I call Mrs Goutmann to move this amendment.

Mrs Goutmann. — (F) Mr President, ladies and gentlemen, this amendment recalls the position adopted by the European Parliament on the recommendation on the 40-hour week and 4 weeks' paid holiday. I believe that all our Members will agree on the desirability of calling the attention of the Commission and Council to the need to apply the recommendations and measures as soon as possible, and no later than by the dates initially fixed, which have been postponed to 1978. I believe that this is tantamount to calling into question the role of our Parliament, which has adopted positions that have subsequently been rejected by the Commission and Council; it also amounts to questioning our role as parliamentarians.

We must demand with the greatest possible firmness the application of these measures within the time-limits originally fixed. It seems to me that the Assembly must agree to these measures, which we adopted only a few months ago.

President. — What is the rapporteur's position?

Mr Marras, rapporteur. — (I) I believe that Parliament cannot go against itself. We have approved a resolution calling for the introduction of the 40-hour working week in 1975 and 4 weeks' paid holiday in 1976. This was the purport of the Commission's proposal, too, but the Council subsequently modified it.

I therefore consider, and I hope Mr Dykes will bear with me, that we must express our disapproval of the Council of Ministers by approving this amendment. I am a patriot, and I did not criticize the absence of the Council on this occasion.

(Laughter)

Marras

But you are perfectly right in saying that we must also deplore this absence. I therefore consider that we should unanimously adopt Mrs Goutmann's amendment.

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

Amendment No 1 is not adopted.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

I put paragraphs 7 to 11 to the vote.

Paragraphs 7 to 11 are adopted.

I now have Amendment No 2 tabled by Mrs Goutmann, Mr Cipolla, Mr Lemoine and Mrs Caretoni Romagnoli and worded as follows:

After paragraph 11 under section (c) insert the following new paragraph:

'11a. Believes that this grave crisis is no transient phenomenon, but owes its origin to the policies of big business and of the governments, institutions and political forces which serve its interests, policies that are plainly contrary to the needs of the peoples of capitalist Europe;'

I call Mrs Goutmann to move this amendment.

Mrs Goutmann. — (F) Mr President, ladies and gentlemen, throughout the debate we have all stressed the worsening crisis and the deterioration in the social situation of all our workers. If we are to pursue a balanced social policy, we must recognize the reasons for the worsening crisis and the deteriorating situation. But in fact no one in this Assembly, apart from the rapporteur and one other Member, has raised the question of the fundamental reasons for this crisis and the responsibilities at stake.

I referred to these reasons just now during the general debate. I think we should recall them: they are the intervention of big business, the multinationals and the governments which support them and tend to increasingly restrict social expenditure, thus making the workers bear the brunt of the crisis.

If we are aware of these responsibilities and of the reasons for the crisis, it is only to that extent that we shall be able to pursue a social policy corresponding to the needs of the entire population of the Community.

That is why we stress the need to introduce this paragraph supplementing paragraph 11.

President. — What is the rapporteur's position?

Mr Marras, rapporteur. — (I) Mr President, the discussion of this motion for a resolution, and

my colleagues in the Committee on Social Affairs and Employment will surely agree with me, has brought to light opposing points of view, but has been conducted in a spirit of great loyalty.

With the same loyalty, I must state that I personally fully endorse the content of this amendment while adding that it does not reflect the views of a majority of the committee's members. A majority was not obtained in committee on a similar amendment.

Consequently, as rapporteur, I can do no more than leave it to the Assembly to decide.

President. — I call Mr Dykes.

Mr Dykes. — Mr President, I very much hope that Parliament will reject this amendment. It is totally out of context. The underlying reasons are not, I believe, acceptable to the majority of Members of this Parliament. Once again it is an attempt by the Communists and Allies Group to inject those old original ideas which upset the whole tenor of what could have been a united collective effort to deal with the central problems of unemployment. It is an attempt to refer to just one particular possible source of the crisis, namely, big companies and big business, when we are living in a society of mixed economies. In the United Kingdom, for example, more than 20% of the total national resources are now held by the state or its agencies. The amendment is totally unrealistic, and I hope very much therefore that Parliament will reject it completely.

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

Amendment No 2 is not adopted.

I put paragraphs 12 to 15 to the vote.

Paragraphs 12 to 15 are adopted.

On paragraph 16 I have Amendment No 3 tabled by Mrs Goutmann, Mr Cipolla, Mr Lemoine and Mrs Caretoni Romagnoli and worded as follows:

In paragraph 16 under section (c) insert the following text after 'short-term economic situation':

'by putting in hand, as a matter of urgency, the following measures:

1. revival of the economy through an increase in private and public spending;
2. adjustment on a sliding scale basis of wages, pensions and other social benefits;
3. raising the level of the lowest incomes;
4. indexing of savings;
5. action to guarantee farmers a fair income and specific aid to family-type agricultural holdings;

President

6. adoption of the 40-hour week in 1975 in all the EEC countries without reduction in wages;
7. lowering and harmonization of the retirement age;
8. regulation of individual dismissals and dismissals connected with mergers;
9. harmonization of arrangements to protect the social position of the unemployed based on the most advanced legislations, and submission of proposals for the maintenance of unemployed workers' income;
10. temporary freeze on public tariffs and the producer prices charged by large undertakings with a dominant market position;
11. abolition of indirect taxation on necessities and reduction of such taxation on basic consumer products;
12. reduction of ancillary expenditure on accommodation and a temporary freeze on rents in the public housing sector;
13. introduction of a special tax on the very high earnings received by large banking, industrial and oil undertakings as a result of inflation;
14. introduction of controls on the use of public—both national and Community—financing granted to such groups.'

I call Mrs Goutmann to move this amendment.

Mrs Goutmann. — (F) Mr President, ladies and gentlemen, these are proposals for urgent and immediate measures which would enable the Community to have an innovative social policy, and as the committee's rapporteur has stressed, economic measures which would subsequently enable a valid social policy to be applied. On this point I agree with him in recognizing that there cannot be a social policy without a concomitant economic policy. That is why I shall particularly stress, having regard to the fact that all the Members have the text of these amendments, the economic measures which would effectively enable social progress to be furthered and a Community social policy corresponding to the needs of all workers and their families.

In particular, we are proposing the creation of an extraordinary tax on the very high profits of the big banking corporations and industrial and oil companies resulting from inflation, the institution of controls on the use of the national and Community public finance granted to these groups. We also advocate the temporary freezing of public service tariffs and production prices of the large undertakings which dominate the market, the abolition of indirect taxation on essential commodities and the reduction of this taxation on products of everyday consumption. I believe that acceptance of these proposals is necessary if we are to pursue a real social policy.

This is not, as Mr Dykes suggested just now, a doctrinaire document; on the contrary these measures alone will enable us to escape from the crisis and at long last introduce a social policy.

President. — What is the rapporteur's position?

Mr Marras, rapporteur. — (I) I shall repeat the point I just made, Mr President. Personally I fully share the views reflected in this amendment. I also believe that Members will appreciate the positive effort made by our group in presenting an organic set of measures without regard to our views on the individual measures involved. Mr Adams made the same point in committee, and I have recorded this fact in the explanatory statement annexed to my motion for a resolution. Perhaps it would have been useful for the Socialist Group to present a series of proposals through Mr Adams in the form of amendments. With the same frankness, I must admit that a majority of members of the committee did not share the views reflected in these measures. As the rapporteur for the majority, it is my duty to inform Parliament of this fact, and I must leave the Assembly to decide.

If I may be allowed to make a personal comment which will determine the final vote of our group, it is certainly possible to entertain reservations on this complex of measures, but many of the proposals contained in these fourteen points are in no way doctrinaire, as Mrs Goutmann rightly pointed out. Some of these requests have been put forward by the Commission itself. In fact, in its latest document published in June of this year it says at one point:

'Against the background of a shortage of jobs measures must be taken to distribute the available jobs among the active population; early retirement; a reduction in the working week; longer holidays and better benefits on dismissal.'

These are precisely the requests contained in Mrs Goutmann's amendment.

What have the unions asked for? The CES—not, you will note, the CGT—in the document submitted to the Commission called precisely for demand to be stimulated by increasing private and public consumption; it calls also for the construction of low-cost housing. The same proposals are made in Mrs Goutmann's amendment. This is being asked for by the European Trade Union Confederation, which is chaired by a German Socialist. I could continue to list a whole series of measures. If anyone is shocked by the proposal for an immediate freeze on public service tariffs, I would remind him that

Marras

Belgium, where there is a government of Liberal and Christian Democrats, has a freeze of this kind, and the unions are asking for it to be extended. Why should anyone be shocked by these measures? That is the least I can say. After this personal defense, I shall return to my capacity as rapporteur and say that the committee considered and discussed these measures, but did not accept them. It is therefore up to the Assembly to decide.

President. — I call Mr Albers.

Mr Albers. — (NL) Mr President, I believe that Mrs Goutmann and her colleagues who tabled this amendment are placing Parliament in rather a difficult situation because it is indeed true that an altogether unsatisfactory answer was given to the question put to the Council this morning on the precise measures now to be taken to combat unemployment. We are afraid that there are few concrete plans. In her amendment Mrs Goutmann is now proposing a number of measures which we would find difficult to reject as a whole in the form in which they are described.

This amendment amounts to a further clarification of one paragraph of the resolution. This clarification is useful because it points towards a solution. However, there may be difficulties when it comes to the vote. It would therefore be desirable for a vote to be taken on each point separately. I shall therefore appeal to the authors of this amendment to withdraw it. They can then present it as a motion for a resolution for a debate in October. This idea is approved by Mr Marras and, I believe, by the whole Communist and Allies Group.

The Ministers of Social Affairs are to be present at the October debate. They will then be able to indicate their views on a number of measures proposed here. A wide-ranging debate can then be held, and the different groups will be able to indicate their position clearly on the different measures.

If the amendment is withdrawn now it will not be forgotten, since the resolution indicates the overall measures, and further details can follow in October.

President. — I call Mr Adams.

Mr Adams. — (D) Mr President, I should like to return to the comments made by Mr Marras on the opinion expressed by the committee on the complex of proposals which he submitted. They were discussed by the committee, and I must confess that out of this group of 16 or 14 points there are certainly a number of measures

which we in the Socialist Group could support and which I personally can also support. But the committee rejected the idea of a detailed list of demands and was content with a global demand in paragraph 16 because there were wide differences of opinion between the Member States on these individual measures. I share Mr Albers' view that if—as Mr Hillery has proposed—we are to hold a detailed debate on social policy in October, that would be the time to put forward detailed measures. For this reason I therefore recommend rejection of the amendment, as the committee has already done.

President. — I call Mr Härzschel.

Mr Härzschel. — (D) Mr President, Mrs Goutmann's amendment certainly contains a number of perfectly acceptable points, and in the long term many of these should be aims of our social policy. But the question—which we must ask—remains: how are we to pay for all this? I would like to put the question quite coolly to Mrs Goutmann. Have you ever calculated what all this would cost and where the money would come from? I think that we must be serious enough in our policies not to make certain demands without working out where the money is to come from. Then we must also say whether we propose to take from one group and give to another, whether there is to be an internal shift in social policy, or how all this is to be implemented. I therefore believe that we cannot accept a package of measures like this without further discussion. For that reason our group, too, will vote against this amendment.

President. — I call Mr Kaspereit.

Mr Kaspereit. — (F) Mr President, I was not particularly surprised to see the amendment tabled by Mrs Goutmann because in my own country I attended a sitting in Parliament where I heard a number of speeches containing practically all the fourteen points she has so kindly proposed to us. I shall not go into the content of this amendment. I shall simply point out that it is in some ways contradictory. I see a contradiction between economic revival based on increased consumption and the simultaneous indexing of the savings of the 'people'—I do not know why the term of the 'people' is used, because savings are not normally qualified in this way.

Be that as it may I cannot see the relevance of this amendment, or, more precisely, I wonder, while congratulating Mrs Goutmann on doing so, how she has been able to propose to the European Parliament in such a short space of time

Kaspereit

a solution to the economic and social problems facing the whole Community for a number of months and even years. I admire you, Mrs Goutmann, and congratulate you; I am grateful to you, but I cannot agree with you. The economic and social situation is not the same in all the Community countries—or, to put it more precisely, the form it takes differs, the context is different and there cannot be one single solution; I would say that this is all the more impossible as each individual country is unable to find a solution suiting its own situation.

Therefore, ladies and gentlemen, I would ask you to reject this amendment as we should be covering ourselves with ridicule if we adopted without further ado a number of measures which in some cases are certainly extremely valid and indeed applied in each of our countries, but taken as a whole are not serious enough and do not hold out the prospects of success which we are entitled to expect.

(Applause from the right)

President. — I call Mrs Goutmann.

Mrs Goutmann. — *(F)* Mr President, I should like to reply to the last speakers, who seem very embarrassed by this amendment since they are obliged to admit that it contains a number of measures which in their view are valid and at least warrant discussion. I would reply to Mr Kaspereit that we view the situation as seriously as he does and that when we make proposals, we have thought them out carefully and made a number of calculations; we are also proposing economic solutions to find the resources enabling this social policy to be applied.

Let me remind you again that these are not demagogic arguments conjured out of thin air and proposed without due reflection, but the only solutions which in the long run will enable an effective social policy to be applied, provided that the economic measures necessary to overcome the crisis are adopted. This is what the European Community and all its governments are unwilling to do at present. That is why everyone is so embarrassed by this amendment.

Even if we are obliged to propose a resolution taking over all these points at the October part-session, we shall nevertheless maintain our amendment now because it seems to us that these are the most urgent measures needed at this stage to help workers throughout the Community.

President. — I put Amendment No 3 to the vote.

Amendment No 3 is not adopted.

I put paragraph 16 to the vote.

Paragraph 16 is adopted.

I put paragraphs 17 to 20 to the vote.

Paragraphs 17 to 20 are adopted.

I call Mr Fabbrini to give an explanation of vote on behalf of the Communist and Allies Group.

Mr Fabbrini. — *(I)* Mr President while the motion for a resolution now before the Assembly has been presented in a clear and precise, even brilliant manner by a colleague from our group, it reflects the position of the Committee on Social Affairs and Employment on whose behalf our colleague was speaking. In our judgment this motion contains a number of interesting criticisms, views and proposals, but it does not contain all the criticisms our group could make of the Community's social policy or all our proposals, although, as I have said, it does express views and contain proposals moving substantially in the right direction.

For these reasons we should have been able to approve the committee's motion if the amendments presented by our group had been approved, at least in part. But now that the majority has rejected all of them, thus contradicting previous resolutions, as in the case of Amendment No 1 on the 40-hour working week and paid holidays, which merely repeats a previous decision of this Parliament, we can only note a complete inadequacy in the face of the problems confronting the workers and population of the Community today. This inadequacy has not been denounced by our group alone; it has also been referred to by a number of other speakers in this debate. While expressing our positive view on the new features of this motion compared with previous texts, thus reflecting a move in substantially the right direction, we cannot approve it and shall therefore abstain from the vote on the motion for a resolution as a whole.

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

The resolution is adopted.¹

9. Order of business

President. — I call Mr Pisoni for a procedural motion.

Mr Pisoni. — *(I)* Mr President, I would like to ask the Assembly to proceed immediately to the discussion of the Albers report, since this is the

¹ OJ No C 239 of 20. 10. 1975.

Pisoni

most important item on this evening's agenda. If we allow another half hour to go by I think that, given the late hour, the debate will be reduced to next to nothing.

President. — I call Mr Shaw.

Mr Shaw. — Mr President, I should like to object to this proposal. I fully understand my colleague's desire to move on to the matter of interest to him. I do not anticipate a great deal of time being spent on the next item, but I do believe that it is absolutely vital that we make sure that the report goes through as soon as possible.

President. — I put the proposal to the House.

The proposal is rejected.

10. Regulation amending the financial regulation for the European Social Fund

President. — The next item is the report drawn up by Mr Shaw on behalf of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council for a regulation amending the financial regulation as regards appropriations for the European Social Fund (Doc. 258/75).

I call Mr Shaw, who has asked to present his report.

Mr Shaw, rapporteur. — Mr President, this report comes before us because the Commission found that in practice the financial procedures for the operation of the European Social Fund presented certain difficulties which could be overcome, in their opinion, only by way of an amendment to the Financial Regulation. Under the existing regulation, up to 85% of the assistance granted under the Social Fund arrangements may be paid on account as the operations progress. The balance is paid after the Commission has received a general statement of expenditure drawn up on the conclusion of the operations. This general statement must be accompanied by supporting documents. The basic regulation provides for the operation of checks by the Commission to ensure firstly, that the administrative practices conform to Community rules, secondly that the necessary supporting documents exist and tally with the operations financed by the fund, and finally, that the manner in which the operations are carried out and supervised is appropriate.

Mr President, these necessary verifications cannot always be carried out within a tight

schedule, and the Commission has found, so it tells us, that the provisions of Article 6 of the Financial Regulation proved to be too strict when applied to the European Social Fund carry-forwards. The Article 6 in question provides that payments outstanding under commitments entered into between 1 January and 31 December in any year are carried forward automatically for one year. At the end of the year the authority lapses; in other words if the money has not been allocated or spent there is no longer any authority to spend it. The Commission maintains that a two-year rather than a one-year period of carry-forward is necessary in these circumstances. The Commission has explained to us the practical problems produced by the present one-year limitation. The Committee on Budgets, Mr President, has been satisfied as to the urgent need for change. In the short term, that change can only be along the lines proposed by the Commission.

This has, however, presented us with a difficulty. On the one hand, your committee, with the full approval of Parliament, is seeking to amend the Financial Regulation, particularly with regard to Article 6 in the carry-forward provisions, to amend it in such a way as to give Parliament greater authority in this field. Yet it must be obvious that if we do what the Commission requests, the effect of the proposal must be to weaken our powers still further. On the other hand, a refusal on our part might endanger programmes that must have our support and goodwill. The European Social Fund operates, as you will recall, to help in providing employment. We have just had a long and useful debate, and we all know the importance of the efforts being made. At the present time, with the problem of unemployment greater than it has ever been in the lifetime of this Community, we cannot allow ourselves in any way to appear to hinder the operation of the Social Fund. In principle, your committee has therefore approved the proposal that the European Social Fund appropriations can be carried forward two years instead of one as at present. But we have, as you will see from the motion for a resolution, qualified our approval.

Perhaps, Mr President, I could say here how much we have appreciated not only the frankness of the Commission in explaining the practical difficulties it has faced in carrying out the administration of the fund, but also the way in which it has understood what we ourselves are trying to achieve. We are grateful, too, that Commissioner Hillery is with us tonight.

From our discussions the following points should be noted. Firstly, the Commission will itself be

Shaw

proposing major amendments to the Financial Regulation as a result of the recent changes in the Treaties. Secondly, the arrangements relating to the Social Fund will need, in any case, to be formally reexamined before mid-1977. Under the Council decision which set up the Social Fund, there is a need for a major review every five years, and so we believe it would be appropriate for its financial arrangements as a whole to be examined at that time.

The Committee on Budgets therefore considers that an amendment should be made to the proposal put forward by the Commission. This amendment is designed to ensure that the derogation regarding carryforwards will be included as part of the general review of the Social Fund that is required by the basic Council decision. On carry-forward arrangements generally I will today only say that your committee will continue to examine these, either as a follow-up to a proposal from the Commission or by way of an own-initiative report.

Finally, Mr President, may I say that the Commission has accepted as reasonable the amendment proposed by the Committee on Budgets. I thank it for agreeing to meet us on this. It is therefore an entirely non-controversial measure that I recommend to the House.

(Applause)

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

Mr Härzschel. — *(D)* Mr President, ladies and gentlemen, in view of the late hour and the fact that we still have another important report to deal with, I will be brief. We very much agree with what the rapporteur has told us and we are ready to agree to the Commission's request. We also, however, share the opinion of the Committee on Budgets that there should be no extension of this practice and that things should go no further than this one exception. Next year we shall probably be reviewing the activities of the European Social Fund over the five-year period. This question of budget practice can also be discussed at that time. The Christian-Democratic Group agrees to the motion for a resolution that has been tabled.

President. — I call Mr Hillery.

Mr Hillery, Vice-President of the Commission. — Mr President, Mr Shaw has explained very well and fully what the Commission wished to achieve with its proposal, and I want to thank him and the Committee on Budgets. The measure will ensure that the credits agreed for this European Social Fund are fully utilized.

The Commission, of course, does accept the condition of a review of the financial arrangements within the framework of the general review of the fund.

President. — Does anyone else wish to speak?

The general debate is closed.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

11. *Action programme in favour of migrant workers*

President. — The next item is the report drawn up by Mr Albers on behalf of the Committee on Social Affairs and Employment on the Communication from the Commission of the European Communities to the Council concerning an action programme in favour of migrant workers and their families (Doc. 160/75/rev.).

I call Mr Albers, who has asked to present his report.

Mr Albers, rapporteur. — *(NL)* Mr President, after three months of waiting we have finally reached the point of being able to discuss the action programme in favour of migrant workers and their families. It might be concluded that migrants can wait, but I hope that by the end of this debate a different view will be taken, because the presence of large numbers of migrant workers is not a new phenomenon. In the history of mankind we have time and again seen large groups of people on the move because the means of existence have become too scarce or totally lacking in the areas they have left.

In the European Community, Italy and Ireland are two salient examples. Tens of millions of people have been forced to migrate to other parts of the world in order to earn a living. In this Europe, with two world wars behind it, personal mobility has developed to a high level. Workers move to the economically strong areas within their own countries, they commute from home to work or settle permanently, with their families, in those places where work is to be found. Frontiers are no longer an obstacle; in the European Community, increasingly large numbers of workers migrate from one Member State to another in order to do their job.

Ever larger numbers of workers are attracted away from the countries with low standards of living around the Mediterranean in order to

¹ OJ No C 239 of 20. 10. 1975.

Albers

work in the concentrated industrial areas of Western Europe. This has made it possible for economic activity in these industrial areas to develop even more vigorously. Millions of largely unskilled workers have enabled production to be raised to unprecedented heights. The fruits of these efforts have primarily benefited privileged groups in the industrialized countries and only to a very small extent the millions of low-paid workers from the poor countries and to an even lesser extent the poor regions themselves. It has to be recognized that as a result of the migration in the sixties the already striking differences between poor and rich regions and poor and rich countries have merely increased.

There is a clear correlation between the phenomenon of migration and economic development. It is one of the determinants of economic growth in the European Community and it has a radical effect on the countries from which the migrant workers have come. Migration is a remarkable and important phenomenon economically speaking, but when we look into what it means for the people concerned, the migrant workers themselves, it is quite clear that it has a deep effect on the personal lives of millions of human beings who, in order to provide the necessities of their daily existence, are forced to leave house and home and face an uncertain future.

On the basis of these facts we are able to approve this action programme, whose purpose it is to improve the living conditions of workers and their families. The general content of the action programme is acceptable, and the analysis on which it is based is commendable. The significance of the presence of millions of workers in jobs where only a low wage is offered has been fairly assessed and the aggravation of regional imbalances as concentration grows in the congested areas and the debilitation of the emigration zones due to their growing exhaustion caused by the departure of manpower in such numbers, has rightly been described as a major drawback.

In three hearings the Committee on Social Affairs and Employment has been able to acquaint itself with the extent of the problems, both those concerning economic effects and those affecting the personal circumstances of migrant workers and their families.

In addition, the national Italian conference held late in February of this year in Rome brought forth a number of facts and recommendations which throw a clear light on the migration problem, the more so that Italy has a special place among the nine Member States because of

the large number of Italian migrants in other Member States.

It is on the basis of the knowledge gained in this way and also bearing in mind earlier debates on migration in this Parliament that I have, in this report, to express disappointment and criticism. Disappointment because of the delay in the submission of the action programme—8 months later than originally intended. The consequences of this are all the worse in that, last year, a wave of unemployment broke over the European Community. Unemployment figures rose by 90% and, according to the latest figures for this year, there has been a further major increase compared with the previous year: 56% up, making a total of 4 675 000. The effect of this on the position of migrants is by no means negligible. Relatively speaking, more of them have been laid off, they have been replaced by nationals, the number of illegal migrants has gone up because of the withdrawal of residence permits, and social conditions have worsened.

There is no mistaking the fact that migrants form a vulnerable group in our society. With the steep increase in unemployment, opposition to the presence of foreigners in the industrial areas has grown. That the Commission was aware of the harmful consequences of delay is clear from the announcement, when the Community's Eighth General Report was submitted, of three measures before the first quarter of the present year, which anticipate the introduction of the action programme.

1. Proposals have meantime been submitted to the Council and relate to the standardization of regulations on the payment of family allowances to workers from the Community whose families live in a Member State other than the country of employment.
2. The extension of trade union rights to Community migrant workers.
3. The necessary technical changes to the social security provisions applicable to migrant workers so that these are brought in line with recent changes in national legislation.

As a fourth and extra point a directive has been submitted regarding the education of migrants' children.

However gratifying it may be for the Commission to have made this start on the implementation of our proposals from the action programme, a number of critical comments are also called for in this connection.

The regulation on the payment of family allowances and the extension of trade union rights

Albers

refers solely to migrants from Member States—not from other countries. Both regulations improve the position of migrants from Member States, but do nothing for migrants from other countries. In fact, the existing differences between the two categories have been enlarged even though, in the action programme, the Commission stated that, in its judgement, one of the principles of the programme for migrants should be the gradual removal of all discrimination against these workers in respect of working and living conditions provided—in the case of migrants from third countries—they are legally admitted to the employment process in the Community. This is a basic objective calling for a major political effort, but which, in the framing of the Social Action Programme drafted in January 1974, has not come one step nearer fulfilment. Parliament had given its opinion with regard to the conflict of laws as early as January 1973, but this has not yet been followed by any further reaction on the part of the Commission. This way of dealing with things, which affects the living conditions of well over ten million people living in the European Community, does little to improve the credibility of the European institutions, to put it at its mildest.

In the preparation of my report, therefore, rather than going into detail, I wished primarily to focus attention on the general aspects of the problem—in the hope that in this way the political forces may be aroused—in order to implement what, for some time now, has been given expression in desirable policy objectives. We are not only disappointed because of the delay that has occurred; we are also critical of the following points:

1. No priorities are indicated and no timetable is laid down.
2. The equality of all migrants, whether from the Member States or from third countries, is not fully explored, and the failure to submit a Migrant Workers' Charter by the date promised is regarded as a serious default.
3. The European Community manifests itself insufficiently to the ten million migrants.
4. After an excellent analysis of the migrant problem too little attention is given to long-term problems in the formulation of the programme.

As a result of the four aspects, which we criticize, the programme is too non-committal and offers insufficient prospects of rapid help in areas and cases of distress. It is essential for this non-committal character to be eliminated from the programme and for practical proposals to be framed for the improvement of housing,

education, public health and social welfare. The existing regulations on freedom of movement and the social regulations should be revised on the basis of the principle of equality of all migrant workers, whether from Member States or third countries. Existing bilateral agreements should be reviewed and harmonized, and differences in legislation applying to foreigners in Member States should be scrutinized. There is a vast area for work on the promotion of the civil and political rights of migrants. Action should result in legislation at Community level, since otherwise there can hardly be any question of improvement in the situation and living conditions of migrants. The use of an action programme and the step-by-step introduction of a number of regulations and directives is not, of itself, to be discounted, provided it is sustained, but it involves the risk of a piecemeal series of provisions emerging for which the legal basis would be lacking.

At the meeting held on 11 June 1974, Mr Bertrand, chairman of the committee on Social Affairs and Employment, expressed his fears on this count and warned that there was a danger of the Migrant Workers' Charter being shelved indefinitely. Things have not stood still since then. But the Charter was not submitted, as Parliament had wished, by 1 April 1975. The dangers referred to by Mr Bertrand seem merely to have become greater. The Commission should be pressed to submit the requested charter as soon as possible so as to prevent the formation of those legal quicksands in which, in the end, all good resolutions with regard to the problems of migrant workers would sink and vanish.

Recruitment also needs to be given special attention at European level so that free movement may really be achieved. For this it would be necessary—and I hope that this Parliament will express itself clearly on this—to put an end to the recruitment and employment of migrants who do not have the necessary papers, in other words illegal workers. This phenomenon, which is probably greater in extent than has so far been assumed, calls for a Community solution and is urgent in the extreme. The employment of workers who do not have the required papers, whose wages are too low and who are left to live in primitive conditions, awakens memories of the early years of the industrial revolution and an era when child workers made cheap production possible. Only through vigorous action with penalization of the guilty employers and the profiteering labour-traffickers can these evils be brought to an end. The protection of the social rights of all workers calls for vigorous action against this failing in our society.

Albers

At Community level, a lead needs to be given for this urgent action, which would also give the Community an opportunity to stir itself, *vis-à-vis* the migrants, as proof of its serious intention to implement a European social policy

Great importance should be attached to Community action in favour of the millions of migrants. Last year, during the discussion of the Wieldraaijer report, reference was made to the tenth member of the Community, the ten million migrants, a larger number than the population of some Member States.

It is, of course, difficult to use such expressions, but they acquire substance if the European Community actively behaves as the migrants' mother-country.

To make a start in this direction, three proposals have been included in the motion for a resolution:

1. An investigation into the possibility of setting up a special insurance fund at European level, guaranteeing returning migrant workers or their families a payment on the basis of the number of years they have spent working in the Community (paragraph 7).
2. Examination of the possibility of setting up at Community level an institution under public law to provide services in the handling of transactions of migrants (paragraph 11 B (h)).
3. The holding of a European conference so that migrant worker organizations might be consulted on the implementation of the action programme (paragraph 6).

Without prejudice in any way to the other two proposals, I would attach greatest significance to the third, that regarding the conference. Even though the Economic and Social Committee and the social partners have been consulted on the action programme, it may be assumed, with a high degree of certainty, that this programme has nevertheless been thought up over the heads of the people most concerned.

This is not a reproach levelled at the Commission because it is readily apparent that it is no simple task to get a representative delegation of all migrants, both from Member States and from third countries, sitting around a table. But it must also be acknowledged that the necessary arrangements are lacking for the representation of migrants through the agency of existing bodies, this being recognized in the programme itself, where reference is made to equal rights for the parties concerned.

For this reason a conference could be of great importance as a way of preventing decisions being taken over the heads of those concerned and of creating a forum for the migrants' organizations where the latter might be steered towards coordination.

I now come to my fourth point of criticism, namely the lack of a forward policy with regard to counteracting the phenomenon of forced migration due to the absence of adequate employment opportunities in certain areas of the Community and in the Mediterranean countries.

I would like to complete the analysis given in the Commission's action programme with the interesting data obtained by the Committee on Social Affairs and Employment at the recent hearing in Dublin on 3 June. The report on the hearing is to be found in Document PE 41 081, but since I assume that, there being so many interesting documents, this report may well have escaped the notice of some Members, I would like to reiterate what Mr O'Neill, head of the National Employment Office, told us in his historic review of emigration from Ireland, which has reduced the population from 8 to 4 million:

'Studies have shown, however, that the majority of emigrants are unskilled workers with jobs in the construction industry, while women find employment in the main in the services sector and in factories. These two factors—age and occupation—are the most worrying features of the migrant worker problem. The migrants are mainly young, socially inexperienced people with little training and lacking specific skills, which not only limits them to unskilled labour in the host country, but also restricts their opportunities to make the best of the changed conditions in which they find themselves. Since they are not properly able to stand up for their own interests they often fall victim to unscrupulous employers.'

These precarious conditions, namely inadequate training, the lack of equal opportunity and exploitation apply just as much to large groups of Italian workers as they do to the Irish and perhaps even more so to workers from Mediterranean countries not in the Community because of their greater language difficulties. It is no exaggeration to speak of a modern *Lumpenproletariat* or, to quote a German trade union representative, to say 'that everyone in Western Europe has his coolie.'

But what has changed for the countries which supply the cheap labour?

In the Committee on Social Affairs and Employment it has been calculated that the number of jobs in Ireland should increase by 200 000 to 300 000 over the next ten years. In fact, the increase in the number of jobs comes to no more than 10 000 a year so that the potential emigrant surplus in the next ten years will be something between 100 000 and 200 000. What particularly interests us now is whether data have been collected on the potential emigration surpluses in Italy, Yugoslavia, Turkey, Algeria, Tunisia, Morocco, Portugal, Greece and Spain and the other countries around the Mediterranean.

Albers

Are there development programmes in preparation, designed to slow down the flow of emigrants, are there any ideas and plans whose aim is to ensure that young migrants would be able to follow vocational training so that in due course they would go back to their own countries better equipped to take the lead in the process of change?

It is to this and many other questions that the Committee on Social Affairs and Employment has devoted much attention and effort in the firm conviction that in the countries and regions concerned the actions of the European Community are being closely watched. In fact, the problem involves far more than the ten million migrants now in the Community. There are also the hundreds of millions in the countries of origin on the European Community's doorstep who, more often than not, have to live in what we would call poverty conditions and still have no opportunity for any real improvement.

I hope therefore, with all my heart, that the report I have produced will receive the attention it deserves and that the resolution it contains will contribute to the social changes that are necessary in the interests of the peace and well-being of millions of people.

(Applause)

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

Mr Della Briotta. — *(I)* Mr President, ladies and gentlemen, the Socialist Group, in whose name I speak, will be voting in favour of the programme which the Commission has submitted to us, in application of paragraph 2 of the list of priorities of the Social Action Programme dated 21 January 1974.

In voting in favour, however, it will take into account the excellent report of Mr Albers, a member of our group, which successfully highlights a series of unresolved problems that, even in the present difficult economic situation, would have merited greater attention and greater application if the worst effects of the cyclical situation are not to be suffered by migrant workers. In addition, the Albers report lists a whole series of critical comments and observations that we fully share.

The first comment concerns the delay in submitting the proposal, which must be seen in conjunction with the deterioration in the general economic situation that has taken place in the meantime and with the worsening that this has meant in the conditions of migrant workers in the Community. We need to be fully aware of the dangers that exist, namely that the host

countries could well sacrifice their migrant workers to solve their own cyclical unemployment problems. It is for this reason that we are not prepared to accept the argument of general solidarity, however just and right it may be, because this is not the problem. And in any case we consider that the time already lost and that which unfortunately will be lost is prejudicial to the migrants.

A second comment concerns the legal form that has been chosen—the programme—which is not provided for in the treaties. It has no binding character and therefore no sanctions for possible non-observance by Member States, and anyone other than an optimist—and with these shadowy schemes I am not an optimist—could easily think that the objectives will perhaps slip farther away as time goes by and lose much of their value.

In his report, Mr Albers follows these critical comments with a number of constructive proposals. They relate to the Migrant Workers' Charter, repeatedly requested by our Parliament and promised by the Commission for 31 March 1975, and call for greater attention to be paid to the problems of education and vocational training by the Member States—but with what I consider to be an essential reference to the need for a specific number of hours to be set aside for such training each week during working hours. Next come proposals regarding civil rights and social welfare and security, followed by a vigorous condemnation of the shameful phenomenon of illegal immigration.

The Albers report, which I support as I support the measures proposed in the programme, also makes a restrained but sound reference to the long-term problems of migration, which the Commission, in contrast, had dismissed in a few phrases.

Admittedly, the present situation is difficult for all, but we ought to demand that the crisis we are passing through be overcome with a greater degree of cooperation, that is to say with economic policies which achieve a new balance in productive activity and in the development of the various geographical areas of the Community.

For this very reason the independent or nationalistic temptations which keep surfacing with increasing insistence should be spurned. And we are also concerned to see the tendency for some states to ban immigration, the implication being that the masses of migrant are used as the most convenient way of making the economic system more flexible.

We do not agree with those who react to the difficult problems of the day by flights into

Della Briotta

the future, perhaps to evade their own grave responsibility, nor with proposals of the 'populist' type which are fine for public speaking, but which leave things exactly as they were.

However, this having been said, we ask that the situation should be recognized for what it is and not considered purely as a result of the unfavourable cyclical situation. We should, that is, realize that the simultaneous progress provided for in the Treaty of Rome towards freedom of movement of industrial and agricultural products and towards the harmonization of economic policies has not been achieved. The process of integration has become the cause of uncontrolled, or perhaps uncontrollable, internal migrations that have accentuated existing internal imbalances.

My country could be the set book for anyone wanting to study these problems because Italy has known the dual phenomenon of emigration towards the Community's richest regions and at the same time internal migration in large numbers: more than 20 million Italians—i.e. slightly less than half the population of the country—have moved home since the war without leaving Italy. And it would be right to say that many of the difficulties with which our administrative organization and public authorities in general are struggling in order to provide a minimum of services, and the very social and political tensions themselves with which political observers are so preoccupied, have their origin in this turmoil of coming and going that no other country in the world has experienced in time of peace. The problem, therefore, is not necessarily to be laid at the door of the ill will or goodwill of individual governments. Admittedly, if we were to look into the individual problems closely, we would find grounds for complaint at the shortcomings of the countries of origin and also those of the host countries. But it is not only this that is involved. And in any case it would be wrong to level the complaints in only one direction.

The real problem is that of freeing emigration of its root causes, which are structural and consist in the economic and social backwardness of societies in Southern Europe, once true of other societies which today, however, have developed to the point of receiving instead of supplying migrant workers.

If we do not do this, if we do not take steps to see that migration in Europe ceases to be regarded as inevitable but instead as the consequence of an objective condition that we can and should correct with suitable and appropriate measures, everything becomes pointless.

If we reflect on what the European Labour Movement has managed to do over the last hundred years to create solidarity between migrant workers and workers in the host countries, if we think of the readiness of the trade union movement to promote a policy for the defence of more general interests, we may have reason for confidence. But all this, too, could become pointless if it is not accompanied by coherent policies at national level designed to ensure stricter and more rational use of financial resources, technologies and productive activities and then linked to a similarly coherent Community policy aimed at achieving—and not in the year 2000—the target of full employment and surmounting the imbalances that are the root cause of migration.

This, in my belief, is the true reply to be given to the problems which migration presents today, a reply that cannot be left solely to marginal support measures, even though we recognize their importance for the immediate future.

The Commission's proposals tackle only this kind of problem—which was perhaps inevitable—in a way which we consider to be inadequate. Even so we shall vote for the programme, hoping that the content of the motion for a resolution—the result of the work of our colleague Albers and the Committee on Social Affairs and Employment, whom I thank sincerely—will be similarly received.

(Applause)

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

Mr Pisoni. — *(I)* Mr President, before embarking on what I have to say allow me to address a serious reproach to the Presidency of the European Parliament. At the last part-session, when the time came to discuss social policy problems it was too late and in order that the debate should not be sacrificed by being squeezed into too short a period of time, we decided to defer it to the present part-session. At the time, we were assured that we would have all the time required to devote to the debate on social problems the importance that they merit and that they have. But instead I see, with the discussion relegated to midnight and few Members present, that not the slightest account has been taken of their importance. If it was ever said that Europe was a social Europe, here we are openly contradicting the claim, and this is a specific criticism of the order of business, because it seems to us that this is not the most fitting way to deal with problems of such major importance.

The subject of migrant workers has come up many times in this Parliament and has often

Pisoni

been discussed in the parliamentary committee. By dint of hearing so much said, anyone could easily believe that the problems have been solved but this is not so. It has to be admitted that, with so many promises, only the odd small-scale measure, in relation to the great range of measures that are needed, has been adopted. This discussion on Mr Albers' report, to whom we express our gratitude for the work he has done, is another opportunity for a general discussion on the conditions and needs of migrants.

They number over ten million, exposed, more than others, to adverse economic conditions, reductions in the employment market, unemployment, and the difficulty of really exercising their rights. More than others they have purely formal rights and freedoms that are difficult to exercise in practice in their daily lives, for they are instruments, whether they know it or not, of an economy which takes little or no account of man, his rights and his dignity. Sought after in periods of economic expansion they are turned away when recession threatens. They are the subject of more speeches than practical help. Even so, not everything is the same as before. On both sides, theirs and ours, a greater awareness of the problems has been acquired, a new realization and a new determination to tackle them, and in spite of the present adverse economic situation, the difficulty of maintaining jobs and not compromising the levels of employment, the conditions have been created for some important functional options and first and foremost the demand for a new kind of economic and social development and the recognition of the fundamental rights of man and the citizen.

Of analyses, for anyone who has been following this subject for some time, there have been enough and to spare, as there have been statements of principle, general guidelines, demands and hopes. As early as 1973, the European Parliament, approving the Social Action Programme, approved the general lines of a series of co-ordinated measures on behalf of migrant workers and their families. The submission of these measures by the Commission was expected by 1 April 1974. The delay does much harm for two reasons, as Mr Albers points out in his report. Firstly, because the background of general economic conditions has changed and secondly, because the Commission has submitted a document in the form of a programme which, though earning our approval for its presentation, the information it gives and the proposals it makes, is an inventory of problems and a set of general guidelines rather than a legislative instrument. Approval of the programme again postpones discussion and the approval of those coordinated measures that we were hoping to

have for the first quarter of 1974 in accordance with Parliament's request and the declared undertaking of the Commission. We are still at the level of general debate. Alongside so many statements, what seems to be lacking is a specific political will to put the measures held and stated to be necessary into real effect. The art of wait-and-see is too old and worn. I would like to recall that last Spring in Rome the Italian Government organized a national emigration conference and invited representatives of Italian emigrants throughout the world. Similar steps were taken in other countries, including Luxembourg. What emerges from these conferences is, it is true, an inventory of unresolved problems and claims, but above all they mean the cultural and political coming-of-age of migrant workers, the awareness of their right to play their part in the life and development of the community in which they work, and not to be the object of paternalistic concessions or improvised protection but to be the incumbents as men and citizens, not only of duties but also of rights—rights which are not always acknowledged and which they are not always in a position to exercise.

Well then, we cannot answer them with postponements, particularly as Commissioner Hillery has said that the proposal for a Migrant Workers' Charter, requested in two petitions and in the Wieldraaijer report, could possibly be further delayed whereas it should have been submitted by 31 March 1975 at the latest. I would add that it has come to our notice that a substantial part of the Directorate-General for Social Affairs is being dismantled, eloquent testimony that the fine and frequent statements about the social Europe find little echo in day-to-day business.

It was we who wanted, and it required a considerable effort, to include paragraph 8 in Mr Albers' motion for a resolution, which urges the Commission to submit without delay its proposal for a Migrant Workers' Charter because, in our view, it could—if it takes due account of the content of the FILET and UNAIET petitions and the Wieldraaijer report, provide the complete answer to a large number of problems contained in the proposed programme of action we are now debating.

Whilst the Christian-Democratic Group will be voting in favour of the programme, we should say immediately that the report by Mr Albers, to whom I repeat our thanks, leaves us far from satisfied, witness the long and difficult discussions in committee and the number of amendments tabled but not accepted—though they are attached to the report itself—and other amendments tabled in the House.

Pisoni

To be truthful, I should add that some of our amendments were accepted and are included in the motion. The purpose of our amendment is to give the resolution a greater degree of practicality, to offer the Commission what, in our view, might possibly be the content of a number of legislative provisions for urgent adoption, and to outline some possible solutions.

The Christian-Democratic Group approves the content of the action programme proposed by the Commission and the Albers motion and stresses, with satisfaction, the basic choice of non-discrimination between Community and non-Community workers, by ensuring minimum differentiation between the measures to be taken. With that approval, however, the Group requests a more precise statement of policy, and the will to tackle the migration phenomenon at the roots by promoting a different model of economic development, with more respect for man, and with a large measure of interdependence between financial, economic and social policies in the interests of harmonious development of the whole of the Community area.

Our amendments, which some felt to be too detailed and more suitable for regulations than for a resolution, were intended to integrate and make more explicit the Commission's proposals. I would like to invite the Commission itself, even so, to take them into account in view of their urgency, relevance and practicality. Their purport is to ask, through a revision of the regulations in force, for the fair application of the right to freedom of movement and to freedom of establishment within the Community. They express the wish for the revision of existing regulations and the introduction of others for the setting up of a complete and modern social security system. Our requests, partly reiterated in amendments tabled in the House, envisaged *inter alia* the institution of a Community employment card, the setting up of European equalization institutes for the immediate payment of social security benefits, better guarantees as regards medical services and a uniform manner of defining sickness, disability and accidents. They also stressed the problems of vocational training and education, especially the compulsory education of the children of migrant workers, in order to ensure that the latter have adequate training for their jobs and continuous further training, even during normal working hours, and a bi-cultural school which, whilst giving its due to the national language and culture, would also teach the language and culture of the host country thus creating the conditions for true integration or for trouble-free return to the home country. They stood out for the right to the *de facto* exercise of civil and political rights through full participation in com-

munity life, to be achieved by the setting up of consultative committees in all municipalities where there is a large number of migrants, the creation of joint committees at local, regional and national level, the direct election of the consultative committees by the foreign workers, and full participation, by 1980 at the latest, in local elections. Lastly they asked for direct action by the Commission to tackle the housing problem in practical terms, already decided by this Parliament in the resolution on the Social Action Programme in autumn 1973.

There are those who hold that a resolution should be clear and concise and aim at statements of principle. We would support this statement if the Commission had submitted regulations and directives, as was its assumed obligation. Once it had opted for statements of principle and general policy lines, our only reply could be in the form of amendments which went into detail, and which gave expression to our wish for practical measures and the urgency that we attach to the solution to some of the problems. It is not my intention to go into the merits of any of the problems raised in the Social Action Programme. I repeat that we approve its form and content. We want to discuss concrete legislative provisions, directives and regulations. The world of migrants, that has been called the Tenth State of the Community, cannot and is not willing to wait indefinitely. Whilst we express a favourable opinion on the proposed programme and shall be voting in favour of the Albers motion for a resolution, we expect of the Commission, as proof of coherence and as a condition for the credibility of all the statements that have been made, that it should submit immediately to Parliament the proposed Migrant Workers' Charter. This should constitute, because that is how it was conceived and requested, a major operational instrument and not be limited in its scope, as some say is happening, to statements of general principle.

The submission of the proposed regulation on the payment of family allowances is recent. We hope this will be merely the first concrete step and that it will be followed by others with all speed. The difficult economic situation and anxieties with regard to recovery should not retard our efforts to tackle and solve these problems. Otherwise, just as it has been the migrant workers who have contributed so much to economic development without being fairly paid for it, it will again be they who will pay, more than others, for the present difficulties and for future recovery.

(Applause)

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

Mr Geurtsen. — (NL) Mr President, in my view, the heart of the question that is dealt with in the action programme for migrant workers is to be found in paragraph 35 of the explanatory statement annexed to the Albers report, where he says that the policy for the benefit of migrant workers is a part of the overall employment policy. The fact that I repeat this passage with approval shows of itself that, generally speaking, I approve the report that Mr Albers has produced. The report gave him a considerable amount of work. It may be a grateful task to produce such a report, but it nevertheless meant a great deal of work. However, he has brought the report to a successful conclusion.

I do not agree with it all, as you will soon see. But nevertheless I have great respect and esteem for it as a job of work. The way in which Mr Albers defines that overall employment policy calls for a question mark or two. But this does not apply to his stressing of the need for continued economic growth through which, with the help—in particular—of the Regional Fund, an evenly balanced spread may be promoted. I am happy that the need for continued growth is understood and recognized. The discussion that took place a short while ago on this point may, in any case, be regarded as closed for the time being, though I have no illusions on that score. When things improve again, we shall start talking about it again.

With the second guiding principle advocated in paragraph 35 of the report I have rather more difficulty. Not because I do not support it but because the phrase 'investments should in future be assessed particularly according to their social utility' is, in fact, meaningless. As it stands, everybody can agree with it. The only question is who is going to do the assessing. Reading between the lines, I see the desire for assessment in the field of investment to be, in future, a matter for the authorities. How this is supposed to tally with the efforts to give workers in the firms concerned a bigger say in investment policy, I do not propose to discuss. For me it is more important that I have not the slightest confidence—and, as I understand it, neither has the Netherlands Prime Minister—in civil servants being able to take better decisions than businessmen. From a dogmatic standpoint maybe, but certainly not from an economic standpoint, and that is the issue. If therefore, that is the background to the second suggestion, I want there to be no misunderstanding about the fact that my group will have nothing to do with it.

Also as regards other measures that are advocated—general reductions in working hours, earlier retirement, the restriction of labour-saving investment and wage subsidies—the fact

is that this is more a matter of intention rather than emmuration. The whole thing makes a somewhat pessimistic impression on me—as if it were impossible to work our way out again from the vale of depression that we are now in. Those who do not believe we can, must indeed look for the answer in a distribution of what work there is left. But I believe we can. Our efforts must continue to be directed towards an increase in the number of jobs. That is also the condition for further economic growth. If that is what we want, then we must not put the cart before the horse, we must aim our measures at promoting the confidence of trade and industry in the future. This requires sufficient elbow room for trade and industry to take decisions and it also demands sufficient room for manoeuvre in the financial, and therefore also fiscal, sense. It also requires, I hasten to add, effective cooperation between the partners in industry, employers and employees, with mutual respect for one another. Better cooperation than is to be found today in many places and in many sectors. As has already been the case in the past we will readily give our support to any measures aimed in this direction.

Even so, this on its own will, of course, not solve the problems of migrant workers. For that, what is necessary and what will continue to be necessary is not only complete non-discrimination, but also worldwide social acceptance with no reservations, not only now but also in the future. For as far as we can see into the future, there are no grounds for expecting that the phenomenon of migrant workers will disappear. Apart, naturally, from maintaining free movement in the Community, we must hope to succeed, in the long run, in removing from it its, so to speak, forced character. It should be possible for the Regional Fund to play a significant role in this though we must realise that the fund should naturally not be used as an excuse for any slackening in national efforts.

The present slowdown on migration from countries outside the Community is, to my mind, a temporary phenomenon. It seems more than probable that when economic activity picks up again the flows from these countries will also increase. The increasingly high level of education of the workers in our countries suggests that, with the growth in employment requirements in third countries, there will be an increase in the offer of jobs—probably more for semi-skilled and trained workers than for unskilled labour.

I naturally agree that efforts should also be directed to remove the economic necessity and compulsion from migration. I would merely add that this is a task of a worldwide nature and

Geurtsen

not exclusively reserved to the EEC. Policy must be aimed at ensuring that, ultimately, workers are not forced to migrate through economic circumstances but do so independently and in complete freedom. This means giving thought not only to the migration of workers but also to the migration of employment. Not—or in any case not exclusively—in the one-way manner recommended in paragraph 11 B (g): 'to promote the transfer of economic activities to the emigrant regions'. It should of course be possible, primarily in the context of the whole complex of economic factors, for this to happen as well. The transfer of activities can be one means, but never more than that. The main goal must continue to be the strengthening of the economic structure of the countries of origin.

As far as the social acceptance of migrant workers in our countries is concerned, there is still something lacking. The very fact that an action programme has to be set up is proof enough. Many words of disappointment, complaint and resentment have been directed at the programme, firstly in the report, but also again this evening. I would certainly not say that this has been unjustified in all cases, but I do not find it necessary to join in the chorus. But I do believe that it is a good thing to realize that the legal basis that the Commission finds in the Treaty for measures which also extend to migrant workers from third countries is rather slight and uncertain. Anyone realizing that should be pleased that a serious attempt has been made at a coordinated approach in this policy aimed at the improvement of the situation of one of the weakest social groups in our society, the migrant workers, rather than disappointed that the proposals have come a year too late and do not go far enough. There is still much to be improved, but today the most important thing, in my view, is that the first step has been taken, that a firm resolve exists and that evidence has been shown of the intention to proceed energetically with the work of implementing the programme.

We need have no illusions that this will all happen without opposition. It takes courage, faced with today's high unemployment figures, to ask for consideration for people who once again, and too often, are seen as foreign intruders monopolizing what work is still available. The tensions that exist, the result of the difference in patterns of culture, are reinforced—and it is good to face up to this fact—by what in many cases are imaginary opposing social interests. We should not give way to this. We must realize that this makes an urgent and compelling appeal to the psychology of our measures. Towards foreign workers and the contribution they make to our economy including the preser-

vation of highly-skilled jobs which could not be filled without the help of unskilled or semi-skilled labour, the Community has obligations. I shall not list these. That would amount to repeating the action programme and the report. I shall merely make some critical comments regarding a number of suggestions in the report.

First of all the payments for migrants: so long as the purpose of this is to secure rights in the area of pensions or other old-age benefits, there is no objection to it. Any payment going beyond that would be equivalent to a disregard of national workers, which would not be justified by the difference in circumstances. The European Post Office Bank referred to in paragraph 30 of the report I consider to be a difficult proposition. One can certainly sympathize with the idea of protecting foreign workers against currency risks (incidentally there are more likely to be currency advantages than disadvantages) and of making loans available to the countries of origin, but still I have a number of questions about this proposal. Currency risks are incurred as a result of personal decisions regarding the deposit of money. If there is complete freedom for the transfer of money, and this there would have to be, the migrant worker is no different, in this respect, from his opposite number in the host country who has saved money. Why protect the one but not the other? Why force him to deposit his money at a bank which makes loans to his country of origin even if that is not his wish, for example for political reasons, as might be the case with Spaniards, or because he has no confidence in the economic potential of his country? The desire for control that emerges from this suggestion does not really appeal to me.

One last thing—about participation in local elections. I can be brief on this point because our former colleague, Lady Elles, said a thing or two about it during the sitting of 17 January 1975. You will find her observations on pages 228 and 229 of the Report of Proceedings for that January part-session. Until we have found a solution to the problems arising out of the convenient way in which the group in question can be manipulated, questions in the field of double voting rights, the degree of involvement, the reversability of obligations and duties, demographic equilibrium and so on, I feel the implementation of this proposal to be a step in the dark. I do not rule out the possibility of finding the necessary solutions, but until I see them in front of me, I cannot support the desire for participation in local elections. It is a pity that time does not allow me to deal with the suggestions that I support. This could give the impression that I had only criticism for the proposals made in the report. Mr Albers, who

Geurtsen

knows better than I how many suggestions there are in the report, will certainly know how many suggestions and proposals I have not referred to and will therefore realize that the number of proposals I support is larger than the number at which I have levelled criticism.

The Community is still faced with a very considerable task on the road to full legal and social equality between migrant workers and their colleagues in the host country, a task that is all the more ambitious in that it implies not only regulations and directives but also the influencing of human attitudes and behaviour. Out of conviction, Liberals—and fortunately not Liberals alone—are against any form of discrimination. My group in this House will wholeheartedly cooperate in bringing this task to a successful conclusion.

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

Mr Liogier. — (*F*) Mr President, ladies and gentlemen, allow me first of all to congratulate Mr Albers on the excellent report he has presented today. My group will be supporting it. Nevertheless there are a few comments I would like to make.

We are debating a programme of action in favour of migrant workers. This programme was drawn up in a period of economic difficulty, and we should be pleased to see that, for the first time in a Community document, the situation of migrant workers from third countries is taken into consideration.

There are two categories of migrant workers—those of Community origin and those from countries outside. Specific measures have already been taken for the former category, who we hope will gradually come to be treated in the same way as national workers.

Those measures did not apply to migrants from third countries. There is therefore reason for satisfaction that the Commission has given thought to their situation even though we expected not just a programme, but a real charter. Nevertheless, our Group does not think it desirable to make no distinction whatsoever between migrants from Community countries and those from elsewhere. The free movement of persons and capital, the materialization of a single market and progress towards European Union will, little by little, strengthen the feeling of belonging to Europe, and this does not concern nationals from other countries. It would be a pity to weaken this feeling, which has already had such difficulty in emerging and

developing. The mobility of Community citizens, as provided in the Treaty of Rome, is thus one of the foundation stones on which Europe is to be built. It should be encouraged, but not allowed to lose its originality, and this is why paragraph 11 (a) of the motion for a resolution prompts certain reservations on our part.

This preliminary comment having been made, it is clear that any improvement in the plight of non-Community migrants cannot but meet with our approval particularly at the present time when their situation is especially insecure. They constitute the most vulnerable manpower resources in a period of crisis. Their living environment, even in boom conditions, is hardly enviable. They are often the outcasts of society. This distressing situation must be brought to a halt as regards both conditions of work and security of employment. It is difficult to save migrants from suffering from the economic recession. The whole employment sector suffers from its adverse effects, but energetic measures should be taken in order to place migrants on the same footing as others, at least those already settled in the Community for a certain time, on whom we might well confer the status of privileged migrant workers. This manpower is necessary for our expansion. It should not be regarded as a standby reserve or a buffer to cushion cyclical shocks. It would be improper and unacceptable for the poor to act as shock absorbers for those who are better off.

This does not, of course, mean that migrant workers should receive special and more favourable treatment than national workers, as some, if we refer to the demands that have been expressed, would nevertheless appear to wish. But an effort to achieve fairness and justice is imperative. Social benefits, wages and social protection should be harmonized with those of national workers. The same could be said of the rehabilitation of manual work, which would make a considerable improvement.

We also attach particular importance to the concept of the family. It is abnormal that the father of a family should have to stay away from his home for several years. Efforts should be made to settle wives and children in the host country. Of course we well understand the value to the country of emigration of the subsidies it receives through the transfer of currency, but this attitude cannot go on indefinitely. Underdevelopment in the countries of origin is not sufficient excuse for the breaking up of the family concept. There are other, more effective, forms of aid than these currency transfers.

The problem of migrant workers concerns the Community as a whole. It cannot therefore be dealt with properly by each Member State

Liogier

separately. This is why the programme presented by the Commission is valuable. Common solutions with close coordination between national policies for applying them will prove essential.

But whilst it is necessary, in the interests of justice and humanity, to go as far as possible towards equating the rights of migrants with those of nationals in the field of social protection, it seems to us neither opportune nor advantageous to do the same in the political field, at least for migrants from non-Community countries. Granting the right to vote, even at Community level, seems to us to offer more drawbacks than advantages. It could easily give rise to adverse reactions on the part of nationals themselves and even to a resurgence of racism. Let us not destroy the significance of citizenship. This may perhaps be very useful to us one day in order to establish the character of Europe. Instead, let us make naturalization easier for those I have called privileged migrant workers.

A migration policy needs to be balanced, fair and forward-looking if the risk of the migratory phenomenon being aggravated by improvements in social facilities is not to be underestimated, but also flexible so that it can be adjusted to suit changes in the economic situation.

The closing of frontiers in the event of difficulties is not objectionable in itself—it is even in the best interests of migrant workers who are already settled. Shortage cannot be shared. What is unacceptable is to send back privileged migrant workers to their country of origin because we unquestionably owe them part of our economic expansion.

To conclude, our Group considers that the best possible way of improving the lot of migrant workers is to put an end to the conditions that give rise to migration, namely the economic underdevelopment of the areas from which they come. We know the efforts that are being undertaken in this direction by the Community institutions. We now await their results.

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

Mr Marras. — (1) Mr President, ladies and gentlemen, allow me first of all to share the resentment expressed by Mr Pisoni regarding the way in which this debate has been organized.

At the last part-session an undertaking was given that a full day would be devoted to social problems in order to accord them their due importance. And the discussion on social problems began at 5.30 p.m. when the day was over. Tomorrow we shall be deep in the wine question for most of the day, whereas now we

will be voting on the rights of ten million workers at the worst possible time for attracting attention to the problem. I would ask Mr Bordu, Vice-President, to make these representations to the Bureau, of which he is a member.

Overall, like the other groups, our assessment of the programme is favourable, and we stress the conscientiousness, one might almost say the pursuit of perfection, which Mr Albers has shown in his work and, in particular, in the phrasing of the motion for a resolution and the explanatory statement.

I shall not dwell on the limitations of the document, on the delay, the form adopted and, I would add, a certain detachment from reality that is typical of all Community documents. Today, for example, employment is the central concern of these migrant workers, and information from this standpoint is extremely vague. For the sake of brevity, I shall refer purely to the figures for Germany. In Germany the increase in unemployment among foreign workers is 338% compared with 154% for unemployment as a whole in Germany.

I must say, therefore, that this is the reality. And when a Member of our Parliament like me applies to the Commission for figures on the departure of migrants—how many have left Germany for the Benelux countries—the Commission, with great wit, gives me information about those that are in the statistics, those who go to work and not those who have lost their jobs.

Even so, this programme has its positive aspects: a first step towards the recognition of political rights, the acceptance of the principles of the charter that crowns a long struggle by the migrants' democratic organizations, the European conference on migration that is to be held—the Rome Conference produced very positive results—guarantees against exchange risks and, for us who are an internationalist party and group, the end of discrimination between Community workers and non-Community workers. In this field, as is clear, our thoughts lie in exactly the opposite direction to those of our colleague Mr Liogier. Positive aspects, we have said, but do the facts match the proposals? I will put only one question to Commissioner Hil- lery. I would like some information about the attitude taken by the Community on the occasion of the Conference of the International Labour Organization which, as you know, approved an international convention on workers' rights last June, with 256 votes for the document, none against and 81 abstentions. These abstentions included those of the representatives of the Community countries, and this is a question about which I would like my curiosity satisfied.

Marras

The Communists, therefore, are pleased at some aspects of this document and in particular, as I have said, at the achievement of the objective of equality in living conditions between Community and non-Community workers.

But there should be no believing, there should be absolutely no accepting, an impression fostered by the Community bodies, that now Italian migrant workers are covered by all their rights and have full equality with local workers. I would advise my Italian colleagues to agree, one day, to compile a list of all the questions we have put to the Council and to the Commission over the last two years on the blatant violations of the rights of Italian migrant workers. Here is the latest news that I heard yesterday at Longwy: the Italians who took part in the French resistance and who were deported to the Buchenwald and Auschwitz prison camps cannot receive the pension—which I am told is fairly substantial—enjoyed by the French deported to the same concentration camps. We could go on and on with this list. Regarding employment, for example, the percentage of Italians who have lost their jobs in Germany in the last year and a half is higher than the overall percentage of migrant workers.

We have made our contribution to the drafting of this document, laying stress on certain particular aspects: the housing programme, the rights of self-employed workers, and above all the right to vote. It is important to consider the possibility of migrants participating in municipal and administrative elections, but it is vital today to guarantee migrant workers their right to return home in order to vote. The latest figures officially supplied by the Commission show that, in the 1972 government elections, 810 000 voting cards were sent out in Europe and 180 000 people, or 23%, came to Italy to vote. It is necessary to create the conditions in which these rights can be exercised.

I shall conclude by underlining our general position. We do not want to divorce the problems of migrant workers from the more general problems of the working class in Europe. Unemployment, inflation and the excess of overtime are problems which concern both migrant and national workers. We do not want to foster artificial confrontations. We know that there is only one form of membership of the working class, and it is for this reason that we prefer to see the problems of migrant workers in the more general picture of the struggle for emancipation and the improvement in living conditions that hundreds of millions of workers in our Community are engaged in.

President. — I call Mr Santer.

Mr Santer. — (*F*) Mr President, in Mr Albers' very exhaustive report the following sentence impressed me somewhat: 'In so far as the migrant workers can be called the tenth nation of Europe, they are in a certain sense the first whose mother-country is Europe.'

A characteristic phrase if ever there was one. Poised between their country of origin and the host country, these workers expect Europe, to the extent that it is capable of manifesting itself to them, to be concerned about their plight. It is therefore right and proper that the Commission, in implementation of the Social Action Programme adopted on 21 January 1974, should present, in an overall programme, a package of measures to be taken in favour of migrant workers and their families.

I do not need to stress the importance of the phenomenon of the migration of workers, which has become a major factor in employment policy. Migrant workers are now an integral part of Europe's present economic and social structures, and Mr Albers is right to point out that the presence of foreign workers is now a permanent phenomenon in the industrialized countries because it is an essential condition if they are to maintain their level of prosperity.

Since the population is no longer rising and is in fact showing an alarming downward trend in the European countries, while growing continuously in the Third World, we are forced to recognize that migration will long remain a structural phenomenon that can no longer be relegated to the fringe of our concerns and of Community social policy.

Mr Albers' report, on which I must congratulate him, is relatively complex and I shall confine myself to a few remarks. One first point seems to me important. It is that coordination and cooperation need to be reinforced between countries of origin and host countries. The enlargement of the European Communities resulting from the accession of new members and the association of Mediterranean countries should lead governments to think in multilateral terms from the start, instead of looking for bilateral solutions. If nearly half the workers of Western Europe are soon to be part of a common employment market, there is nothing to be gained from bilateral arrangements. For instance, watertight control on emigration between two countries designed to prevent the departure of skilled personnel is doomed to failure if other European partners take no part in the system. As to such measures as a certain policy of restriction by one host country, they would inevitably cause harm to other host countries. What seems to me to be necessary above all is strict control on the migration system.

Santer

Secondly, illegal or clandestine migration must be immediately stamped out wherever it still exists, since otherwise all other measures will be undermined. It is the illegal entry of workers that is mainly responsible for the worst forms of exploitation on the part of middlemen and employers. Whilst control measures are mainly a matter for the host countries—and for all the host countries acting together if effective results are to be achieved—it is also up to the countries of origin not to be content merely to give their assent. The control bodies need to have more money, more staff and more authority. International manpower flows and illegal migration should, in future, be one of the major concerns of the Commission, which should, at an early date, submit proposals for coherent and binding regulation to the Council of Ministers.

Thirdly the host countries should study the primary reason for present-day manpower flows, namely the rejection of so-called low-grade jobs by national workers—and I regard as low-grade jobs those which are hard, dirty, dangerous or unpleasant, ill-paid and looked down upon by national workers as the result of progress in education and the mass media. A close watch should be kept on the recruitment of national and foreign workers for such jobs, and the jobs themselves should be made more attractive by upgrading them both socially and in terms of wages.

As far foreign workers are concerned, this means that wherever a regulated employment market is involved, offers of low-grade jobs should be carefully examined and not authorized automatically. In this connection, Member States should, as a start, scrutinize more carefully the requests for work permits for jobs turned down by school-leavers.

I would also suggest that the Commission should make a full and relevant study of all the economic, technical, tax and social factors which are involved. The object of such a study should be the gradual elimination of the category of low-grade jobs and the creation of better ones.

Fourthly, reducing the number of low-grade jobs will necessarily constitute a long-term task. A useful supplementary measure would be to apply a stricter recruitment policy, whenever manpower shortages made it necessary to employ foreigners, which would help towards a better balance of skills and social status.

To reserve white-collar and skilled jobs to nationals and to give non-skilled jobs to foreigners would run counter to the common interest because this division of labour would favour the formation of sub-proletariats and ghettos and be a breeding ground for prejudice.

This solution does not depend primarily on bilateral recruitment agreements or on the satisfactory functioning of the Community compensation system for vacancies. Above all else, it implies a policy decision, namely (a) the determination to pursue a balanced policy of recruitment and (b) the decision to give migrants the training that will give them access to jobs requiring greater skills.

What needs to be done in favour of potential migrant workers, therefore, is to provide large-scale training facilities to free them from their traditional assignment to the low-grade jobs, forestall the social difficulties involved and satisfy the host countries' continuous requirements for manpower with greater skills.

Fifthly, now that the principal host countries have, *de facto*, become countries of immigration, they should treat immigrants as such and not as temporary visitors. This means that they should give these minorities a place in proportion to the contribution they make and the needs they have. To act in any other way is knowingly to allow a sub-proletariat to form within their own social structure, which would constitute a future threat of explosive social and ethnic conflicts.

In short, it is not one, but two steps that have to be taken in the right direction. And it will not be enough to give foreign nationals formal equality as regards rights; these rights will have to have a meaning in social life. Put more clearly, an improvement in migrants' material conditions is impossible without positive discrimination to secure for them the substance of their rights. These rights include that of migrants' families to live in a dignified environment and to improve their education and their occupational level. In a memorandum published in the Federal Republic of Germany it is stated that migrants will be unable to achieve equality unless placed, for a certain period, in a privileged position.

It has to be admitted that we are a long way from such a situation. I hope that the Commission will soon succeed in giving practical expression to the measures set out in its overall programme in the form of binding legal instruments — regulations and directives — so that they may facilitate the transition towards a new era as regards the emigration of workers and of their families.

(Applause)

President. — I call Mr Hillery.

Mr Hillery, Vice-President of the Commission. — Mr President, I have listened with great

Hillery

interest to this debate and would like to thank Parliament and especially the rapporteur for the opportunity of hearing Parliament's opinions on this important subject. There has been a fairly liberal use of figures in the debate, but I would like to say that I am not aware of any reliable statistics on the number of workers who have had to leave Community countries because of the recession. It is possible, of course, to draw a conclusion from the figures of unemployed workers and the change in employment in a particular period. For instance, in the Federal Republic in September 1974, there were 2.35 million migrant workers in employment; that is about 250 000 less than a year before, and in the same period the number of unemployed migrants increased by 50 000 only. Therefore, one can conclude that 200 000 migrant workers left the Federal Republic because of the situation. But the Commission does not have any reliable figures on Community or third country migrant workers who have lost their jobs and left their host country. It is not therefore to be recommended to accept every figure that is printed; there are no reliable figures available.

The figure of 10 million migrant workers has been used. There are about 6 million migrant workers in the Community, and their families bring the number of migrant people up to 10 to 11 million. I think that is what they have been corrected to.

But what I really would like to correct is the history of the preparation of the Commission's programme for migrants. I have done this before, but obviously without much success. The Commission proposed to the Council—and this proposal was adopted by the Council—that during 1974 the Commission should present a programme for migrants, and the programme was presented during 1974—in fact in December 1974—and that is the programme that Parliament is now discussing. There was not a delay of 8 months, as was said, in the presentation of the programme. At the time of the proposal from the Commission we decided that to wait a year for proposals was too long because this was an urgent as well as important matter, and we said there should be an initial programme for migrants in the first quarter—by 1 April 1974. This initial programme was prepared by the services of the Commission and presented to us for examination. It was adopted by the Commission, but the format of presentation was changed, and the Commission decided that since the legal basis and the institutional structures for what we wanted to do in the initial programme already existed, it was necessary only for me to present it to the Permanent Representatives, which I did on 28 March 1974,

and my presentation has been printed in the form of an *aide-mémoire*, a Community document, V 39074 E. So there was no delay in that case. I would like to impress upon Parliament—and I have tried to explain this many times to the Committee on Social Affairs and Employment—that it was the change in the format that led the Commission to decide to make an oral presentation to the Permanent Representatives which is now printed in the form of an *aide-mémoire*, but certainly the initial programme was given to the Permanent Representatives and the definitive programme was presented in December 1974.

It is a fact that the Commission undertook the preparation of a statute, and I also explained this to Parliament's Committee on Social Affairs and Employment. The statute was in a very advanced stage of preparation when I discovered that there is no mechanism in the Treaties of the Community for a communication from the Commission to Parliament. The only way of presenting to the Parliament a statute for migrant workers would have been to present it to the Council. At the time that this knowledge became available to me, the Commission had already adopted the programme for migrants, and I felt, and I think I was right, that to present a statute soon after the programme would confuse the issue and delay the consideration by the Council of the programme. I felt that such a delay would be damaging to the interests of migrant workers, and for that reason again, as I explained to the Committee on Social Affairs and Employment, I have asked the Commission to delay the presentation of the statute, but the statute has not been dropped. I foresee the presentation of a statute which would contain the precise material which is in the programme and then perhaps wider principles which would be there to guide the Member States, but would not be binding as the programme is. I think I am right in saying that if the draft statute were now presented to the Council—it is something the Council did not ask for and something that we did not propose the Council should include in the resolution—we would be presenting them with something which would displace precise proposals for a programme in favour of the adoption of more vague principles, perhaps more wide-ranging, but less binding. For that reason I would ask Parliament to accept that it is in the interests of the migrants to allow the programme to go forward now for adoption by the Council and let the statute follow.

As regards the presentation in the form of a programme, Parliament feels that we should perhaps make concrete proposals. But I have already explained when we were dealing with

Hillery

Mr Marras' report that in many matters the presentation of a programme does give a coherence in an overall view in terms of Community policy, and we have in fact in preparation precise proposals which will be put forward quickly, some at the same time as and some following quite soon after the programme is dealt with by the Council. The possibility of the presentation to the Council of concrete proposals is not therefore excluded in any way. I do not think there is any real difference between what the Commission feels should be done for migrant workers and what Parliament wants. The Council's resolution accepted as a priority the preparation of a programme for migrant workers and their families not only from the Community countries but also from the third countries. I think Parliament will realize the important reasons behind this: in recent years most migrant workers have come from countries outside the Community. I think the ratio is about two to one now. Workers from outside the Member States thus account for two-thirds of all migrant workers within the Community. The Council agreed with the Commission that there should be a programme to deal with the situation of these third country migrants and ensure equality of treatment and, if I could quote from the resolution, 'to achieve equality of treatment for Community and non-Community workers and their families in respect of living and working conditions, wages and economic rights'. The resolution also envisaged, of course, the improvement of free movement of workers from the Member States within the Community. The Commission took a comprehensive view of equality of treatment in regard to living and working conditions and so the programme contains, for example, a chapter on civic and political rights. I personally felt that it is difficult to ask people to come and work, to contribute to the well-being of our Community and at the same time not have any say in decision-making in the Community.

I also felt that since the condition of migrants is affected more often by peripheral authorities than by central authorities like the Community institutions, their strongest weapon is to have the vote in the community in which they live. It is the intention of the Commission to make appropriate proposals under all the headings of the action programme for migrants by the end of next year. We hope at that time to come forward with a further instalment, probably dealing with the longer-term question of migrants.

I should say that when the Commission decided to change the format of the presentation of the initial programme, the same meeting decided

that we should set up within the Commission a wider group dealing with regional aspects, industrial policy, developing world policy, so that the causes of migration would at a later stage be studied and whatever contribution the Community countries could make might be proposed at a later stage. The Commission feels that migration which is forced upon people by want should not exist. But it does exist. We look forward to a future in which policies can be implemented to make it less necessary or, if possible, completely unnecessary for people living at the periphery of the Community to move in search of work or for people outside the Community to come in search of work. But in the meantime we are faced with the fact that the migrant encounters particular difficulties in terms of reception, vocational training, language training, teaching for his children and so on. This programme therefore tries to deal with the immediate problems of the migrant, but, as I say, at a later stage the work done within the Commission since March of this year should form the basis of new initiatives for dealing with migration as distinct from this programme, which deals with the problem of migrants.

The question of consultation with migrants has been raised, and as Parliament knows, the Commission has tried to extend the question of consultation widely in the development of its programmes. It has been the cause of delays which have been criticized. The staff of the services of the Commission have consulted migrants as much as possible, but the holding of a formal consultation or conference at this stage before further advancing the programme would be to hold it back. I therefore thank the rapporteur for his suggestion that such consultation should perhaps come later in the implementation of the programme, which means it would not in any way harm the momentum which is now beginning to gather.

Some of the ideas which we had in the initial programme, such as the development of the CEDOC system, the development of better information on job availability, information of the media and so on, have been developed, and work has been in progress. It is not dramatic: it is not something which requires a document to the Council, but I can assure Parliament that work is going on in these fields, and also in the field of exchange of personnel so that there can be some improved services available to migrant workers in their placement in the host countries. If, at any stage, the Members of Parliament would like to discuss with me the broad outlines of a statute, we could do so. But as I say there is no mechanism allowing me to present a document to Parliament, except by sending a com-

Hillery

munication to the Council, and I am convinced at this time that that would delay the adoption of the programme and the specific proposals, and I not think anybody wants that.

President. — I call Mr Albers.

Mr Albers, rapporteur. — (NL) Mr President, I am particularly grateful to Mr Hillery for his reply and explanation, from which it appears that the delays that we have referred to in the report do not exist. It all sounds very plausible—this changing of the format—but Mr Hillery will agree with me that precisely because of the publicity that is given to such a programme, expectations are aroused in the groups that are affected. And that is just the point to which we wished to draw particular attention in the report. It is also the reason for our insistence on a conference which would serve as a forum for the discussion of the measures of application in order to assure the migrants' organizations concerned that these are not empty words, but that it is our genuine intention to take measures that will result in an improvement in living conditions.

Towards the end of next year all the proposals in the programme have to be submitted to the Council and, I hope, to Parliament as well. So that will run away with a fair amount of time. A large number of proposals that are to be implemented as a consequence of the programme are also involved. I am also grateful for the fact that the approach is to change, in the sense that a centre, so to speak, is to be formed so that the problems may be better analyzed in the long term. I definitely believe that the whole discussion that has taken place on the proposed programme in the Committee on Social Affairs and Employment with the Commission and here, too, in Parliament can be particularly fruitful in this approach.

To Mr Geurtsen I really owe some explanation with regard to a number of points that have been changed in the report. In particular, he has not completely understood the point about social utility that is referred to. Briefly this is what I would like to say about it. It is naturally necessary to organize our society through co-operation between the various forces. But I think that precisely this phenomenon that we are debating this evening is an indication that, by allowing the forces free rein, things could well get out of hand. It is therefore necessary that the government should act as umpire in order to help protect the general interest and then, in consultation with the forces within our society—employers and naturally workers, too—try to point the way to a whole new develop-

ment in which the phenomena that have occurred would belong to the past. It was with great pleasure that I heard Mr Geurtsen shares the view that this is a matter of urgency.

With regard to the social phenomenon as such, the necessary must therefore be done. Some people, including Mr Liogier, are afraid that the migrant workers, in a certain sense, may get preferential treatment. But this anxiety need not be too great. It is always apparent, from any close investigation into these questions, that migrant workers—as far as housing, education, family circumstances, social welfare and so on are concerned—generally speaking have a lot of leeway to make up, so that action, in the sense that has been advocated, by the Commission and in fact also by the whole Parliament has purely and solely the object of making up this leeway.

The European Post Office Bank I myself regard as a particularly important instrument because it should have a regulating effect, naturally not with the object of forcing people to put their savings to a specific purpose that perhaps they do not want. The Post Office Bank can be a service establishment that would be beneficial to those concerned and would also be useful in the achievement of the other objectives we have in view.

Finally I would like to deal with the remarks made by Mr Pisoni. Mr Pisoni and I have had quite a few differences of opinion in the Committee on Social Affairs and Employment over a large number of amendments which went into a great deal of detail. He has said that himself. He says that this has to be in order to make the proposals more concrete. I do not agree, and that will soon become clear when the amendments are dealt with. I merely believe that we must do our utmost to satisfy what I called, at the beginning of my address, the arousal of expectations among the groups affected. We can obviously, in this Parliament, make further changes to the resolution. We can go into more detail and settle certain things, but we know that it will still take considerable time and that the Commission, too, will have to manoeuvre very carefully, in consultation with the Council, to bring all these things into being. And therefore I maintain my point of view that a resolution which indicates the main lines for action is to be preferred.

(Applause)

President. — The general debate is closed.

We shall now consider the motion for a resolution.

President

I put the preamble and paragraphs 1 to 3 to the vote.

The preamble and paragraphs 1 to 3 are adopted. On paragraph 4 I have Amendment No 2/rev. tabled by Mr Pisoni, Mr Girardin and Mr Rosati and worded as follows:

This paragraph should read as follows:

- '4. Therefore requests the Commission immediately to convert the Programme into a Council draft resolution or decision (similarly to what has in fact been done with the Programme to combat poverty) containing in organic fashion the measures proposed in the Programme in such a way that the Council will be able to take a clear-cut decision on their content and on the date of their implementation;'

I call Mr Pisoni to move this amendment.

Mr Pisoni. — (I) My comments will be very brief. Here it is a matter purely of what seems to us to be a clearer wording but the text is the same and conveys the same idea.

There is a paragraph 3. Then there is an Amendment No 2 and an Amendment No 2/rev., which changes nothing because Amendment No 2 proposed an addition to paragraph 3, whereas Amendment No 2/rev. proposes a new wording for paragraph 4, but the text is still the same. It is merely a question of placing. However this may be, our purpose in proposing this amendment was to improve the precision and relevance of the wording.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, I believe that what is proposed in the amendment is not possible. It makes a comparison with what has been done with the programme to combat poverty, an important programme, but one that is complete in itself. The amendment suggests that all the measures proposed in the Commission's programme should be converted into a draft or decision resolution. This is an impossibility. If this is the way in which the resolution is finally worded, and if the Commission is seriously prepared to go along with it, this would result in an enormous delay and it would mean that, in the meantime, those proposals that are now already in preparation could not be dealt with. I therefore propose that the amendment be rejected.

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

Amendment No 2/rev. is not adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I put paragraphs 5 to 8 to the vote.

Paragraphs 5 to 8 are adopted.

I now have Amendment No 12 tabled by Mr Della Briotta and worded as follows:

After paragraph 8, insert the following new paragraph:

- '8a. Draws the Commission's attention to the fact that no consideration has yet been given to problems affecting *seasonal workers and trans-frontier commuters*, such as dual taxation and discrimination with regard to certain aspects of social security, and requests it to draw up appropriate proposals as soon as possible;'

I call Mr Della Briotta to move this amendment.

Mr Della Briotta. — (I) The problem I refer to in my amendment concerns migrant workers who continue to maintain their home in the country of birth or origin, of whom there is a very large number because of the ease of emigration in many Community countries. It does not, however, relate purely to workers coming from the traditional countries such as Italy because the so-called transfrontier phenomenon or emigration limited to seasonal periods, is common to many frontier zones in Community countries. Only yesterday there was news of a French Government plan for safeguarding the frontier areas. I request that a study be made of the dual taxation problem which hits so many workers and which, in some cases, also seriously affects the municipalities in the frontier zones that are called dormitory towns. I also raise the problem of social security which may perhaps call for special treatment in the case of these workers. The Commission, in our view, could at least make a more thorough study of the prevailing situation and then present concrete proposals to us.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, what Mr Della Briotta says is correct, namely that, with regard to seasonal and frontier workers, new complaints are continually arising about difficulties with taxes, social security and so forth. It is also correct that the phenomenon of seasonal and frontier work itself could possibly increase under the pressure of the existing social situation. Only a few days ago a deputation from Lorraine visited this building, from which it would appear that large groups of people come from Lorraine to Luxembourg, for example, whereas, in earlier times, it was the other way round. But I must keep to the point. At the meeting of the Committee on Social Affairs and Employment that we held in Brus-

Albers

sels, we discussed a proposal by Mr Pisoni concerning frontier workers. We decided at that time not to include his text in the resolution. Regulations No 1612/68 and No 1408/71, Article 20, deal with seasonal workers. I therefore proposed that Mr Della Briotta's amendment be rejected.

President. — I put Amendment No 12 to the vote.

Amendment No 12 is adopted.

I put paragraph 9 to the vote.

Paragraph 9 is adopted.

On paragraph 10 I have Amendment No 1/rev./2 tabled by Mr Broeksz and worded as follows:

This paragraph to read as follows:

'10. Believes that reception classes for the children of migrant workers must be developed to give them accelerated training in the language of the host country and that immediate provisions should be made for the creation of genuinely bi-cultural schools and also pre-school education centres and crèches.'

I call Mr Albers to move this amendment.

Mr Albers, rapporteur. — (NL) Mr President, I must apologize for Mr Broeksz. He asked me whether I was prepared to accept this amendment, and I am prepared to accept it. It is in fact the original amendment; it is taken from the original resolution of the Committee on Cultural Affairs and Youth, and its wording is in fact clearer than the existing paragraph 10 because it refers to bi-cultural education whereas paragraph 10 speaks solely of bilingual instruction. The amendment thus goes further. I am therefore prepared to accept this amendment.

President. — I call Mr Pisoni.

Mr Pisoni. — (I) Mr President, I do not really agree with this amendment and I would prefer the wording in the motion for a resolution. The fact is that the amendment tabled by Mr Broeksz introduces the idea of special classes for children of migrant workers which, to me, smacks somewhat of discrimination. I would like to avoid any repetition of the unsatisfactory experience we have already had with the reception classes organized in certain schools, and for this reason I repeat that I prefer the wording of the Albers report to the amendment under consideration.

President. — I put Amendment No 1/rev./2 to the vote.

Amendment No 1/rev./2 is adopted.

I now have Amendment No 5 tabled by Mr Pisoni, Mr Girardin and Mr Rosati and worded as follows:

After paragraph 10, insert the following paragraph 10a

'10a. Points out the importance of sport for the integration of foreign workers and therefore requests the Commission to include in its Programme the abolition of any discrimination still existing between nationals and foreign workers as regards participation by the latter in sporting activities, including competitive sport.'

I call Mr Pisoni to move this amendment.

Mr Pisoni. — (I) The amendment is self-explanatory. It is aimed at one of the requirements—that of facilitating, as far as possible, integration in the new community in which the migrant worker finds himself, a process which takes various forms. Sport is not the least of such forms because of its opportunities for fraternization, and thus, with this amendment, our objective is to equalize, as far as possible, participation in all sporting activities.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, in my view, this amendment is too detailed. It was also one of the original series of amendments. The rights of migrants are covered by paragraph 11 A (a). Mr Pisoni refers to the importance of sport, but I can think of a number of other things which are also important. For this reason I advise that we reject this amendment.

President. — I put Amendment No 5 to the vote. Amendment No 5 is not adopted.

On paragraph 11 I have a number of amendments on the various letters. We shall consider these amendments in the order of the letters to which they refer.

On letter (a) I have Amendment No 7/rev. tabled by Mr Marras, Mrs Goutmann, Mr Cipolla, Mr D'Angelosante and Mrs Caretoni Romagnoli on behalf of the Communist and Allies Group and worded as follows:

Add to the text of paragraph 11a the following sentence:

'... and in this sphere specific provisions regarding the migrant worker's right to take leave, to retain his job, to enjoy travel facilities when he is required to exercise his right to vote in his country of origin';

I call Mr Marras to move this amendment.

Mr Marras. — (I) I have dealt fully with this subject in my address, Mr President, and do not therefore wish to add any further comments.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, this amendment goes deeper than at first appears. The issue lies in the word 'required'. By no means all countries belonging to the European Community know of any obligation to vote. Voting is a possibility, not an obligation. One could therefore come to the conclusion that this amendment is aimed at certain countries in the European Community. Also, what is the significance of this from the standpoint of workers from third countries? The object of the programme is to reduce, as far as possible, the differences that may still exist between the rights of workers from the Member States and those from third countries. But in this way there would be a possibility of new differences coming into being. On the other hand, I must point out that, at the last elections held in Italy, many Italian migrants apparently had no opportunity to vote. It is obviously not possible to organize voting in a different way outside Italy because this would necessitate a change in constitutional law. I recognize that this is a particularly difficult problem, especially for Italian migrants, but I must be consistent, and I would ask you to reject the amendment, in view of the stand that I have taken in our committee.

President. — I call Mr Della Briotta.

Mr Della Briotta. — (I) I would like to explain why I shall be voting in favour of this amendment. It is a matter that we have raised several times in this Parliament, and it cannot be evaded by saying that arrangements can be made for electors to vote by correspondence via consulates or embassies.

I admit that it is an Italian amendment because, in fact, it is mainly the Italian workers in the Community that are concerned by this problem; workers coming from non-Community countries are not involved. I would only point out, and Mr Albers, incidentally, has already said this and I thank him for indirectly supporting the argument, that we would have to change our constitution, and if we had to change the constitution, the problem would arise of all Italian workers in Latin America about whom we do not know exactly, in legal terms, whether they have retained their Italian nationality or have acquired the nationality of their host country, to say nothing of certain guarantees of freedom of which Italian workers in some Latin American

countries are reported to have been deprived. For these reasons I invite the Assembly to vote in favour of this amendment.

President. — I call Mr Adams.

Mr Adams. — (D) Mr President, whilst I would certainly be ready to vote for this amendment, I would like to take this opportunity to point out the problems that could possibly arise.

In the Federal Republic the right to vote can be exercised by post. If we introduce this into Community law, we cannot restrict the right to migrant workers but would have to extend it, naturally, to all voters. This could mean that a German worker living in Munich and working in Schleswig-Holstein—a distance of about 800 km could avail himself of the same rights as a worker living in Munich with a shorter journey to Italy—say 200 km to Northern Italy—in order to vote. I am quite ready to go along with this. I merely wish to point out the problems that could be created. I take the view that we cannot make exceptions and that these rights that we are granting here must naturally be available to every citizen exercising his right to vote.

President. — I put Amendment No 7/rev. to the vote.

Amendment No 7/rev. is adopted.

I put to the vote letter (a) so amended.

Letter (a) so amended is adopted.

I now have Amendment No 8/rev. tabled by Mrs Goutmann, Mr Cipolla, Mr D'Angelosante and Mrs Caretoni Romagnoli on behalf of the Communist and Allies Group and worded as follows:

Insert after 11 (a) the following (a) i:

(a) i establishment of a permanent body representing the emigrants' interests (associations, trade unions, etc.) responsible for taking initiatives and exercising consultative and supervisory functions;

However, the authors inform me that they wish to withdraw this amendment.

On letter (b) I have Amendment No 3 tabled by Mr Pisoni, Mr Girardin and Mr Rosati and worded as follows:

Add to paragraph 11 (b) the following text:

'... and making trade and association relations with third countries receiving immigrants (such as Switzerland) dependent on action by those countries to bring their national legislation into line with Community legislation in the matter of migrant workers;'

I call Mr Pisoni to move this amendment.

Mr Pisoni. — (I) This amendment partly repeats a statement already contained in the resolution where reference is made to the placing on a Community level of agreements between non-Community countries.

When we are dealing with trade and association relations with third countries receiving immigrants the conclusion of the relevant agreements should be made dependent on migrant workers being treated in those countries in accordance with the conditions established by the Community. This is a protection which the Community should extend to migrant workers in non-Community countries, with particular reference to Switzerland.

I earnestly beg Members to support this amendment because of its great importance.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, this is a problem that, as far as I know, does not fall within the terms of reference of the Committee on Social Affairs and Employment, at least not in this spirit. Here the reference is clearly to workers who leave the Community to go and work in a country that must be regarded as a third country. Making trade and association negotiations dependent on the obtaining of human rights could be regarded as a *détournement de pouvoir*. The amendment is wholly centred on the Italian problem. I propose that this amendment be rejected.

President. — I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put letter (b) so amended to the vote.

Letter (b) so amended is adopted.

On letter (e) I have Amendment No 9/rev. tabled by Mr Marres, Mrs Goutmann, Mr Cipolla, Mr D'Angelosante and Mrs Caretoni Romagnoli on behalf of the Communist and Allies Group and worded as follows:

Add the following text to paragraph 11 (e):

'..., examining in particular, on the basis of the experience gained by ECSC in this field, the possibility of launching a house-building programme, which would be of great value in preserving jobs and in combating inflation;'

I call Mr Marras to move this amendment.

Mr Marras. — (I) I also spoke on this subject in my address. Moreover, the content of this amendment is repeated in an amendment tabled by the Christian-Democratic Group, and for this reason I think that it may be approved.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Amendment No 9/rev. again goes into too much detail. In Chapter II E of the Commission's programme there is a reference to model projects for modernized housing in relation to the ECSC. Only recently, in July 1975, 25m u.a. was earmarked; spread over the Member States, for the building of 9 000 dwellings. It is my opinion that in this way a start has been made by the European Community. The development of housebuilding programmes for specific groups in the various countries—migrants, students and single people—is in my view a task for the national governments. I therefore propose that this amendment be rejected.

President. — I put Amendment No 9/rev. to the vote.

Amendment No 9/rev. is not adopted.

I put letter (e) to the vote.

Letter (e) is adopted.

I now have Amendments Nos 4 and 13 tabled by Mr Pisoni, Mr Girardin and Mr Rosati, which will be dealt with together. They are worded as follows:

— Amendment No 4:

In para. 11, add after (e): (e) i, (e) ii and (e) iii with the following text:

'(e) i drawing up of concrete measures to facilitate the migrant worker's reunion with his family, in particular (by removing all legal obstacles impeding such reunion and by guaranteeing his right to family accommodation through, *inter alia*, the implementation of low-cost housing plans financed with the help of the Community,

'(e) ii introduction of a 'Community employment card' giving the immigrant worker immediate entitlement to social security benefits in whichever Member State he may be,

'(e) iii setting up of 'European equalization institutes' which see to the immediate payment of social security benefits and them make the necessary settlements between the various national social security organizations concerned;'

— Amendment No 13:

In paragraph 11, add after (e): (e) i, (e) ii and (e) iii with the following text:

'(e) i drawing up of concrete measures to facilitate the migrant worker's reunion with his family, in particular by removing all legal obstacles impeding such reunion and by guaranteeing his right to family accommodation through, *inter alia*, the implementation of low-cost housing plans financed with the help of the Community,

President

- (e) ii introduction of a 'Community employment card',
- (e) iii setting up of 'European equalization institutes.'

I call Mr Pisoni to move these amendments.

Mr Pisoni. — (I) The explanation for the two amendments is that Amendment No 13 is a sub-amendment that I would like to be put to the vote in the event that the main amendment, Amendment No 4—which we consider to be more complete—should be rejected.

Amendment No 4 contains three requests. One repeats to some extent the amendment tabled by Mr Marras regarding housebuilding, which has just been rejected. In my amendment this request is to some extent amplified, since its object is to help bring the family together by providing family housing, that is to say create conditions enabling the family to be reunited.

I would recall that on page 16 of Official Journal No C 2 of 9 January 1974 there is a resolution, approved by the European Parliament, which says: 'to draw up, as a matter of priority, pilot schemes of Community housing projects financed by the Member States, the employers concerned and the Community.'

This part of the resolution was struck out by the Council, and yet it seems to me that it would be logical to maintain to the extent that Parliament has already approved it once. In this sense it ought to have been possible to approve Mr Marras' amendment, but since that has been rejected I ask you to vote in favour of my amendment, which to some extent would replace it.

Paragraph (e) ii is intended to introduce an innovation which we hold to be of considerable importance—the introduction of a Community employment card giving immediate right to the payment of social security benefits in whatever Member State the migrant worker happened to be. Sometimes the transfer, for employment reasons, from one state to another and the alternation of periods of employment creates a hiatus between one type of social security and another and involves the loss of real rights. If we were successful in introducing a Community employment card, we would be bridging the gap between these periods and providing better guarantees for the worker.

The same may be said about the setting up of European equalization institutes, whose purpose would be to accelerate the payment of pension and other benefits. The fact is that, at the moment, pending the collection of the contributions that have been paid by the various national

social security organizations, years pass before a worker is able to receive his pension.

Sometimes, it must be admitted, these delays are also due to inefficiency. But if we succeed in breathing life into these European equalization institutes, pending the setting up of a European social security institute, the payment of benefits could be made with very little delay, leaving to the institutes the matter of recovering the contributions that are paid.

These seem to us to be truly fundamental options in the field of social security. In the event of a vote against Amendment No 4, I propose that Amendment No 13 be taken, which refers solely to the introduction of a Community employment card and the setting up of European equalization institutes.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, from the discussion on these amendments it will be clear that I have little sympathy for the amendment concerning the reunion of families and housing because it is too detailed, but also because this proposal is fully discussed in the Commission's programme and the necessary action is also outlined. As regards the other two amendments, the introduction of a Community employment card has the serious disadvantage that it is obviously intended for migrants from Member States and, by assumption, this implies that a further distinction would be created between migrants from Member States and migrants from third countries, and that is something that we really must stop doing. We must strive, as far as possible, to achieve equality.

The purport of the third amendment, the setting up of facilities for making social benefits and their payment somewhat easier, is very appealing, but I would point out that it is slightly utopian to assume that an equalization institute can be rapidly brought into existence because in the Netherlands, my own country, there are 26 industrial associations concerned with paying benefits and studies have been going on for 8 years on ways to make improvements. But I would be glad to offer the Member who has tabled the amendment a helping hand by proposing that a change be made to paragraph 11 (h). This paragraph relates to an institution at Community level to provide services in the handling of migrants' money transactions. I would be ready to add to this: 'and to see to the payment of social benefits.' In this way this point could be included in the study of the service institution that we have recommended and that seems

Albers

to me to be a better way of achieving our object than that proposed by Mr Pisoni. It is really a sub-amendment to his amendment. This I would be ready to recommend. The rest I propose be rejected.

President. — I put Amendment No 4 to the vote. Amendment No 4 is not adopted.

I call Mr Della Briotta.

Mr Della Briotta. — (I) In the event that Mr Pisoni's amendment should be rejected, the rapporteur had proposed, in relation to paragraph 11 (h) regarding the examination of the possibility of setting up at Community level an institution under public law to provide services in the handling of transactions of migrants, and publication of the results, a sub-amendment aimed at the setting up of an institution for the payment of social benefits which would be similar in scope to that proposed by Mr Pisoni.

President. — I call Mr Pisoni.

Mr Pisoni. — (I) It seems to me that there is agreement on Amendment No 13. But in the event that Members should not be in agreement, I would ask the president to put each part to the vote, letter by letter, so that at least we can see whether agreement can be reached on some of them, accepting under (e) iii the addition proposed by the rapporteur. But if agreement is not reached I would ask that explanations of vote be given in some way or other if the vote is taken item by item.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, there is no need for any misunderstanding to arise. We are dealing with Amendment No 13, and I recommend that (e) i be rejected, and likewise (e) ii and (e) iii, and a sub-amendment be adopted instead, that is to say a change to paragraph 11 (h). The vote can now be taken, and the Member who tabled the amendment asks for it to be taken item by item, i.e. (e) i, (e) ii and (e) iii. I recommend that this amendment be rejected.

President. — I put Amendment No 13 to the vote.

Amendment No 13 is not adopted.

I put the rapporteur's proposal to the House. That is agreed.

I therefore put to the vote this proposal for the addition, at the end of letter (h), of the words

'and to see to the payment of social security benefits'.

This proposal is adopted.

I now have Amendment No 10/rev. tabled by Mr Marras, Mrs Goutmann, Mr Cipolla, Mr D'Angelosante and Mrs Caretoni Romagnoli on behalf of the Communist and Allies Group and worded as follows:

Add after 11 (i) the following (i) i:

- (i) i. the recognition of academic and professional titles and diplomas, at least at university level.

I call Mr Marras to move this amendment.

Mr Marras. — (I) I have explained that I took this amendment from a question by Mr Broeksz, a colleague and friend of our rapporteur Mr Albers, which asks in this Parliament document for the mutual recognition of diplomas. I consider that in this request there should be coherence within the one group.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, I am inclined to comment that letter (i) means that this is a long-term proposal whereas, from what has been said very recently, it is clear that this is an urgent problem and one that plays an important part in the frontier areas. The point also came clearly to the fore during the discussion of the Gerlach report on the problems of internal frontiers. I will keep to the point. Mr Marras says that this is an amendment which stems from me. I am not aware that Mr Broeksz had any hand in it, but it is not impossible because he is chairman of the Committee on Cultural Affairs and Youth. But again I do not want to deliver any opinion on this; the only thing is that if it is included in the resolution it would be more logical to insert it after paragraph 10 as 10 (i). It would then be in its proper place and not among the long-term measures.

President. — I call Mr Marras.

Mr Marras. — (I) I agree to Mr Albers' proposal.

President. — In view of the rapporteur's proposal for the insertion of this text after paragraph 10, I put to the vote Amendment No 10/rev. tabled by Mr Marras.

This amendment is adopted in the form proposed by the rapporteur.

On letter (j) I have Amendment No 11 tabled by Mr Della Briotta and worded as follows:

President

After item (b), insert the following new item (c):

'(c) extension of the civil and political rights, enjoyed by the ordinary citizen over 18 years, to all migrant workers irrespective of their origin;'

The former item (c) becomes item (d)

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, this relates to a proposal to which, as appeared during the hearing of the Committee on Social Affairs and Employment, the migrants' organizations attach special importance. The resolution does not refer to this point so that the amendment may really be regarded as a necessary addition. I shall not make any recommendation on this point and leave it to Parliament to decide.

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

Amendment No 11 is adopted.

I put letter (j) so amended to the vote.

Letter (j) so amended is adopted.

I put to the vote the whole of paragraph 11 incorporating the various amendments that have been adopted.

Paragraph 11 so amended is adopted.

I now have Amendment No 6 tabled by Mr Pisoni, Mr Girardin and Mr Rosati and worded as follows:

After para. 11, insert the following para. 11a:

'11a. Urges the Council of Ministers to ensure that the points contained in the social action programme which it approved on 21 January 1974 concerning activities in favour of migrant workers should not, when the present proposals are being considered, be interpreted in a restrictive manner so that everything that is not explicitly and definitively laid down in the programme is excluded, but rather in the broadest manner possible, especially where social security and civil and political rights are concerned;'

I call Mr Pisoni to move this amendment.

Mr Pisoni. — (I) This amendment, Mr President, is intended to make a general point with regard to everything that we have so far discussed. We have just heard from Commissioner Hillery that it has been discovered there is no legal basis for the Migrant Workers' Charter. It often happens that the Commission gets into difficulties and then, to get out of them, tends to put a restrictive interpretation on Parliament's proposals. But what, then, does this paragraph request? It requests that, wherever possible, Parliament's

resolutions be given the widest possible interpretation, taking into account not only the legal obstacles, but also the real requirements and therefore, if necessary, bending the legal aspects in order to arrive at those that are the real policy aspects.

This amendment is intended to some extent as the key to the interpretation of the resolution itself, and I would sincerely beg even our honourable rapporteur to accept it and the Members to support it.

President. — What is the rapporteur's position?

Mr Albers, rapporteur. — (NL) Mr President, maybe it is a matter of translation, but I find this obscure. The situation is this: once the programme is submitted, it is discussed by Parliament, and then the Council has to give it its approval, but it is the Commission which, ultimately, has to produce the proposals for the implementation of the programme. If the Member who has tabled the amendment means that it should not be interpreted restrictively, in my view that must mean from the standpoint of the Commission with regard to the further elaboration of what is contained in the programme. But it may be that I am mistaken. Mr Pisoni attaches great value to this strengthening of the resolution, and I would therefore be glad to hear Mr Hillery's opinion on the matter.

President. — I call Mr Hillery.

Mr Hillery, Vice-President of the Commission. — This request is addressed to the Council of Ministers, Mr President, and far be it from me to say that we can tell the Council of Ministers how to behave. The amendment urges the Council of Ministers to ensure that the points contained in the Social Action Programme concerning activities in favour of migrant workers are not to be interpreted in a restrictive manner. As I have already said as far as the Commission is concerned we have interpreted the guidelines given us in the resolution in the broadest possible way in favour of migrant workers, and I think this continues to be the attitude of the Commission. But the response of the Council is something that I could not answer for.

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

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

I call Mr Bersani for an explanation of vote.

Mr Bersani. — (I) Mr President, not having spoken in the debate, I would like to indicate briefly the reasons why I shall vote for the motion. The programme, at least in its general outline, provides for a considerable improvement in the measures designed to correct this complicated, difficult and, in many ways, distressing situation for so many migrant workers. Even so, it remains seriously inadequate with regard to a whole series of problems on which Parliament has, on many occasions, made its views known. In pointing this out, I refer particularly to the problem of the Migrant Workers' Charter, the housing programme, measures for the prompt and adequate payment of pensions, the employment card and the effective equalization of social, cultural and legal conditions of migrant workers as compared with other citizens. These, Mr President, are the comments that I have to make regarding this programme. Subject to these comments and, in any case, hoping that we are moving towards a continuous improvement in the measures planned for protecting and improving the conditions of migrant workers, I shall vote in favour of the motion for a resolution.

President. — Does anyone else wish to speak?

I put to the vote the whole of the motion for a resolution incorporating the various amendments that have been adopted.

The resolution is adopted.¹

12. *Safety, hygiene and health protection at work*

President. — The next item is the report drawn up by Mr Meintz on behalf of the Committee on Public Health and the Environment on guidelines for a Community programme for safety, hygiene and health protection at work. (Doc. 211/75)

I call Mr Meintz, who has asked to present his report.

Mr Meintz, rapporteur. — (F) Mr President, I would like to begin by saying that our behaviour is illogical because making people work up to this time of night is certainly not a measure of health protection at work, and that is precisely what we are here to talk about.

In its introduction to the guidelines for a Community Programme for safety, hygiene and health protection at work, the Commission states and stresses the following facts: in the Community nearly 12 000 000 people are injured

every year as a result of accidents of all kinds, the most frequent being accidents at work, and some 100 000 fatal casualties occur a year due to the same causes. At this rate the Grand Duchy of Luxembourg would be wiped out in under four years.

All our peoples, regardless of their differing political views have in common a respect for human life. This means that everyone has a right to have his life and health safeguarded and, conversely, a moral duty to strive to prevent accidents at work. This moral reason alone is sufficient grounds and justification for the action of the Commission in this field.

But there are other reasons—human ones in that accidents at work have adverse physical and psychological effects on the individual, social ones in that safety at work is a social factor to the extent that it affects the atmosphere, reputation and satisfactory running of a firm, legal ones in that national legislation has been enacted in this field making compliance with standards of safety at work a major aspect of civil law, and lastly economic ones in that accidents at work have a direct influence on production costs at the level of the firm and also have effects at national level. To quote an example, a report prepared by the Economic and Social Council in my country puts the total loss for Luxembourg's national economy in 1974 through accidents at work at some 3 000m francs—one tenth of the annual national budget.

It is essential, therefore, that the Commission should take action, particularly since the legal basis for it is to be found in the Treaty itself under which the EEC was set up, to the extent that greater safety at work makes a substantial contribution to the task of improving working and living conditions, which is one of the most important objectives of the European Community. This is why one cannot help feeling a certain degree of frustration on realizing that the Commission has submitted nothing more than guidelines for a somewhat more forward-looking programme of action, and the Committee on Social Affairs and Employment, in particular, has expressed its keen disappointment.

In view of the late hour, allow me to move on very quickly to the main aspects of the guidelines of this programme and of the resolution by grouping them, for the sake of simplicity, under five heads.

Firstly, the Committee on Public Health and Environment obviously welcomes the initiative of the Commission whilst fully realizing that it is not yet a programme, but guidelines designed precisely to enable this programme to be defined, and it is for this reason that I urged

¹ OJ No C 239 of 20. 10. 1975.

Meintz

at the opening of this part-session of Parliament that the draft report should be kept on the agenda against the opinion of the Committee on Budgets. It nevertheless wished, particularly in relation to the definitive programme, to express from the start a certain anxiety, and our committee invites the Commission not to confine itself to a statistical and technical study of the problems involved, but to focus the programme on practical measures to be taken at the level of the undertaking.

Secondly, the committee was concerned about the operation of the Advisory Committee on Safety, Hygiene and Health Protection at Work, an item of the resolution that has already come into effect, since the Committee has begun to meet.

For the Committee on Public Health and the Environment the important thing is that this Advisory Committee should really provide the driving force for Community action in the field concerned. For this it is necessary, firstly, that the committee itself and its working parties should be adequately staffed and secondly, that the members of the committee should clearly realize that the committee is not an object in itself nor a body whose purpose is merely to record statistics, but that its task is to prepare measures to be taken at undertaking level. This latter concern has, incidentally, been expressed several times by our committee.

Thirdly, health protection at work is not to be achieved in the abstract but in each individual firm and, within each firm, at each job station. It is only in this way, through concrete measures, that greater humanization of work can be achieved.

Fourthly, in order to arrive at this—and our committee stressed this at length—it will be necessary to have the cooperation of the public authorities, employers, trade unions, employees, in short all the social partners. Workers' delegations such as, for example, the joint committees, and all other participation bodies, have a vital part to play in all measures regarding the health and protection of the worker.

Fifthly, the main burden of the Community programme will be an effort directed at the training of workers. The purpose of this training will be to publicize ideas of protection and health to the point that the application of concrete measures becomes practically a reflex action. It would also be necessary to reach the point that safety questions, when collective agreements, for example, are being signed, are regarded as having the same importance as other questions, such as wages.

Inculcating this state of mind needs to begin at school, at all levels and in all educational streams, and not merely at vocational training schools, to which there is too great a tendency to confine it. Outside school it should be continuously stimulated by all the mass media. And in this educational context, our committee would like to point to two special measures which have already, it would appear, progressed beyond the guideline stage:

- (a) a special effort to ensure that migrant workers, not yet familiar with the language of the host country, understand the safety instructions which should be presented, for example, in pictorial form—the research being done is in this field—and
- (b) projects for joint production at European level of audio-visual aids.

Mr President, I have been brief, not because of the importance of the subject, but also in view of the lateness of the hour. Summing up, it may be said that whilst we approve these guidelines, it is nevertheless to be hoped that, within a very short time, they will be converted into programmes. And it is from this standpoint that I ask you to be kind enough to adopt the report of your Committee on Public Health and the Environment because I believe that in this way we shall have supported the Commission in its action and we shall also have contributed to a process designed to make the public authorities and partners in economic life aware both of the importance of the problem and of the responsibility they bear.

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

Mr Prescott. — Mr President, this is a very strange way to run a parliament. Probably one of the most important issues before us is safety. From the figures that have been given in the Commission's report it seems that since this debate started at 2.30 this afternoon, 120 people have died as a result of industrial accidents. Clearly that is something that should capture the attention of every Member of Parliament, be it at 2 o'clock in the morning or 3 o'clock in the afternoon. No doubt when we come to discuss butter, wine, dried milk and God knows what else, the House will be full because those are issues of some priority to Members. It is deplorable that this House should be so empty when we are to discuss safety and legislation on safety, such very important matters to many people in our Community.

Certainly we in the Socialist Group, probably the only group here, want to put on record how

Prescott

strongly we feel about this particular matter. Whilst the guidelines to which the rapporteur has just referred mark an important step forward, they clearly are not sufficient. There have been delays, the guidelines have not even come within the timetable set out in the action programme some time ago. I believe, as we were informed in the committee, that that is not the fault of the Commission but the result of delay by the Council. And I well understand that the criticism must rest at that particular door. Nor is this matter given the sort of priority it should be given. Indeed the money that is allocated to it from the budget is a piffling amount, with which very little can be done anyway.

But at least the Commission is now beginning to look at the programme and the possibilities, and we have before us the guidelines. In view of the lateness of the hour I will not deal with the detailed points in the guidelines. What I would like to do on behalf of the Socialist Group is impress upon the Commission certain principles that they should adopt in approaching this subject and which appear to be lacking in the report. Then perhaps I could direct the Commission's attention to certain specific areas where it could make a positive contribution, being an international organization or a body which can harmonize the various national state legislations in this field.

All countries are facing ever-increasing numbers of deaths and accidents at work, and most countries are beginning to find that their safety legislation is inadequate. We in Britain and a number of other countries in the Community have begun to recognize that even if we improve all the legislation possible, and harmonize that legislation, an average of 60% of accidents will continue to occur because of human error, and that we have to direct our attention to raising safety consciousness at the work-place.

The argument is then advanced that there is not sufficient money in our countries to pay for enough inspectors. Clearly the most important people to be used in improving safety consciousness at work are those in the trade union movement, the shop stewards. With new legislation in Britain, we are now to give them statutory rights to stop work if they consider there to be an unsafe practice. I hope that the Commission, in looking at this problem, will consider utilizing the energy and the manpower of the trade union movement. We hope that further recognition may be given to the role that the trade union movement can play in enforcing safety standards at the place of work.

Now I should like to direct the Commission's attention to special areas of activity that it may

consider, having regard to the limits of the budget and the limits of capacity available to it. Clearly, areas of special attention have been defined by the Commission in one or two sectors such as mining. One sector which is considerably more dangerous in view of the numbers of people that die and accidents that occur, comprises marine activities, whether fishing, shipping or, now, diving. In my own country 8 times as many seamen die as a result of occupational accidents as do in mining, which is considered a highly dangerous occupation. Twelve times more trawlermen die than miners in carrying out their work. In the North Sea the number of deaths in proportion to the number of people involved is 40 or 50 times higher. One particular sector in which I have been involved for the last 3 years is diving. This has produced a phenomenal death rate in the North Sea. The death rate there is 250 times higher than the average in occupations ashore.

This not only concerns British nationals. There are Frenchmen, Italians and people from other countries of the Community and outside engaged in highly dangerous specialized work in the North Sea. In this one area alone then, there is certain action the Commission could take at no cost, but through coordination and harmonization make an effective contribution. It can in fact now look to the possibility of harmonizing the regulations that govern seamen who sail in different national waters. It could also look at the International Labour Organization's conventions, which have been signed by European countries, but in many cases are not observed. The Commission should point this out and make a positive step forward.

We have heard a great deal about how much oil we intend to take from the North Sea, but very little about the cost in human life and suffering in getting that oil out. Many of the countries outside Norway and Britain will be exploiting oil in the next few years.

Mr President, I should like to refer to one particular aspect. Eighteen months ago, if a diver worked at a depth of 150 metres for an hour, he had to be suspended in the sea for 18 hours before he could be pulled out. If he was pulled out before that 18 hours was up, he died. Consequently, we had to bring in special legislation on equipment. Some countries do not have such legislation. The Commission could therefore consider harmonizing the regulations and the use of safety equipment in this particular field. We are now beginning to find that as divers go deeper and deeper, certain medical problems are encountered: divers are dying because they are too hot or too cold, and three or four years after stopping diving their

Prescott

bones are rotting because we do not have enough medical knowledge of what happens to them in these conditions.

I would like to finish, Mr President, by appealing to the Commission to take into account the points I have made and in particular to consult all the military and civilian medical authorities in Europe who are conducting research into the effects of working under the sea. I would ask it to coordinate this research and make this medical information available to companies and countries so that we can do something to reduce the terrible hazards to which these particular workers in the North Sea are exposed.

I hope, therefore, that the Commission realizes that we in the Socialist Group attach the utmost importance to the question of safety, and we hope that the somewhat limited suggestions I have made tonight will prompt the Commission to take active steps to achieve improvement, without commitments of vast resources of money or manpower, but by putting the proper emphasis on a vital area.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — *(I)* Mr President, I shall be very brief in view of the lateness of the hour.

The problem before us is of the most serious kind because it affects millions of workers. If there is a field where everything should be done to prevent the persistence of the present state of affairs it is certainly that of the victims of industrial accident and disease. In this sector, whilst noting the fact that the programme has a relatively broad and organic vision of the complicated problems involved in the question, I believe that we should really accelerate the pace far more than has so far been done.

In my country it is the custom to hold meetings in mid-March with industrial invalids or disabled persons and every year, I must say, I and many others find this occasion is absolutely shattering when faced with these tragic witnesses of that human reality which invites us to think about everything that could be done—but is not done—to avoid such distressing situations. The preceding speaker referred to the high rate of accidents and serious diseases in the maritime sector. It is certain that there we are faced with one of the most disturbing sectors in terms of the high incidence of fatal diseases and accidents, but I would like to recall another which may appear to be less important, but which the statistics show to be still really serious today. I refer to accidents in agriculture.

The agriculture population has declined in numbers and, in general, the conditions in which agricultural activities are carried on have become easier, but the use of machines of increasing complexity and in increasing numbers has led to a fearsome increase in the number of accidents, and in particular the number of fatalities and serious injuries.

In recent years we have witnessed a considerable deterioration in this situation in the Community. And this at a time when I personally am convinced, after an attempt at investigating the various technical aspects of the matter, that today, at the present stage of scientific research and technological applications, there are measures that could substantially reduce these consequences.

I wanted therefore to recall this particular aspect; certainly, much importance also attaches to stimulating workers to participate in checking the conditions of health and work within the firm. In the workers' charter introduced a few years ago in my country under an act which aroused wide interest even in international literature, there is an article which provides for the setting up of special committees specifically for inspecting these conditions. And I must say that, from a first survey carried out by the trade unions, it was clear that in those undertakings where satisfactory conditions obtain, the number of accidents, particularly the serious ones, has dropped substantially, whereas in other undertakings this is not the case.

And therefore it is right, Mr Hillery, that the Commission should have included amongst the fundamental objectives to be achieved in this area the promotion of a more active and widespread participation on the part of the social partners in the application of this policy. It nevertheless remains true that overall we should do much, much more. This vast number of fatalities and accidents that continue to affect hundreds of thousands in our Community's productive apparatus unquestionably constitutes a fact of extreme gravity that should give rise to an intensification of research, education and the harmonization of specific standards in this sector.

I believe there to be a most urgent need for outline legislation of the Community type, which would, for example, lay down fundamental standards as regards noise pollution, which is certainly—in the long run—one of the most serious causes of certain distractions or psychological disturbances suffered by workers in industrial undertakings, just as there is a need for other standards which, in my view, are still

Bersani

today left at a discretionary level behind which utterly unsatisfactory situations are often hidden. This, too, seems to me, therefore, to be one of the objectives we should promote with all possible determination and effort. These are my comments, Mr President, and I hope that we may be able to return to this subject at a time better suited to the importance and seriousness of the problems concerned.

President. — I call Mr Hillery.

Mr Hillery, Vice-President of the Commission. — Mr President, I can assure the last speaker that there will be an opportunity to discuss proposals from the Commission in greater detail, but as I explained earlier, the appointment of representatives of governments to the committee to assist with the drawing up of more clear-cut proposals was long delayed, and the Commission felt the same sense of urgency as has been evidenced here in Parliament. We therefore decided to go ahead with the setting of guidelines in consultation with the social partners and with people who occupy themselves with safety in government services. The guidelines were drawn up not as proposals to the Council or indeed as proposals to Parliament, which was not possible, but for information, to show the lines the thinking was following and to adumbrate the proposals of a firm nature which would be coming in the form of a programme plus concrete proposals in the coming year. We are very grateful to Parliament for the interest shown and to the opinions expressed, and these opinions will of course be given full consideration when the programme is being drawn up. I hope that the programme will have some effect because there is no evidence at all that there is any diminution in the trends towards the ugly statistics of accidents and mortality and the consequent human suffering and loss entailed in careless or unhealthy work cases. As I say, we will have the possibility of a fuller discussion of precise proposals during the coming twelve months.

President. — Does anyone else wish to speak?

The general debate is closed.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

13. Agenda for next sitting

President. — The next sitting will be held on Thursday, 25 September 1975, at 10.00 a.m. and at 2.30 p.m. until 8.00 p.m., with the following agenda:

- Oral Question with debate by Lord Bessborough to the Commission on the European Aerospace Industry;
- Oral Question with debate by Mr Corrie to the Commission on the Regional Development Fund;
- Normanton report on competition policy;
- Joint debate on
 - Oral Question with debate by Mr Cipolla and others to the Commission on the common agricultural policy,
 - Oral Question with debate by Mr Houdet to the Commission on the wine market, and
 - Oral Question with debate by Mr Vetrone and others to the Commission on French measures in the wine sector;
- Frehsee report on a regulation on importations of products in the wine-growing sector;
- Oral Question by Mr Scott-Hopkins and others to the Commission on the incomes of the fishing industry.

(The sitting was closed at 2.10 a.m.)

¹ OJ No C 239 of 20. 10. 1975.

ANNEX

*Questions, which could not be answered during
Question Time, with written answers**Question by Mr Glinne to the Council*

What are the Council's feelings about the proposal made by the President of the French Republic to the nine Member States of the Community that they should in future abolish official ceremonies commemorating the capitulation of the Third Reich on 8 May 1945?

Answer

The question put by the honourable Member does not fall within the Council's terms of reference.

*Questions to the Commission**Question by Mr Dykes*

Can the Commission now make a further statement to explain what progress has been made in the Commission Study into ways of providing additional counter-inflation assistance to Member States in view of the continuing steep increases in aggregate Community unemployment statistics?

Answer

The Commission assumes that the question about the study is a reference to the consideration being given to a Community system of unemployment benefits.

A system of this kind has been mooted on several occasions (latterly by the Study Group on Economic and Monetary Union in 1980).

The Commission has decided to look into the various aspects of this problem (economic, financial, social and institutional) in greater detail. Scientific specialists (Berlin and Delft) are also involved in the study now being carried out. Of particular importance are quantitative estimates of the possible costs and of the socio-economic effects in the Community.

The Commission hopes to have the results of these investigations shortly.

In addition, the Commission has, as part of its work and deliberations on the fight against inflation, instructed an independent group of experts to carry out a study of the structural problems connected with inflation. The work of this group is so well advanced that a final report will be submitted at the end of this year.

Above all, the Commission has continued to propose practical measures to combat inflation as well as having the above-mentioned research work done. For example, in its recommendation to the Member States of 23 July 1975 it proposed that only those Member States take steps to stimulate the economy whose balance of payments position, price trends and public budgets justify such action.

Question by Mr Dalyell

Can the Commission say whether it is studying the possibility—and, if so, on whose authority—of giving Scotland a voice in Brussels?

Answer

No. The Commission is making no such study, nor would it be appropriate for the Commission to do so.

Question by Mr Cousté

In view of the uncertain economic outlook and the need to propose durable economic policies, does the Commission intend to draw up a Fourth Medium-term Economic Policy Programme for the period 1976-1980?

Answer

In a document (COM(74) 1925) dated 14 November 1974 on the 'Economic Situation in the Community' the Commission informed the Council of its intention of drawing up a Fourth Medium-term Policy Programme for the period 1976-1980.

The initial work on this programme was begun without delay.

In view of the uncertainty with regard to economic developments, as the honourable Member stresses, the preparatory technical work will take some considerable time. It is proceeding apace.

Question by Mr D'Angelosante

Does the Commission consider it should take immediate initiatives—and if so, what form should they take—to prevent the death sentences passed on the Basque patriots Garmendia and Otáegui from being carried out?

Answer

On 8 September the Spanish Chargé d'Affaires called at the Commission at the request of Sir Christopher Soames. Sir Christopher told him that the Commission hoped that for humanitarian reasons the Spanish government would commute the death sentence passed on the two Basque militants: He indicated that the Commission did not wish to intervene in Spain's legal processes, but he suggested that public opinion in the Community was likely to be affected by this affair—with consequent effects for Spain's relations with the Community. Two days later, at its meeting of 10 September, the Commission discussed this question, and the Spanish Government was informed that it was hoped these death sentences would be commuted.

Question by Mr Gibbons

Is it Commission policy to ensure that benefits in the form of price increases, following the devaluation of the green pound, should accrue exclusively to producers, and that these benefits or other funds earmarked for agriculture should not be deflected or siphoned off to other people?

Answer

The primary effect of a devaluation of the green Pound is that all amounts fixed in units of account under the common agricultural policy rise in the national currencies. It is impossible to determine the effects of the devaluation on the persons concerned although the system of the common market organization is such that the positive effects chiefly benefit the producers and not so much trade and the processing industry.

In fixing representative rates the Commission does not pursue any particular policy to influence the effects of a devaluation. It should also be noted that the capacity of Member States to influence the effects of a devaluation on producer prices is very limited. In particular, they cannot take any measures to limit the level of intervention prices applicable throughout the Community.

Question by Mr Nolan

In order to improve the functioning and transparency of the agricultural markets, what action has the Commission taken to make realistic proposals for the general application of the system of market organization, particularly for such important sectors as sheep, horsemeat, potatoes and spirits?

Answer

In the stocktaking of the common agricultural policy of March of this year, the Commission put forward a series of suggestions and ideas to improve and render more efficient the functioning of the various market organizations. It also underlined the importance of acquiring greater insight into market prospects. The Commission has for some time now been endeavouring to strengthen this particular aspect of the CAP.

With regard to the various sectors mentioned by the honourable Member, I should like to inform the House that at the beginning of this month the Commission drew up a proposal for a regulation on temporary arrangements for a common market organization for sheep and sheepmeat, which has in the meantime been forwarded to Parliament and the Council. With regard to horsemeat, I should like to say that since the Member States have lifted all restrictions on imports and the Common Customs Tariff applies everywhere, the need for a common market organization in this sector is for the time being very limited, and I do not expect any new initiatives on the part of the Commission.

As regards potatoes, I would point out that a number of potato products have already been included in existing market organizations, such as the cereals regulation and the common organization for grass-fodder crops. With regard to new potatoes, the Commission recently proposed their inclusion in the new common market organization for vegetables and fruit.

In cases where potatoes do not come under any particular common market organization, the Commission will submit appropriate proposals to the Council and Parliament before the end of the year.

With regard to the spirits sector, the Commission submitted proposals as early as March 1972. Certain modifications will have to be made, particularly as a consequence of the enlargement of the Community.

Question by Mr Nyborg

In connection with the priority given by the European Investment Bank to investments in the less privileged regions as well as in the energy sector, could the Commission tell us what coordination exists between the Regional Development Fund and the European Investment Bank?

Answer

The Regional Development Fund Regulations themselves provide for coordination between the administration of the fund and the operations of the EIB. They provide firstly for the possibility of combining assistance from the fund with Bank loans by allowing for loans at reduced rates of interest, the interest reduction being paid for by the fund.

Secondly the EIB is included in the general provisions for coordination in the Fund Regulations which lay down that, in deciding on assistance from the fund, account must be taken of contributions from the EIB and from other Community sources to the same investment or to other investments in the same region.

There are two further ways in which coordination between the Commission and the Bank in matters of regional policy is affected. The Bank has an observer on the Regional Policy Committee which acts as an advisory body to the Commission and the Council in regional policy matters. Finally the Bank has to consult the Commission in respect of requests for loans which the Bank receives and which must be subject to an opinion from the Commission before a decision is taken on them.

SITTING OF THURSDAY, 25 SEPTEMBER 1975

Contents

<p>1. <i>Approval of the minutes:</i> <i>Mr Scott-Hopkins</i> 211</p> <p>2. <i>Order of business:</i> <i>Procedural motion: Mr Scott-Hopkins; Mr Kirk</i> 212</p> <p>3. <i>Membership of committees</i> 212</p> <p>4. <i>Change in the agenda:</i> <i>Procedural motion: Mr Fellermaier</i> .. 212</p> <p>5. <i>Limit on speaking time:</i> <i>Procedural motion: Mr Liogier; Mr Scott-Hopkins; Mr Liogier; Mr Fellermaier; Mr Dykes</i> 213</p> <p>6. <i>Documents submitted</i> 214</p> <p>7. <i>Oral question with debate: European Aerospace Industry (Doc. 239/75):</i> <i>Lord Bessborough; Mr Thomson, member of the Commission; Mr Schwörer, on behalf of the Christian-Democratic Group; Mr Rivierez, on behalf of the Group of European Progressive Democrats; Mr Normanton, on behalf of the European Conservative Group; Mr Lemoine, on behalf of the Communist and Allies Group; Mr Ellis</i> .. 214</p> <p>8. <i>Oral question with debate: Regional authorities and the Regional Development Fund (Doc. 240/75):</i> <i>Mr Corrie; Mr Thomson, member of the Commission; Mr Schwörer, on behalf of the Christian-Democratic Group; Mr Nyborg, on behalf of the Group of European Progressive Democrats; Mr Delmotte, on behalf of the Socialist Group; Mrs Kellett-Bowman, on behalf of the European Conservative Group; Mr Ellis; Mr Hughes; Mr Thomson; Mr Corrie</i> 219</p>	<p>9. <i>Fourth report on competition policy - Report drawn up by Mr Normanton on behalf of the Committee on Economic and Monetary Affairs (Doc. 164/75):</i> <i>Mr Normanton, rapporteur</i> 229 <i>Mr Albertsen, on behalf of the Socialist Group; Mr Artzinger, on behalf of the Christian-Democratic Group; Mr Liogier, on behalf of the Group of European Progressive Democrats; Lord Bruce; Mr Zeller; Lord Gordon-Walker; Mr Hamilton</i> 231</p> <p>10. <i>Receipt of a petition</i> 238</p> <p>11. <i>Situation in Spain</i> 238 <i>Procedural motion:</i> <i>Mr Borschette, member of the Commission; Mr Alfred Bertrand; Mr Fellermaier; Mr de la Malène; Lord Castle; Mr Kirk; Mr Broeks; Mr Scott-Hopkins; Mr Borschette; Mr Fellermaier</i> 238 <i>Joint debate on three motions for resolutions tabled respectively by Mr Fellermaier on behalf of the Socialist Group (Doc. 269/75), by Mr Amendola and Mr Ansart on behalf of the Communist and Allies Group (Doc. 270/75), by Mr Alfred Bertrand on behalf of the Christian-Democratic Group and Mr Berkhouver on behalf of the Liberal and Allies Group (Doc. 271/75):</i> <i>Mr Fellermaier; Mr Lemoine; Mr A. Bertrand; Mr Espersen, on behalf of the Socialist Group; Mr Berkhouver, on behalf of the Liberal and Allies Group; Mr Kirk, on behalf of the European Conservative Group; Mr de la Malène, on behalf of the Group of European Progressive Democrats; Lord St. Oswald; Lord Bethell; Mr Fellermaier; Mr Espersen; Lord Castle; Mr</i></p>
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<i>Deschamps; Mr Dondelinger; Mr A. Bertrand; Mr Berkhouwer; Mr Thomson, member of the Commission</i>	239	(Doc. 248/75) - Oral question with debate: French measures in the wine sector (Doc. 249/75):	
Consideration of the motion for a resolution tabled by Mr Fellermaier (Doc. 269/75):		<i>Mr Cipolla; Mr Houdet, chairman of the Committee on Agriculture; Mr Della Briotta; Mr Scelba; Mr Lardinois, member of the Commission; Mr Laban, on behalf of the Socialist Group; Mr Früh, on behalf of the Group of European Progressive Democrats; Mr Lemoine, on behalf of the Communist and Allies Group; Lord Walston; Lord St. Oswald; Mr Houdet; Mr Lardinois</i>	257
<i>Mr Fellermaier; Mr Scott-Hopkins</i>	252		
Amendment replacing the whole text: <i>Mr Kirk; Mr Yeats</i>	252		
Explanation of vote: <i>Mr de la Malène</i>	253		
Adoption of resolution	253		
12. Fourth report on competition policy (resumption):		15. Regulation on the importation of products in the wine-growing sector - Debate on a report drawn up by Mr Frehsee on behalf of the Committee on Agriculture (Doc. 254/75):	
<i>Mr Borschette, member of the Commission; Mr Normanton; Mr Albertsen</i>	253	<i>Mr Frehsee, rapporteur</i>	275
Rejection of motion for resolution	256	<i>Mr Liogier, on behalf of the Group of European Progressive Democrats; Mr Della Briotta; Mr Lardinois, member of the Commission</i>	276
13. Change in the agenda:		Adoption of resolution	281
<i>Mr Scott-Hopkins; Mr Laban</i>	256	16. Agenda for next sitting	281
14. Oral question with debate: Common agricultural policy (Doc. 247/75) - Oral question with debate: Wine market			

IN THE CHAIR: MR YEATS

Vice-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?

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — In the minutes of yesterday's sitting, Mr President, I notice that the agenda was changed yet again and that the oral question with debate that I have tabled on the fishing industry is now to be debated after the wine question. You will recall, Mr President that the decision was taken on Monday—and it can be seen quite clearly on page 21 of the English version of the minutes of Monday's proceedings—that the oral question with debate

on fisheries, in my name, should be discussed before the wine question. I am sure it was a slip of the tongue yesterday, for I cannot think that Parliament would want to go back on the decision it took on Monday. May I therefore ask that the position be restored to that which was decided by Parliament on Monday.

President. — Mr Scott-Hopkins, we are at present discussing the accuracy of the minutes of yesterday.

With regard to your point about your oral question with debate, a decision was taken yesterday by Parliament to change the order of business. This has been incorporated in the minutes and it has been agreed that this is what took place.

Are there any other comments on the minutes?

The minutes of proceedings are approved.

2. Order of business

President. — I call Mr Scott-Hopkins for a procedural motion.

Mr Scott-Hopkins. — Mr President, we have a lot of business to get through so I do not intend to go very far on this point.

A decision was taken on Monday by this House, and I cannot understand the reason for it being changed. When I read the minutes I thought it was a slip of the tongue by the President and I did not realize that that was actually what was intended.

There is no time-saving, there is no advantage in doing it this way. After all, Parliament did decide on Monday and I do not really understand the reasons for changing. Moreover, if it decided on Monday and changed it on Wednesday, it could change it again, on my proposal, this morning.

President. — Mr Scott-Hopkins these are matters which really could have been raised yesterday when the decision was taken.

It is of course for Parliament to arrange its own business but nonetheless I do think that when decisions have been taken, even if perhaps for a second time, we ought to adhere to them.

We cannot change the order of business every day, so I suggest we leave it the way it is.

I call Mr Kirk.

Mr Kirk. — With great respect, Mr President, the decision was taken yesterday afternoon with no reference to the Member concerned at all. Mr Scott-Hopkins was totally unaware that an attempt was to be made to change the order of business affecting him until he read it in the minutes this morning.

Members cannot be in the Chamber every hour of the day; that would be asking too much. We had important meetings outside yesterday afternoon. If attempts are to be made to change the order of business, the Member concerned should at least be notified in advance.

President. — The proposal has been made that the oral question with debate tabled by Mr Scott-Hopkins and others on incomes in the fishing industry should be placed after Item 164, and before the joint debate on wine.

I put this proposal to the House.

The proposal is not adopted.

3. Membership of committees

President. — I have received from the Socialist Group a request for the following appointments to committees:

Mr Broeksz to the Committee on Development and Cooperation to replace Mr Schmidt;

Mr Schmidt to the Committee on External Economic Relations to replace Mr Rizzi;

Mr Bayerl, Mr Calewaert, Sir Geoffrey De Freitas, Mr Hamilton, Mr Lagorce, Mr Willi Müller and Mr Rizzi to the Committee on the Rules of Procedure and Petitions.

Are there any objections?

These appointments are ratified.

4. Change in the agenda

President. — I call Mr Fellermaier for a procedural motion.

Mr Fellermaier. — (D) The House agreed yesterday—and to that extent I may speak for all the groups—that there would be a debate today on the political situation in Spain and the imposition of death penalties by Spanish military courts. Although the motions for resolutions on this are not yet available, because they were only tabled during the night, I would nevertheless request, pursuant to Rule 14 of the Rules of Procedure, that urgent procedure be adopted for the debate on the situation in Spain and that this debate should begin at 2.30 p.m. immediately at the start of the afternoon sitting. I do not think it need last long, but the House ought to debate such an important foreign policy matter today, particularly because no time should be lost in addressing an appeal to the Spanish government.

President. — Mr Fellermaier, the position is that the texts have not yet been distributed; I think it is impossible to take a decision until Members have seen the document.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, with great respect, since I can say that six group chairmen have agreed, following discussions within their groups, that there should be a debate today on Spain, may I then ask you to allow the House to vote on this request by six groups?

(Applause)

President. — The proposal has been made that we should have at 2.30 p.m. this afternoon a debate on the political situation in Spain.

I put the motion to the vote.

The motion is adopted.

5. *Limit on speaking time*

President. — I call Mr Liogier for a procedural motion.

Mr Liogier. — (F) Mr President, Item 175 on today's agenda is a joint debate on three oral questions, the first on the common agricultural policy, the second, tabled by Mr Houdet on behalf of the Committee on Agriculture, on the wine policy as a whole and the situation in the wine market, the third on French measures in the wine sector. These are very broad and different topics, especially the first two. It is quite impossible for the speakers to deal, even very briefly, with such important matters in the five minutes allocated to them.

For this reason we would ask you, Mr President, to increase from five to ten minutes the time allocated to speakers, or at least to one speaker per group, to deal with all three oral questions. In our view this is a strict minimum if the matter is to be taken at all seriously.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, I have every sympathy in the world with Mr Liogier's plea to you, but I would ask yourself and the House to consider that every matter which is placed on the agenda is of importance, otherwise it would not be on the agenda. I think we made an exception earlier on for the Helsinki conference, Mr Fellermaier's proposal being that we should extend speaking time, but if we do this for every oral question with debate, debates are going to be extremely long. Either we stick to our Rules of Procedure or we do not, and the only time we should make an exception in my view, Mr President, is when there is a matter of exceptional importance which cannot be discussed in any other way. I would have thought that perhaps this particular item does not qualify for such treatment. If it did, Members would ask for the same treatment for fishing, and various other matters such as energy, on which my right honourable friend is going to be speaking in a few minutes. I really do believe that we must try and abide by our Rules of Procedure, otherwise we are going to have interminably long debates. Today in particular, Mr President, there is an added factor: the sitting is to be closed at 8 p.m., and now we have inserted the debate on Spain. Although some honourable Members seem to think it will be a short debate, I somehow doubt that it will, and the timetable therefore is going to be very compressed, and it seems almost certain to me that the wine debate will be postponed until

tomorrow. I do not see any other way round it. I would therefore have thought that it would be much better for us to observe our Rules of Procedure, and not accept what Mr Liogier has said.

President. — I would like to point out that this is not a decision that the President can make. It is a matter for Members of Parliament. The danger, it seems to me, is that by increasing speaking time, speakers who would like to speak are unable to do so. Alternatively, the matter would be left over until tomorrow morning, which we all know is a very unsatisfactory time. I would therefore recommend that we should leave the decision as taken on Monday.

I call Mr Liogier.

Mr Liogier. — (F) Mr President, Parliament undoubtedly has the power to decide on such matters. In fact, a moment ago we changed the agenda and agreed to debate the wine problem at the end of the afternoon. In short, every time we have an agricultural debate, even if it is extremely important, all sorts of reasons are found for thrusting it to one side. Moreover, I should like to point out to Mr Scott-Hopkins that we are dealing here not with one oral question with debate, but with three, which are all very different. Hence, if a speaker wants to discuss a problem in depth, which he has a right to do, he will have 1 1/2 minutes per question.

This is a mockery.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, I should like to point out that under Rule 32 of the Rules of Procedure Representatives who wish to speak on a procedure motion may only do so once. Mr Liogier has spoken twice. In the interests of proper conduct of the debate I suggest we stick to our own Rules of Procedure. Mr Liogier has asked for a change which Mr Scott-Hopkins has rejected. A vote must therefore be taken. This House must for once take its own Rules of Procedure seriously!

President. — I do not wish to delay this matter any further. I would merely say to Mr Fellermaier that Rule 31 provides that no Representative may speak more than twice on the same subject except by leave of the President.

I now put to the House the proposal that speaking time on the oral questions to be debated jointly be set at 15 minutes for the author and 10 minutes for other speakers.

President

The proposal is not adopted and speaking time remains allocated as fixed on Monday.

I call Mr Dykes for another procedural motion.

Mr Dykes. — Mr President, I was wondering if you could make an interim statement to Parliament on the chaos of yesterday's Question Time. Could you make a preliminary statement on behalf of Mr Spénale, about how the presidency and the President's Office, together with the Bureau and the Committee on the Rules of Procedure and Petitions, will seek to improve Question Time from now on and guarantee the rights of Members?

6. Documents submitted

President. — I have received a motion for a resolution, tabled by Mr Bangemann on behalf of the Liberal and Allies Group, on the Community's sea transport policy (Doc. 268/75), which 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.

7. Oral question with debate: *European Aerospace Industry*

President. — The first item on the agenda is the oral question with debate by Lord Bessborough on behalf of the European Conservative Group to the Commission of the European Communities on the European Aerospace Industry (Doc. 239/75).

The question is worded as follows:

Will the Commission give their views on the future of European cooperation in the aerospace industry?

I call Lord Bessborough.

Lord Bessborough. — Mr President, I am very grateful to the Commissioner, Mr Thomson, for agreeing to answer this question today. I know that Mr Spinelli would have liked me to postpone it until the next part-session, because the Commission's proposals, although, I understand, virtually finalized, have not been formally presented to the Council. In view, however, of press reports in *Agence Europe* and the *Financial Times* about an EEC plan for a united aircraft industry and a more recent report in the *Daily Express* last week by Mr Colin Lawson, concerning a Europlane plan, my group and others felt I should ask whether these reports were well-founded or not. As I understand it, the Commission will be proposing, among other

things, that the European aerospace industry should be placed within the framework of a common market for its products and be subject to effective control by a common authority, presumably a kind of European aerospace agency. I gather the Commission may also be proposing that Member States should establish a joint military aeronautical equipment agency, whose task would be to study the management of the industry, the extent to which future production might be rationalized, and to negotiate with the United States agreements on specific products or sectors in which Americans might be willing to buy European equipment in return for European purchases of certain American equipment.

Since amendments are still, I gather, being made to the Commission proposals, I recognize it is not possible for us today to have a full debate on this subject. However, I would like to make two points: first of all, we know that Europe has the advanced technology to build the most up-to-date aircraft. Europe has led the way in the production of the Viscount, the Caravelle, the Trident, the VC 10, the Mercure, the Harrier, vertical take-off aircraft, the different types of helicopter and the Jaguar trainer, the multi-range combat aircraft, the Mirage F 1, and now the European Airbus, which is selling remarkably well, considering the depressed airline market. And then, of course, there is Concorde, in which Members of this Parliament crossed the Atlantic in the record time of 2 hours and 18 minutes only a month ago. I would like to stress here that these aircraft are not solely produced by Aérospatiale in France or the British Aircraft Corporation or Hawker-Siddeley in Britain or Messerschmidt, Bölkow and Blohm in Germany, but that other countries in Europe provide components or assemblies for some of them.

What I would like to emphasize is that in these aircraft, it can well be said that we in Europe have been technically ahead of the United States, yet at this time the striking fact is that 80% of the aircraft flown by European airlines are American. I recognize, Mr President, that in some cases the economics of the aircraft, and in particular the load factor, may have inhibited sales, but if we can solve the complex technological problems, surely we can solve the economic ones, too. Mr President, in my view, the time has come when the Community and its Member States should take drastic action to remedy this situation. We cannot allow this state of affairs to continue. I am not advocating a boycott of American aircraft, but I would support the Commission in any proposals they might put forward whereby Americans would agree to buy more European aircraft in return

Lord Bessborough

for European purchases of American equipment. Time is running out. We have only a few years in which to integrate our knowledge and abilities to make use of our inventive skills and ensure continuity of forward planning, so that we may compete effectively. Decisions in principle are pointless unless the Community backs them with deeds and not mere expressions of good intent. We need bold, political initiatives, initiatives which must avoid the charge of anti-Americanism, but which must be accepted as a genuine desire on our part to preserve our own interests while working in close cooperation with our North American friends.

I hope that Members of this Parliament will be roused to support in their own capitals the vital necessity for a Community policy in aerospace. The difficulties are manifold, but that is all the more reason why we should take up this challenge and master the problems.

One last suggestion I would make is that the Commission might prepare with aircraft firms in Europe, a package research and development programme similar, perhaps, to the energy research and development action programme which was recently approved by the Council of Ministers. At present, I think, in the aircraft industry, Community funds for research and development on aircraft are restricted to certain specific work on reducing pollution from aircraft engines. I would press the case for further basic research, as indirect action, on materials and fuels used by aircraft and perhaps in various areas of aerodynamics, areas of research which firms in the industry may consider worth investigating but which they feel may be too speculative to invest in themselves. I look forward to the Commissioner's reply and also to a fuller debate either on a statement by the Commissioner at our October part-session or after a committee has produced a report. I hope the Commissioner will agree it is worthwhile giving this question an airing so that Members of this House may have some advance notice of the forthcoming proposals. The time has come for action.

(Applause)

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, I think it has been very useful that Lord Bessborough should have initiated this brief debate today as a curtain-raiser for what will be, I think, a major proposal, which is due to be submitted very shortly by the Commission to the Council and Parliament.

I can assure him that, in the final discussions on the document they will be submitting to the

Council and Parliament, my colleague, Mr Spinelli, and the Commission will take careful account of the various constructive suggestions that he has made in his speech.

Perhaps I can tell him what the present state of affairs is. He will recollect the Council Regulation of March this year concerning the aircraft industry. Following that regulation the Commission has been working on the preparation of a report on the state of the European aircraft industry and the measures needed. The Commission has approved this report at a first reading after a general discussion and I can confirm to him that the contents of that report are remarkably close to the informed comments in *Agence Europe*, the *Financial Times* and indeed in Colin Lawson's column in the *Daily Express*.

The definitive text of this major document will be approved by the Commission and presented to the Council within the next two weeks in the form of an action programme for the industry. Lord Bessborough called for a bold political initiative. I venture to express the belief that when he reads this report he will find that it fits that definition. Indeed it is perhaps a little easier for me, since I am deputizing for Mr Spinelli, to say that I think he himself, and the services of the Commission associated with him deserve a great deal of credit for what will perhaps be regarded as one of the most imaginative and significant documents to come out of the Commission for a considerable time.

I believe that Lord Bessborough will find that our proposals will fully answer the various points he has raised and the Commission certainly hopes that Parliament will find an early opportunity to hold a full-scale debate on our analysis and proposals.

The Commission's view is that the European aircraft industry is at a turning point. In the last 15 years a pattern of bilateral and trilateral collaboration has been developed in Europe and has some considerable achievements to its credit, as Lord Bessborough has himself said. However, despite these efforts I think he will agree the basic policies do remain national in character. If the industry is to survive and to develop its potential in the next 10 years, Europe must move on from the phase of loose collaboration between national policies to that of a systematic common strategy based on the full integration of resources and efforts in research and development as well as commercialization.

Lord Bessborough underlined the importance of the research aspect of a European initiative and I can assure him that this is being taken fully into account.

Thomson

Decisions must be taken to develop a common programme backed by the Community which can provide all those who work in the industry with a hopeful future and the chance to contribute their skills to commercially successful projects of real interest to the world's transport companies.

What the Commission has in mind, and I take up one of the last points made by Lord Bessborough, is a major European initiative that is pro-Europe in the best sense of the term without in any way being anti-American in its impact or motivation.

The communication which the Commission will be submitting to Parliament and the Council will spell out in detail the measures needed to achieve these aims and I hope that when Lord Bessborough comes to study these he will feel that they are along the lines he described in this debate. I also hope that this debate will be a preliminary to a full-scale debate in which the Commission will find it has the general though critical and vigilant support of Parliament in this new Community initiative.

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

Mr Schwörer. — (D) The Christian-Democratic Group is grateful to Lord Bessborough for having raised this question and introduced this debate. We are aware that the European aerospace industry has not yet established itself either in the civil or the military sector. The USA has achieved for itself an undisputed predominant position in this field.

The reasons are well known. Our industries are too restricted to national markets. The demand is too limited and therefore the development costs for the individual aircraft are too high. There is no preference system for Community products and there is a lack of the mergers which are a prerequisite for efficiency. Even the number of joint projects has not been as high as might be expected and would be necessary for Europe. Concorde, the Airbus, and the Alpha-Jet are not enough to provide for genuine collaboration between the relevant firms in this sector.

For these reasons we ought to strive for an improvement in this situation and we are very much in favour of measures such as those proposed by Lord Bessborough and Mr Thomson. In our opinion, there should first be an increased exchange of information between the Member States. Secondly, the programmes for civil aircraft in particular should be coordinated. Thirdly, the structure of the aircraft industry

in the individual Member States should be improved by specialization and rationalization. Fourthly, state aids in the case of trans-frontier cooperation should be coordinated.

I suppose also, Mr Thomson, that we cannot avoid providing financial aid from Community funds for promising projects. How this is to be done, whether the firms concerned are given guarantees or whether financing facilities are provided to Community aviation companies purchasing Community products, can be decided from case to case. However, the figure of 20% which Lord Bessborough has given for European aircraft in service in Europe shows that we must do something definite in the next few years. I believe the decline in the number of orders for Concorde and the Airbus is significant in this context.

Ladies and gentlemen, the construction of a collaborating European aircraft industry has been recognized for a long time as a political necessity in Europe. In view of the economic situation and the growing unemployment in the Community, it is even more necessary to maintain the number of jobs in this sector in the Community. For this pressing reason we should delay no further in introducing the measures which will safeguard these important jobs in the Community.

We therefore request the Commission to submit the report which has been asked for and to make proposals for furthering the development of a strong European aerospace industry.

(Applause)

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

Mr Rivierez. — (F) Mr President, when I read Lord Bessborough's question on the aerospace industry, I thought Parliament would be discussing space as well as aeronautics. However, I note all that has been said on the aeronautics industry by Lord Bessborough and Mr Schwörer. I also note that there will be a full-scale debate on this very important topic in the near future.

I would, however, like to draw Parliament's attention to the space industry, which is outside the aeronautics industry and which is also of interest to Europe. As you all know, there is a European Space Agency to which all the Member States of the Community except Luxembourg belong.

This is a sector which covers both the aeronautics industry and the electronics industry,

Rivierez

the latter being an integral part of the space industry. Thus, our Community should also be able to exert an influence and make proposals on this special sector with its budget of about 287 million u.a. and staff complement of 4 to 5 thousand. Hence, following on from Lord Bessborough's speech, I think this debate should be extended to cover the space industry which is of major interest to other European industries. In the interests of the EEC, the Community aeronautics and space industry must be the subject of cooperation and consolidation.

I shall confine myself to these few comments today since the Commission has promised us a full-scale debate. I thank Lord Bessborough for giving us the opportunity to raise this matter.

(Applause)

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

Mr Normanton. — Mr President, I wish to do only two things: Firstly, on behalf of the European Conservative Group to express our thanks to Lord Bessborough for drawing the attention of this House and thus the Commission to an extremely important aspect of industrial policy thinking which leaves a great void at present, and a void that must be filled. In his presentation he made a number of references to all those firms which are giant corporations in Europe and which have contributed significantly and continuously to this important area of industry.

I would urge the Commission not to make their plans or draw up their policy guidelines for the future blinded to the real facts of the size and character of the European aeronautical industry. It does not consist of giant corporations; it consists of a few large companies who are completely dependent on a vast range of small sub-contractors. And it is these small sub-contractors who are, I think, the source of most imaginative and dynamic inventiveness, which unfortunately does not catch the public eye. Nor does the important part they play in economic, industrial and employment terms. I earnestly hope the Commission will bear that aspect of the structure of the aeronautical industry of Europe in mind when they present their views on its future.

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

Mr Lemoine. — *(F)* Mr President, ladies and gentlemen, everyone in this House knows that the matter raised by Lord Bessborough repre-

sents a very important and difficult problem. It is undoubtedly a subject to which more time should be devoted, and I am pleased that a full-scale debate is to be organized on the subject in the near future.

This problem is important because it concerns hundreds of thousands of manual workers, white-collar workers, engineers and technicians in the Community (more than 200 000 in the United Kingdom and more than 100 000 in France), because it involves a key industry employing highly qualified staff, because its development is a major contributing factor to scientific and technological progress, and because the aerospace industry is working to satisfy a need of our times. Air transport is expanding rapidly and this expansion would be even more rapid if fares were lower and greater emphasis were placed on low-cost tourism.

Thus, the products of the aeronautical industry are in keeping with a growing demand. However, in all the countries of Europe, particularly France, this industry is in a grave crisis. Uncertainty is rife and major aeronautical projects are being abandoned. Redundancies have occurred and highly qualified teams of scientists have been dispersed.

I am the mayor of a region which has a modern aircraft factory with an impressive infrastructure, capable of employing 2 000 people and belonging to the Société Nationale des Industries Aérospatiales. The French Government has just decided to close this factory. This situation is not in keeping with social transport needs, and contrasts with the requirements of and scope for scientific progress.

Why has this happened? Who is responsible?

It is clear that the policies adopted in France, for example, which benefit private groups and penalize the Société Nationale, have restricted development in the equipment and aircraft engine sectors. They have not been conducive to cooperation with other countries, in particular the socialist countries and the Soviet Union. Domination by American civil aircraft seems inevitable, and our industry has been made dependent on exports of military aircraft. In fact, American domination is considerable and the rate at which the European countries are losing ground in this field is constant and serious. The figures contained in the Commission's documents speak for themselves, and I shall not go into them here. I will only say that European industry is constantly losing ground to the American aeronautics industry as regards short- and medium-distance aircraft and particularly as regards long-distance air-

Lemoine

craft. American companies have a real monopoly in this field.

It must also be said that this monopoly in air transport, particularly since the return of peace to Vietnam, is now tending to extend to military aircraft. The present situation in the aeronautical industry is the result of a deliberate and long-standing policy. There is no lack of evidence of this. American private aircraft companies have obtained the lion's share of the European aeronautical market and are at present taking full advantage of this position.

If such a policy were continued, if the private groups dominating the aircraft industry of the capitalist world pursued the profit motive with impunity, we would clearly soon be witnesses to the death throes of the European aeronautical industry. Everyone knows this.

Are there any solutions? We think so. We shall return later to the proposals the Commission intends to submit. However, in France, for example, we are already putting forward proposals, in the context of the left-wing common programme, for solutions to the developing general crisis which forms the background to the serious crisis in the aerospace industry. We believe that it is essential to strengthen and develop the aeronautical industry, which is a key sector. In view of the importance of this branch of industry, the costs of production, and the infrastructure necessary, attempts should be made to find a supranational system. Stable, long-term and mutually advantageous cooperation agreements should therefore be concluded. An end should be put to the erosion of the aeronautical industry which is being placed in jeopardy by multinational societies under American domination. It is for this reason that we recommend that the major means of production should be returned to the state, if necessary by nationalization. In our view this is the only way to escape from the crisis in our countries. Such a policy would make it possible to ensure national independence in the framework of trade development and balanced international cooperation. It would also make it possible to improve production along specific lines.

The Communists intend to work on the basis of the principles I have briefly described, in the certain knowledge that they will be protecting the interests of the hundreds of thousands of European workers in the aeronautical industry who are at present worried about their future.

President. — I call Mr Ellis.

Mr Ellis. — Mr President, I too would like to thank Lord Bessborough for initiating this

debate, this curtain-raiser to the Commission's impending report on this subject.

I want also warmly to applaud and to support the views that he has expressed. I think that what he said quite clearly reflects the logic of the situation facing us in Europe in many of the fields of advanced technology and in particular in the field of the aeronautical industry.

It seems to me that the logic of the situation is one of the imperatives that justify and compel closer and closer integration of our member countries.

I am grateful, too, that Mr Thomson has been able to confirm that the press leaks referred to by Lord Bessborough were accurate. I take it, therefore, that we are to anticipate not simply a common market in aeronautical products, a kind of rationalization of the industry, but that we shall in due course see the industry subject to, and I hope I am quoting Lord Bessborough correctly here, effective control by a common authority. I do not know how this is to be achieved, and obviously it will involve very considerable difficulties. Speaking here as a Socialist, the whole question of public control inevitably springs to mind. Indeed at this point, as a Socialist, perhaps I might be allowed to remind the House that there is always joy in heaven that one sinner repenteth and I am very glad to see Lord Bessborough and the European Conservatives coming around to this view of the need for the public planning and control of what hitherto has been ideologically a completely private enterprise field as far as they are concerned.

Indeed, I think that this is an interesting example of how political developments are increasingly being influenced by technological developments. I think it was Professor Galbraith who said that technology today is a greater motivating force, politically speaking, than political ideology itself. This is a very profound thought and I am glad, as I say, to see that it is beginning to impose itself upon minds previously perhaps closed to this particular point of view.

We have had interesting examples in the United Kingdom. Perhaps one of the most famous of our 'lame ducks', as they were called, was Rolls-Royce which pioneered in a new technology when developing the RB 211 engine. The new field was carbon fibre, and the situation was that this great firm, which had all the expertise at its command, was unable, as it were, successfully to underwrite the new type of entrepreneurial risks, that is to say the risks of pioneering and innovating in a highly technological field. It is precisely for this reason

Ellis

that the underwriting of this new type of entrepreneurialism must inevitably be geared to a closer and more detailed integration of our countries. For that reason alone, and for many others, I am very glad indeed to support and to welcome what Lord Bessborough has said.

(Applause)

President. — I have no motion for a resolution on this debate.

The debate is closed.

*8. Oral question with debate:
Regional authorities and the Regional
Development Fund*

President. — The next item is the Oral Question with debate, put by Mr Corrie, on behalf of the European Conservative Group to the Commission, on regional authorities and the Regional Development Fund (Doc. 240/75). The question is worded as follows:

What is the Commission doing to ensure that the views of regional authorities on the operation of the Regional Development Fund can be brought directly to the attention of the Regional Policy Committee?

I call Mr Corrie.

Mr Corrie. — Thank you, Mr President.

The main reason for raising this matter at the present time is that I have asked all the regions within my own country just exactly how they feel the Regional Fund is working, and it is quite obvious that there is much disquiet at the operation of the fund. We want clarification from Mr Thomson today on lines of communication.

This should of course have been a very happy day for this Assembly. The Regional Fund is working and applications are coming in. However, we read in press reports that the fund is likely to be reduced to 300 million units of account although the Heads of State had set the level at some 500m u.a. I know this will be the subject of much discussion in the next few months but I hope again that Mr Thomson can clarify the situation.

It is, however, refreshing to be able to talk about this Regional Development Fund in the present tense instead of the future tense to which we have become so accustomed over the past few months. The group's aim in introducing this question at the birth of the Regional Fund and of the Regional Policy Committee is to help to ensure that the Community's regional policy starts on the right footing by getting

people in the regions and their representative bodies on the side of the Regional Development Fund a European regional policy. We do not want to see the Community's regional policy perpetuate national regional policies. The way at least one Member State appears to be behaving might result in just that.

The Regional Fund was not set up to act as Santa Claus to the sick economy of Member States. It was set up specifically to help the poorer regions within those states, but if we are not alert the system will fail.

Let us look at the procedure for receiving assistance from the fund. Since requests for assistance are submitted by Member States and not by regional authorities in the case of public investments, or by individual firms in the case of private investments, it is quite likely that a regional authority will first have to pilot a project through a local office of the national ministry concerned, then the headquarters of that ministry and then rely on the national ministry to see the project through the procedures in Brussels.

It is interesting to look at some of the letters I have had from regional authorities on this matter. For instance, after making an application one says:

‘Some difficulty has been encountered in this application although this arises mainly from the fact that local authorities require to channel applications through the appropriate government department; in this case the project is being looked at rather critically by the department as part of the anti-inflation exercise and there seems to be some uncertainty within the Scottish Development Department as to the categories of entitlement.’

In other words, Mr President, it would appear that national governments cannot give help in this particular case and say that if they cannot give help it cannot be given by the Regional Development Fund. I am sure this was never meant to be the case and it highlights the need for more direct contact between the Regional Fund and the regional authorities. A second letter I have here, from another regional authority, says:

‘A general comment by officials who have examined the document issued by the Commission of the European Communities (Sources of funds available from the European Community: a brief guide for local authorities, trade unions, industry and agriculture) is that there is a need for much more detailed information on the availability of Regional Fund grants, how to get such grants and what is actually covered by them.’

Those are just two comments from some of the letters that I have had. These arrangements may be inevitable in the early days of the fund and perhaps the best that can be said for them is

Corrie

that, by relying largely on existing national bureaucracies, they at least keep to a minimum the need for additional bureaucracy.

This brings me to the principle of additionality. Perhaps, Mr Thomson, you would care to say something about the commitments so far made by national governments to this principle. Can we be sure that payments from the European Regional Fund are a bonus and not just the outcome of an accounting tug-of-war between national finance ministries? Experience in my own country suggests that, despite government statements of good intentions, regional authorities are not benefiting from the principle of additionality. This could well result in failure to give due credit to the Regional Development Fund for its assistance towards a project and in national governments keeping the best projects to themselves.

The European Conservative Group deplors such attitudes towards the fund, which will increase the remoteness felt by the regions, quite the opposite of what was intended. And I am quite sure that if any national government cheats in the implementation of the fund, it will have dire consequences for the whole Community because those countries that contribute most will not stand back and see national exchequers swallow their money.

If the fund collapses, those of our peoples who most require help will suffer most.

Remoteness, perhaps, is very largely a state of mind, and one way of dispelling it is to create conditions for regional authorities to seek regional solutions to regional problems and to encourage people in the regions to participate in this process. The Regional Development Programme which Member States are charged with establishing by 1977 under the direction of the Regional Policy Committee, can play a key part in this.

The European Parliament has proposed that consultations by the Regional Policy Committee should be compulsory in the case of regional problems concerning interested parties from the regions. However, Article 5 of the committee regulations simply states:

'The committee may, in accordance with its Rules of Procedure, receive evidence from interested parties from the regions and from trade union and business organizations.'

We should recall that the Regional Policy Committee consists of two civil servants from each of the Member States plus two representatives of the Commission with an observer from the European Investment Bank. Can a civil servant from a national capital be expected to express a point better than someone from the region

concerned, someone who knows personally what help is required? How will these civil servants receive the evidence—in writing or orally? And if only in writing, how will the regional authorities recognize that their views have been taken into account?

I hope that the Commissioner in his reply will be able to tell us something about the actual Rules of Procedure of the committee. The Commission must seek to find the best ways of opening up a two-way flow of information between them and the Regional Policy Committee on the one hand and the regional authorities on the other. We do not want to see views on the development programmes and on the wider aspects of the European regional policy having to travel up and down the same chain of command as applications to the fund. We recognize that legally the Commission must deal with Member States. We can pay tribute to the way in which Mr Thomson's door has always been open to people from the regions and to the way in which he and his staff have travelled around Europe seeking advice and comments. But there is a limit to this, otherwise, he would never have any time to turn policy into practice.

We make two suggestions:

First, when a development programme from a specific region is being discussed by the Regional Policy Committee then the Rules of Procedure should enable the relevant authorities to be present.

Secondly, in the more general sense of assessing the development of Community regional policy and the impact of other Community policies on regional policy, we would suggest that the Commission, while maintaining the Regional Policy Committee as an inner committee, should consider placing around it an outer committee composed of people from the grass roots.

We know that there are immense problems in deciding how this can best be organized and indeed how this outer committee could be composed. I am very conscious that the term 'regional authorities' covers a multitude of bodies with varied powers and responsibilities and differing relationships to central government. Moreover, in many cases the authorities are often based on out-of-date administrative areas, which hinders the pursuance of an effective regional policy for each region concerned. Perhaps the Commission could organize a conference some time next year to review the first year's operation of the Regional Fund and to work out a way of establishing an outer regional policy committee? If something along these lines

Corrie

is not achieved, then people in the regions are going to feel more, not less, remote.

Direct elections to the European Parliament will not provide a complete answer either. Indeed the working out of suitable relationships between the Community, national governments and local and regional authorities which may well take in the old nations of Europe like my own Scotland, will perhaps be one of the most exacting tasks for the Community in the last quarter of this century.

This Fund, properly administered, can help those people in our countries who most require it and revitalize poorer areas throughout the Community. I hope the Commissioner can today give me some replies to the questions I have put. *(Applause)*

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, I am grateful to Mr Corrie for raising this subject today at the beginning of the new operational phase of the Regional Development Fund. I am also grateful to him because it enables me to fulfil a commitment that was made by the Commission earlier this year, that we would in the autumn part-session of Parliament make a progress report on the way the fund was operating to ensure that the financial arrangements that had been agreed in connection with this year's budget were adequate.

Perhaps I can respond straightaway to this question about the present financial state of the Regional Development Fund. We have in fact faced the immense difficulty of doing 12 month's work in 6 months. I would pay tribute to my officials who worked right through the summer period, and in some cases seven days a week, to ensure that the money allocated for the fund for 1975 should in fact flow to projects in the regions during 1975. The actual time-table is this: there will be an important meeting of the Management Committee of the fund in the middle of October and a further meeting in the middle of December.

We plan at the October meeting to obtain the Management Committee's clearance for projects taking up about 150m u.a. We should be able to clear the remaining 150m u.a., representing commitments for 1975, through the Management Committee at their meeting early in December. In this way, we should be able to commit by the end of the year the full 300m u.a. that we have as a commitment appropriation in the 1975 budget.

Now I think much of the confusion in the argument about these figure arises out of the

distinction in the Community accounting system between commitments and payments. Mr Corrie asked a question that many Members are asking, namely whether the present argument about the level of the 1976 Community budget means that the Regional Development Fund is to be reduced. I think I can reassure him on the basic essentials of this, although we have a very important battle ahead of us in terms of the actual 1976 budget. But the overall scale of the fund was set at 1300m u.a. over three years to be committed in stages of 300m this year, which as I have said will be done, 500m next year and 500m in the final year. Fortunately for the Community's regional development policy, these decisions were taken by a Summit Meeting of the Heads of Government, and they therefore stand outside the current budgetary argument. However, that argument is itself important because it is about the actual rate of payments that one makes in any one year. And here, if I might explain to the Members of the House interested in regional policy, there is a difficult and basic dilemma. The three-year fund is bound to be spent, even in the best circumstances, over a period significantly longer than three years, because it forms part of national expenditure on projects that are themselves spread in some cases over a considerable number of years. From my point of view as the Commissioner responsible for regional policy I would, of course, like to see a big flow of Community resources as quickly as possible into the regions. I therefore want to see the period beyond three years for payments kept to a sensible minimum, but equally I want to see the fund contribute to real major Community development projects that make a long-term impact on the development of the poorer regions of our Community. Of course, since those projects are major projects, they generally take longer to develop, and it therefore takes longer to make the payments.

At this stage I would simply urge Members of this House, who I know are deeply concerned about this, to accept that the issue is a complicated one and hasty conclusions should not be drawn on the basis of information leaked from the current meeting of the Council of Ministers on budgetary matters. There is a battle ahead of us. But the actual pattern the battle follows has, I feel, still to be revealed. So much, Mr President, for the scale of the fund.

Mr Corrie then asked about the question of additionality or, to get away from these jargon words, the question as to whether the Community fund will at the end of the day be a bonus for the poorer regions over and above what would have been spent in those regions through national programmes. The position here

Thomson

is that the governments of the Member States committed themselves to this general concept in the preamble to the regulation. The agenda for the next meeting of the Regional Policy Committee, which will take place in October, includes an item about additionality, and each Member State will then report on how it interprets its responsibilities under this head. There will be a rather significant debate amongst the representatives of the Member States on this issue.

I think we should leave the matter there at this moment, but I have no doubt that Mr Corrie and other Members of the House will want to return to it with pertinent questions once the meeting of the Regional Policy Committee has taken place. All I would like to say on this is that it is very difficult to say categorically whether the fund will be supplementary to national aid in any single year, because national patterns of public expenditure fluctuate in relation to the general economic situation. But what remains of fundamental importance is that, taking the fund as a whole, one should be able to say as it develops that it has enabled more to be spent on helping the poorer regions of the European Community than would otherwise have been the case if there had been no fund.

Mr President, the final point that Mr Corrie made, and it is an important one, is the question of relations between the representatives of the poorer regions of the Community themselves and the Commission and the Community authorities, and in particular the question of the arrangements for the Regional Policy Committee. Mr Corrie pressed for the Regional Policy Committee to be obliged to hear representatives of regions whose affairs are under discussion in that committee. I would only remind him and the House of the long debates we had on this last year and indeed the year before. Parliament fought this matter to the end; it put forward amendments seeking to make this a mandatory provision, and the Commission did not feel able to press these amendments to the bitter end. The reason was a very simple one: we shared Parliament's desires in this matter, and in an ideal world we would certainly have wished to see this provision mandatory, but we made the judgment, and I am sure from the long debates we had in the Council that it was the right judgment, that if we sought to fight this to the bitter end, the result would be that the Council would refuse to have even a permissive clause in the regulations. Therefore we are now seeking to encourage the use of the permissive arrangements. Mr Corrie asked specifically what the Rules of Procedure of the Regional Policy Committee would be. These rules have now been drawn up, and on this point

what is laid down is that where questions on the agenda of the committee concern particular regions, the committee may, if the representatives of the Member States concerned consider this useful, seek opinions either orally or in writing from the representatives of institutions or interested parties from the regions in question. I think that when Mr Corrie and others have studied this matter, they will find that it does leave them a certain amount of room to bring their own influence to bear on this question both here and in their national parliaments. It is, I think, undoubtedly better in these matters if consultative practices grow up through habit in response to clear needs rather than by compulsion. I hope I have said enough to indicate where the Commission's heart lies in this matter, and we will try to influence events in that direction.

Mr Corrie finally raised the question of the institutional involvement of regional authorities in the development of Community regional policy and particularly in the work of the Regional Policy Committee. He talked about the possibility of having an outer tier of regional authorities. This matter was discussed at the last meeting of the Committee on Regional Policy and Transport of this Parliament when I indicated on behalf of the Commission that for some time I had been considering the usefulness of trying to convene a conference of regional authorities to try to decide how best to proceed on this matter. I think it would be wise to wait and see how the fund operates in its first year, because we will then have a better idea of the role this kind of consultation could play. I think one also has to underline, as Mr Corrie very fairly did, the considerable practical difficulties of defining who are the representative regional authorities for the purpose of this kind of operation. It varies a great deal from one state to another and varies sometimes within a single Member State, and not every area regards itself as represented by the body that feels it is that area's representative. And I must again remind the House that the Community is a Community of Member States and the Commission's legal relations, as Mr Corrie stressed, are with the central governments of the Member States.

Mr President, I hope I have answered the main points Mr Corrie has raised. Perhaps I can answer any other points very briefly at the conclusion of the debate.

(Applause)

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

Mr Schwörer. — (D) Mr President, ladies and gentlemen, this Assembly and in particular our group greatly welcome the fact that the decision was finally taken in the spring of this year to establish the European Regional Fund and the Regional Policy Committee. Thus the basis was finally established for a policy of balanced economic development in the Community. It also became clear that the fund must be restricted to those countries and cases in which there was the greatest imbalance, because the means available are also restricted. Moreover—in order not to raise any false hopes—the removal of the structural differences existing within the Community remains a matter for the Member States. The Community however has an important exchange and coordination function and we are grateful that the Commission has now reported on the principles governing this coordination. They are essentially a confirmation of the existing elements of an effective regional and national economic policy, as already applied in certain countries of the Community.

We are in agreement with the procedure whereby the Member States draw up long-term regional development programmes, the results of which are subsequently analysed. This is undoubtedly one of the prerequisites for an effective, systematic approach in this sector.

We are also in agreement with the principle that this aid from the European Regional Fund should be additional to these national programmes and the prime principle must be that there is coordination, guaranteeing that optimum use is made of the limited funds and here, I think, the aid from the fund should be limited to those cases which are highly valuable from the point of view of structural policy and these should receive vigorous support from the fund which should be additional to the national contributions.

Ladies and gentlemen, we cannot conclude this debate today without referring to the present circumstances affecting just those areas which are economically weak as a result of these economic difficulties. In Germany we have an institute which has undertaken an interesting study of this subject. It has been found that the firms in such areas are not so much concerned with regional economic policy problems but rather with structural problems. These include inadequate availability of skilled workers, an unbalanced infrastructure and the general disadvantages of their location as compared with centres of population and this is the interesting thing: these structural disadvantages are particularly evident in periods of low business activity and can place the firms in these

areas at risk. In addition, it is usually the newer, often undercapitalized firms which have established themselves in such areas and which are hardest hit by a policy of restraint and later by the ensuing difficulties affecting economic development and business activity.

Therefore I consider that it is precisely in the present situation, where we have 5½ million unemployed in the Community, that this matter is highly relevant. The most important aim of all structural measures must therefore be to create and safeguard jobs. We should not only limit ourselves to the payment of once only sums, we should also ensure that these investments are secured in the long term.

I should like to encourage the Commission to persuade the Member States to adopt and apply certain principles. In the first place, geographical disadvantages should not be aggravated. I am thinking here, for example, of national measures for closing down certain railway lines. Secondly, expenditure as part of economic policy programmes should preferably benefit these weaker areas. This applies to aid for training and retraining of labour and for measures to improve the capital structure of firms in these areas. It also applies however to the public investment sector. Thirdly, newly established businesses in the regions not only need aid at the beginning of their operations, they also require continuing benefits in order to offset these geographical disadvantages. I am thinking above all of tax concessions which could be granted to these firms. In Germany for example there is the Berlin aid. Fourthly, in areas which are economically weak, aid for industry should not be the sole approach. Tourism, leisure, recreation and rehabilitation centres also provide jobs.

I am certain that it will be a difficult task to create a uniform standard of living throughout the Community. Nevertheless, we should not hold back because of this difficulty, since we know that millions of people are waiting for aid from the Community to produce a long-term improvement in their standard of living.
(Applause)

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

Mr Nyborg. — (DK) Mr President, I am glad to be able to say a few words both on behalf of my group and in my capacity as vice-chairman of the Committee on Regional Policy and Transport.

I think we should all be very grateful to Mr Corrie for having put this question, since it

Nyborg

concerns problems of great, even fundamental, importance. I am only sorry that Mr Corrie was prevented by other commitments from participating in the latest meeting of the Committee on Regional Policy and Transport at which Mr Thomson was present and where we had a very comprehensive discussion with the Commission's representative on this matter and other aspects of the Community's regional policy and the application of the Regional Development Fund. The discussion was remarkable for the frankness with which the various viewpoints were presented and this played an important role in the committee's further consideration of the Regional Development Fund. I would further add that I feel Mr Thomson has shown the same frankness here today and this we appreciate very much. I do not have the impression that there are such big difficulties as Mr Corrie suggested there might be.

At the Brussels meeting Mr Thomson stated very clearly the legal problems, not to mention the practical problems, with which the Commission would be faced if it attempted to negotiate with regions instead of Member States. I think we can all agree that in many cases it is difficult in the Community to find out which regional body is responsible for a given area. We have to acknowledge that for legal and administrative reasons the Commission is compelled to work mainly through the national governments.

But I do not consider this to mean that the role of regional and local bodies should not be regarded as being of predominant importance. In Article 5 of the decision setting up a Regional Policy Committee, it was expressly stated that the committee can receive representatives from interested regional circles and from trade unions and professional associations. That is all right as far as it goes, but I must remind Members that both the Committee on Regional Policy and Transport and the European Parliament itself have always considered that Article 5 should be compulsory instead of optional, that is to say that these bodies ought to have an irrefutable right of access to the fund's Regional Policy Committee.

But even if the Regional Policy Committee is able to hear the regions' opinion, we ought to remember that, in the end, it is the Commission which takes decisions about the actual projects after having consulted the Fund Committee. The Regional Policy Committee has an extremely important role to play in the shaping and creation of the Community's regional policy but plays a much less important role as regards actual appropriations. As far as I remember, Article 5 (2) in the regulations establishing a European Regional Development Fund provides

that it shall be heard on infrastructural projects valued at 10 million u.a. or above.

On the other hand, according to Article 12 (2) all the Commission's draft decisions concerning aid from the fund shall be referred to the Fund Committee and if there is disagreement between the Commission and the Fund Committee this fact shall be notified to the Council. But while Article 13 provides that the Fund Committee can examine all other questions concerning the fund's activity, it does not appear that the Fund Committee is authorized to seek the opinion of interested local circles in the same way as the Regional Policy Committee.

I wonder whether the Commission representative would consider the idea of strengthening the Fund Committee's role by giving it powers similar to those enjoyed by the Regional Policy Committee at the moment or, what would possibly be even better, by giving interested local circles access to the Fund Committee? If this were done, the Commission's direct contacts with the national governments would remain intact while the interests of local authorities and other associations would be represented when the Commission's decisions affecting them were dealt with in the Fund Committee.

I do not know how technically feasible my proposal is, but I feel very strongly that it is of the greatest importance that the viewpoints of the regional authorities, trade unions and business concerns are put forward and considered before final decisions are made. I do not believe that it is possible to achieve regional development and improvement simply by imposing regulations from above and from outside. It must evolve from the hopes and desires cherished by the local people.

(Applause)

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

Mr Delmotte. — *(F)* Mr President, I am grateful to Mr Corrie for raising once again the problem of the operation of the Regional Development Fund, particularly since his speech has come at a time when the discussions on the budget are throwing new light on the problems of this fund, which will undoubtedly cause us problems.

However, I note that Mr Corrie's question has already given rise to a debate going far beyond the original subject and I therefore intend, Mr President, to try and come back to the subject of Mr Corrie's question.

Delmotte

Under the regulation on the Regional Development Fund, the operation of that fund is the sole responsibility of the Commission assisted by a Fund Committee provided for in Article 11. This Committee, consisting of representatives of the Member States and chaired by a member of the Commission, delivers opinions to the Commission on the operation of the fund. However, the regulation contains no article enabling regional authorities to deliver opinions on the operation of the fund, which is the responsibility of administrative bodies. In this connection, I should like to tell Mr Corrie that the Fund Committee is different from the Regional Policy Committee mentioned in his question. Moreover, it was created by a different Council decision.

Aid from the fund is decided on by the Commission on the basis of the relative severity of the economic imbalance affecting the region concerned. The Commission must take account of certain factors mentioned in Article 5(1) of the regulations, namely the investment's contribution to the economic development of the region, its consistency with the Community's programmes, its profitability, and whether or not it falls within a frontier area. Above all, however, Article 6 lays down that investments may benefit from the fund's assistance only if they fall within the framework of the Regional Development Programme. Article 6 also stipulates that such programmes must be available before the end of 1977. The Regional Policy Committee to which Mr Corrie refers in his question must draw up, by 31 December 1975 at the very latest, an outline of the information to be included in these programmes. The Regional Policy Committee must be consulted about programmes and about investments in infrastructures costing 10 million or more units of account. This is the technical side of Mr Corrie's question.

The European Parliament has always taken the view that, if regional programmes are to be effective, the democratically elected local and regional authorities must participate actively in their preparation. Moreover, paragraphs 12 to 14 of the European Parliament's resolution of 12 March 1975 rightly made a recommendation to this effect. However, I should like to point out that the aim of the Community is not to create a European superstate but to form a coherent unit with a degree of diversification and interdependence in which the regions must play an important active part. Hence, the regions must participate in the construction of Europe, and particularly in the decisions which concern them. This, I think, is in keeping with our democratic tradition.

This regional awareness must be encouraged; Mr Corrie is perfectly right about this. How-

ever, before talking about what we wish to achieve we must discuss what already exists. Parliament wanted to make consultation of the competent regional representatives compulsory for development programmes relevant to them. The Commission and Council did not see fit to adopt this proposal. Article 5 of the decision on the Regional Policy Committee only authorizes that committee to receive opinions from the regions.

Although Mr Thomson's excellent speech a short while ago gave us some idea of the Commission's intentions, I would like to ask the Commission what provisions have been made in the Rules of Procedure of the Regional Policy Committee for collecting these opinions. I would also like to know how the committee intends to apply Article 5 and contact interested parties from the regions. Since the structures and powers of the regions differ considerably from state to state, it would seem appropriate to ask the states themselves to appoint regional spokesmen.

Finally, would it not be a good idea for the Commission, in order to demonstrate its willingness to involve the regions in the implementation of the regional policy, to organize a second conference on regional problems similar to that held in Brussels in 1961 at the initiative of Mr Marjolin, who was then Vice-President of the Commission?

I am rather doubtful about the effectiveness that a second assembly would have. The introduction of duality does not seem desirable.

In reply to the wish expressed by Mr Thomson, I do not today want to talk about the principle of 'additionality'. We shall be debating this at a later date. However, I recall that at the beginning we emphasized—and I think unanimously—that we did not want the states to use European intervention as a substitute for their own initiatives and their own intervention, but that we wanted the two kinds of intervention to be complementary. I think this should be pointed out before the important debates begin. *(Applause)*

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

Mrs Kellett-Bowman. — Mr President, we all appreciated the Commissioner's very lucid speech this morning, and we sympathize with many of the problems that he faces, particularly at this time, and he did suggest that we should return to the charge after October. I am a great believer in charging while the battle is still on. He may appreciate that the tremendous pressure which

Kellet-Bowman

is growing up in the United Kingdom regions, for a greater say in the operation of the Regional Development Fund is the result of the very intense frustration and anger that they feel at the fact that the money which was intended to be of additional benefit to the regions, is being swallowed up in ordinary government expenditure.

As the Commissioner himself said, there should be a bonus to help the underprivileged regions of the Community. Yet in the United Kingdom the Government is planning to use the money from the fund, in the words of a Government Minister, to limit public expenditure. In the words of a Government circular, they do not feel able to authorize individual local authorities to undertake additional projects because of the availability of assistance from the fund. This is exactly what the Member States feared when the terms of the Regional Fund were renegotiated, another point raised by the last speaker. It was intended that it should be an addition, and it is absolutely shocking that this is in some cases not so.

It is essential, if the Community is to survive let alone progress harmoniously, for the vast differences which exist between the regions of the Community to be ironed out as far as possible. Indeed this is expressly stated in the preamble to the Rome Treaty. Just as the EAGGF helped us to get the Community together in the early years, I believe the Regional Fund can do so in the years to come. But it can only do so if in fact it is fairly used. In the part of Britain which I come from, which the Commissioner knows well, we now have 7.2% unemployed, and we also have an aging population. By 1980 60% of our population will be over 60. It is therefore vital for new industries and jobs to be brought to the area to check the flood of young people to other parts and to provide work for the unemployed. Here the part played by the European Regional Fund could be of immense value if the United Kingdom Government plays the game fairly and allows our share to be added to what they normally spend.

I am very well aware—and the Commissioner reminded me of this yesterday—that it is not our job here as Members of the European Parliament to fight internal battles against our own governments, but the way the United Kingdom uses its share of the fund is by no means of interest only to United Kingdom citizens. If the Community's regional policy and the Regional Fund are to survive in this difficult world, it is vital that the citizens of other countries who are supplying the money should be satisfied that it is being used as originally intended, to bring additional help to the regions. If there is any

suggestion that national governments are cheating in this regard and pocketing the cash for other purposes, untold harm will be done, and the whole of the Community's regional policy will be at risk, with consequent danger in particular to Ireland and Italy, who will be considerable recipients. This risk could be minimized if a method could be worked out, as my colleague suggested, to involve all the regions of the Community directly with the Commission fund.

I do appreciate that the problem is more difficult in England than it is in other countries of Europe or in Scotland, because we have no regional pattern of government, but already local authorities are beginning to combine to put schemes before the Government. There is no insuperable problem in using the existing structures for this purpose or even in evolving new ones.

It is a sad fact that within the Community as a whole, as well as within Britain alone, the imbalance between the richest and the poorest regions has increased rather than diminished over the past few years when central governments imposed on the regions their idea of what was best for them. It is vital, therefore, that the voice of the regions themselves should in future be heard. In this way the projects put forward would reflect far more effectively the needs and the views of the men and women of the regions and not merely the view of the central government, which is all too often out of touch with the problems of the more distant regions. If, as is now unfortunately the case, only the national governments can deal with the Commission, the voice of the regions counts for little, since the Commission and the fund cannot even consider a project however good, unless it is sponsored by the national government.

And yet at the end of the day, Mr President, any really effective regional policy must be concerned at least as much with the regions themselves and their problems as with those problems which they may create within the national framework. Unfortunately, all the evidence to date proves that attempts to solve regional problems solely by reference to overall national problems are unlikely to succeed. It is essential to foster incentive and a sense of enterprise within the regions themselves. This can only be done, I would suggest, by full cooperation with those concerned locally with regional problems. It is not enough to look at statistics of unemployment or emigration provided by the central government. These problems must be considered from the point of view of those experiencing them at first hand.

Kellett-Bowman

Having said this the question is whether the measures provided in the fund regulations for consultation or representation of local interest bodies are sufficient. Despite the efforts and goodwill of the Commissioner, whose zeal and concern we all appreciate, the answer is emphatically no. With the best will in the world the Commissioner can only administer the regulations as they stand and if governments are technically within the rules, though plainly violating the spirit of them, there is nothing he can do. The rules must therefore be altered. At present the Regional Policy Committee can consult, as everybody has said, but it ought to be obliged to consult, as the European Parliament has always urged. Equally important, why do local interests have no voice in the fund committee, the body where the decisions which ultimately affect the regions are confirmed? I passionately believe that unless we get this matter straight now, the Community itself is at risk, and I would beg you to use all your efforts to persuade the national governments to alter the rules of the fund now while it is still in the melting pot.

(Applause)

President. — I would remind the speakers to keep within the time-limits. I call Mr Ellis.

Mr Ellis. — Mr President, I will try to be very brief although I am sure all the Members present will agree that this is an extremely serious subject for a number of reasons, for example from the point of view of the Community, to take but one criterion. It seems to me quite clear that the eradication of regional economic disparities is a prerequisite for economic and monetary union. That is just one reason why the subject is so important.

I should like to talk specifically about the question raised by Mr Corrie. He was really speaking about communication from the regions, and my good friend, Mr Delmotte—in what I thought was an admirable speech—made the immediate, practical points in response to what Mr Thomson has said regarding the actual administration of the existing fund. But the question, it seems to me, raises profound political issues, and I want very briefly to outline the situation at least as I see it.

We have had a succession of regional policies in our country and in many other countries for at least 40 years, and I go so far as to say that not one has been really successful. If one takes the demographic trends, for example as a criterion, in my country they are disastrous, and that after 40 years. People in my country, people in the regions are consequently beginning to ques-

tion the basic assumption underlying previous regional policies. There has been the assumption, it seems to me—what I call the consensus view—that with a certain amount of inducement to industry to go to a depressed regional area and a few prohibitions on developing certain of the richer areas, a natural process gradually will evolve and in due course eradicate the disparities. This has been the consensus view. More and more people are beginning to question this, and there is, I think, ample evidence now, that quite the contrary is the case, that there is an inherent conflict of interest between the rich region and the poorer region. That is to say that the rich region needs the poorer region for a number of reasons.

As a consequence of this, right across Europe all kinds of movements are springing up, which I think are to be deplored. For example, Mrs Ewing the other day speaking in a debate, made what I thought was a deplorable, narrow, chauvinist speech, but I can understand the response if people feel that the regions are not getting a fair share. The real answer—and this is the point I want to make—is, as I see it, that within the context of Europe the regions must somehow or other acquire sufficient political will, as it were, to insist upon their share of the cake, and it is the institutionalizing of this political will which is at the root of this question. I therefore urge the Commission to consider quite seriously the imperative need that has been spelled out by a number of speakers, and particularly by Mr Delmotte, for the regions themselves to have not only a say in a mandatory consultative capacity, but at least some kind of institutionalized political force.

(Applause)

President. — I call Mr Hughes.

Mr Hughes. — Mr President, I should just like to put three fairly brief questions to the Commissioner. I would like to ask him whether he is in a position this morning to inform this House of the kind of differences between various countries and regions in the flow of applications so far made, whether he is in a position to say if there are significant differences in the successful applications that are filtered through to his office from the different countries involved and, within those countries, from different regions. Secondly, I would like to ask him whether he can indicate when he will be able to report to this Parliament on the first year's work of the Regional Fund. This should be a matter of great urgency and should be done before we debate changes in the rules of the fund early next year. Thirdly, I would ask the Commissioner if he

Hughes

is not in agreement with me that some of the rather intemperate remarks made by Mrs Kellett-Bowman indicate how complex the whole area of additionality is and that an over-simple assumption leads one into grave errors as regards the reality of the situation.

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, it has been a most interesting and useful debate, but I know what pressure of time you are under and I will try to be very brief indeed in answering the various points that have been made.

I agreed very much with what Mr Delmotte, the distinguished rapporteur of the Committee on Regional Policy and Transport last year said, and I confirm that the Rules of Procedure of the Regional Policy Committee have been set out almost exactly in the terms of Article 5 of the main regulation. I repeat what I said earlier that the Commission very much hopes that the opportunity will be taken by that committee to hear the views of regional representatives. The Regional Policy Committee deals, as Mr Delmotte said, with a number of matters in which the democratic representatives of the regions have a legitimate and very real interest. As was said, from 1977 projects involving money from the Community fund will not be approved unless they form part of comprehensive programmes of development agreed amongst the Member States of the Community at Community level. On the subject of agreement on comprehensive regional development programmes it is important for people from the regions to feel that they have had an opportunity, as Mrs Kellett-Bowman said, for their voice to be heard.

The Regional Policy Committee also has to deal with the major infrastructure applications which have been made by the governments of the Member States. They have to go through two procedures, both the Regional Policy Committee procedure and also the normal management committee procedure, and since these major infrastructure projects are matters of great importance to the people in the regions concerned, it is important that their voice should be heard. I repeat, therefore, that we will do all we can to bring about that result.

I should perhaps add that there is another channel through which regional views can be made known to the Regional Policy Committee, and that is through the Commission itself. The Commission takes very seriously its contacts with representatives from the regions, both for-

mal and informal. We have our consultations with such Community-wide bodies as the Council of European Municipalities and the International Union of Local Authorities. I had a long and valuable discussion with them on July 18, and we agreed to pursue the question that I mentioned to Mr Corrie in my earlier speech, of trying to find the best way to bring about some kind of consultative process.

I do want to say just one word to Mrs Kellett-Bowman on this difficult question of additionality. Mr Hughes is right: it is more complex than I think it appears on the surface. The regulations actually allow a Member State to add the Community grant to what it already gives either to a local authority or to a private industrialist if it so wishes. In one or two cases Member States have agreed to do that, but that is entirely optional. But I must say that general Community interest is that that should happen only where it is strictly necessary because the purpose of additionality is, as Mr Corrie put it, for the contributions from the Regional Fund to be a bonus in the general sense over and above what a Member State is already spending on its regional policies. There is, I feel, a measure of misunderstanding about the position with regard to local authority expenditure in the United Kingdom. This is much more a matter for the national parliament than for this Parliament, but it applies to the whole Community: when a local authority obtains a grant from the Regional Development Fund, it does not mean that the local authorities should be automatically allowed to engage in some further projects that they have in mind, because it is essential to see development priorities not in terms of a single regional authority, but in terms of the whole area of the Member State concerned.

Mr Hughes asked me a couple of questions. He asked me whether there were any great differences in the nature and level of applications from Member States. No, at this stage, they are fairly uniform. Italy and Ireland, who have a major interest in the fund, were able to get off the mark very quickly indeed, and they put in applications very early for almost the whole of their entitlement for 1975. In the case of the United Kingdom, which also has a major entitlement, there was inevitably a delay because of the national referendum, but the applications are flowing in now, and there is no real problem. The applications that are coming in from almost all the Member States this year inevitably relate to projects that are already in mid-stream and very much to projects where there is hope that payments can be made and the resources will flow as quickly as possible.

Thomson

Next year the situation will be different. It will be important next year for us to begin to have major new projects assisted by the Community funds contributing to Community development in the longer term and not simply making a contribution to the implementation of existing national projects. And here I come back to the main theme of this debate, to Mr Corrie's question: ensuring that in the second or third year of the fund we really do see it used well for long-term development projects and not simply as a response to short-term pressures. The role of the Regional Policy Committee will be important and the voice of the regional representatives in that committee will be a crucial element in the success of its work both as regards its efficiency and also in giving a proper sense of democratic involvement to this big new Community fund.

(Applause)

President. — I call Mr Corrie.

Mr Corrie. — Mr President, may I just say a sincere thank you to Mr Thomson for coming along today and for giving such a frank and clear-cut answer. He has certainly thrown new light on the fund. I am very pleased to hear that he is so optimistic not only about the future working of the fund but about the levels at which it will work.

(Applause)

President. — I have no motion for a resolution on this debate.

The debate is closed.

9. *Fourth report on competition policy*

President. — The next item is a debate on the report drawn up by Mr Normanton on behalf of the Committee on Economic and Monetary Affairs on the Fourth Report of the Commission of the European Communities on competition policy. (Doc. 164/75)

I call Mr Normanton.

Mr Normanton, rapporteur. — Mr President, ladies and gentlemen, it is my privilege today on behalf of the Committee on Economic and Monetary Affairs to present their report on the fourth report of the Commission on competition policy. This document, may I remind the House, refers to the calendar year 1974 and here we are almost at the end of 1975. The committee devoted many long arduous hours to the most intensive study and critical analysis between

April and July this year before eventually reaching the views and resolutions contained in this report.

Generally speaking, as far as the committee is concerned, there is cause for satisfaction that the Commission and Commissioner Borschette and his staff are so active in the field of competition policy. They have kept a continuous sharp watch on infringements of regulations. This is absolutely essential if the Community's rules of competition are to be respected, a point we make on page 8 of the report. On the other hand, the committee regrets that the Council of Ministers did not honour its undertaking to adopt by January 1 of this year the Commission's clear-cut proposal for a regulation on the control of concentrations. The committee feels that the drawing up of an unambiguous European Community competition policy is proceeding far too slowly. The maintenance of a common market and of full and fair competition is particularly in danger in an economic situation like the present. That is the substance of paragraph 1 of the motion for a resolution.

We have in this House repeatedly criticized the growing tendency, when trade becomes difficult in any or most parts of the world, for certain countries to ship their products into our markets at prices totally unrelated to the real cost of production. They are subsidized, tantamount to dumping. And whether this practice is adopted within the Community by one or other Member State or by producers of manufactured products outside the Community, the effect is precisely the same, especially under these difficult world economic conditions. Unemployment—and unemployment is invariably the motivation of those who adopt subsidies—may temporarily be relieved in one sector or an area only to be transferred to another sector or area elsewhere. It does not resolve the problems of unemployment in themselves. It spreads them.

The committee and this House have repeatedly called upon the Commission to prepare guidelines for a general policy on industry, a policy which should encourage the necessary restructuring of industry not on a once for all basis but as an on-going continuing process. Only by such restructuring on a Community-wide basis can the efficiency and effectiveness of our industrial society be raised and only by doing so can we provide the surest guarantee of secure and rising employment to all those engaged in it. The Community depends for its very existence upon its ability to compete in world trade, a point which has been consistently dominant in the minds of all those who are concerned in this House with world trade. A policy of isolation, a policy of insulation from the

Normantof

harsh economic realities of such world trade would, I believe, rightly warrant the strongest possible criticism. This is the substance of paragraph 4 of the motion for a resolution which calls for action by the Community.

The committee is acutely aware of the existence within Member States of a wide and diverse range of state aids. The Commission has been asked repeatedly, and in particular on 13 November of last year, to identify and catalogue these aids, but we regret to have to say we still have no response from the Commission on this point. We reiterate our request in paragraph 6 and I am sure the House will endorse that view strongly.

In paragraphs 5, 6, 7 and 8 we highlight the urgent need to reach agreement between Member States on a Community policy and rules for state aids of all kinds. When all are in receipt of aids, in effect no one is in receipt of aid. We believe, however, that the universal abolition of all aids is impracticable and unrealistic and, I know, would be violently opposed by many honourable gentlemen in this House. But with the imminence of the introduction of the Community regional aid policy, the need for coordination of all forms of aid grows and grows fast. Otherwise, we foresee that the consequences of a competition in giving aid will be that the weakest elements, the weakest sectors, the weakest Member States of the Community will suffer unacceptably.

In paragraph 9 we repeat our constant demand for greater cooperation with Parliament. We have made this request in the past and we will continue as a House to insist upon this as a matter of fundamental political importance.

The House is a sounding-board for the opinions, the fears and the aspirations of people throughout the whole of the Community. We have frequently heard in this House individual and collective criticisms of the activities of institutions and sectors of society. Our committee feels that we have a moral duty, indeed a political duty, to have all these criticisms identified, investigated objectively, dispassionately and analytically to enable an informed view to be voiced by this Parliament on each of these major criticisms by society. The inclusion of nationalized industries, the reference to professional bodies and trade unions, the reference to banking and credit institutions in this report, does not in any way imply criticism by the committee or any of its members nor does it indicate approbation for any of those institutions. We want to know the truth, we want to know the facts. Do these facts in any way affect the well-being and the interests of the consumers, or his or her rights under the Treaty of Rome? Hence

Mr President, paragraphs 11 and 12 of the motion for a resolution.

The work done by the Commission in the field of restraints on trade, on licensing, patents etc. is, I suggest to the House, a rather technical and complex matter. But in paragraphs 14 and 15 we express dissatisfaction with the methods adopted by the Commission for dealing with these and the progress achieved so far. We are critical but we like to feel that we are constructively critical.

The Community is already committed, with the fullest support of Parliament, to make progress towards open tendering by all public authorities. Mr President, we suspect, I do not say that we believe, but we suspect that some Member States may be, shall I say fiddling the rules by rigging the tenders and pricing policies of companies under their own state control. It is this suspicion which underlies our suggestion that this is a matter that does require investigation by the Commission. On the basis of the evidence or the information provided, we the committee and this House will be the better able to make a balanced objective judgment. We want the facts and we hope the Commission will prove capable of obtaining them for us.

And now to conclude, Mr President. The committee is and has been unanimous in regarding it as of the highest importance that monopolies, restrictive practices and restraints of trade, whether they be non-governmental or governmental, whether they be in the Community or overseas, which operate to the detriment of 250 million consumers, must be dealt with appropriately by the Community and that means this Parliament. Institutions of all kinds, whether they be commercial, industrial or social, which operate within the Community must comply with the Community legislation and procedures. This point is made in the report. The Treaty of Rome spells out the principles upon which a free and a prosperous Europe must be built. The Committee on Economic and Monetary Affairs will continue to champion these objectives under our present chairman, Mr Leenhardt, as it has done so effectively and continuously under his predecessor Mr Lange.

I present this report to the House on behalf of the committee and since there are no amendments tabled at the moment, Mr President, I hope and expect it will win the unanimous support of all who are present here this morning.
(Applause)

President. — I would appeal to speakers to be brief. It has been decided to start the Spanish debate at 2.30 p.m. and therefore it is highly

President

desirable that this debate should finish before lunch.

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

Mr Albertsen. — (DK) Mr President, in the very exhaustive report Mr Normanton has presented, he mentions the great difficulties encountered by the Commission in this area. He asserts that it makes progress each year on the way towards a common competition policy. This progress is not evident to us in the Socialist Group. If we refer to the resolution on the Commission's third report on competition policy, which we adopted on 13 November 1974, it will be noted that Parliament requested the Commission last year in the same terms to try and work out provisions on cooperation between the Community Institutions and the national competition authorities and put them into operation. In the same way we asked the Commission in our resolution last year to institute basic rules for assessing selective dealer systems. We asked the Commission on that occasion to formulate a clear-cut policy on licence contracts for patents and know-how. We also asked that regional aid should be made transparent and measurable.

We appreciate Mr Normanton's report as regards the development of information activity and the joint hearings between states and the Commission with a view to avoiding disputes between the various authorities. It is important to draw up provisions making possible an information circuit. The rapporteur was right to mention the reluctance shown by the statistical office about giving information on the price of goods.

I should like to thank the Commission for the innovation in its report whereby the prices of identical goods are compared between different markets. As these studies are gradually deepened and extended, they will not only be an important indicator for the Commission as to whether the Community's competition rules are being observed; they can also be an important instrument to help the national price control authorities assess whether prices on the national markets are reasonable. The Commission must be strongly urged to continue and extend its price investigations, to demand better cooperation from the Member States and, finally, to promote consumer information by publicizing its inquiries. Different consumer prices have been shown to exist from one country to another in respect of ordinary daily consumer articles; for instance, the prices for motor oil, toothpaste and electric light bulbs are 100% higher in one country than in another. I should like to ask the Commission whether it can give an idea

of its work schedule for this sector and whether it is in contact with consumer institutions on this subject.

Investigations are going on at present to establish the business practices of certain oil companies. Parliament awaits with great impatience the report promised by the Commission.

Production and sales companies which have subsidiaries common to two concerns give rise to serious problems, which the Commission seems to be very tolerant about. The case of the steel industry illustrates very well that the need for large investment conduces to joint production; what is forgotten there is that such concentrations are apt to have definite effects on competition.

In this connection note should also be taken of Mr Normanton's statement about national aid systems, which we should in principle endeavour to abolish as quickly as possible.

I shall now turn to a few points in the resolution which I believe require further elaboration.

In paragraph 11 the committee asks the Commission to state in what measure professional associations and trade unions influence free competition. I recall the committee's discussion on this subject, but I must admit that the more I think about the wording the less clear and comprehensible it becomes. It is of course true that both employers' associations and the trade unions have a very real influence on, for example, wages. And what would be the point of such bodies otherwise? It is also true that the level of wages has a real effect on consumer prices, but this holds good for many other factors. If the above paragraph is to have meaningful content, mention ought also to be made of, for example, governments and other institutions representing pressure groups of various kinds—and the question is, of course, in what measure pressure groups influence free competition. The implication of the paragraph in question is that, for considerations of competition policy, we should eventually end up harmonizing the number and powers of the various pressure groups. European-minded as we are, we cannot go along with this.

In paragraph 17 of his motion for a resolution, the rapporteur calls on the Commission to investigate nationalized enterprises in a manner that insinuates there is something unlawful going on there. I should like to ask the rapporteur whether he does not think there is cause to investigate the hidden or official advantages given to multinational companies not only by the American government but also by the Federal authorities?

Albertsen

The main trouble with competition policy lies in the contradiction, encountered in various places in the Commission's report, between the need to reform the economic structure through greater concentration and the desire to preserve a system of competition.

This gives rise to uncertainties, which are also to be found in the American context in the very divergent application of anti-trust laws. This contradiction finds expression in practice in a certain timidity on the part of the Commission, which to a fairly large extent takes account of industry's demands. It can be seen that it is difficult under a liberal social system to resolve the notorious dilemma between concentration and competition, and that the best answer to this problem is to go in the socialist direction by implementing effective planning through increased control over key sectors.

Furthermore, we cannot emphasize strongly enough the gravity of the fact, mentioned by the rapporteur in paragraph 19, that the Council has not yet made a pronouncement on the proposal for a regulation on the control of concentrations. The Commission submitted its proposal to the Council on 20 July 1973, i.e. more than 2 years ago. It contains very important provisions, namely a definition of concentrations, wide powers for the Commission to take decisions, and rules on prior notification of concentrations where the total turnover involved is valued at 1 000 million u.a. or more. The Council's delay in adopting this proposal for a regulation is the cause of a number of bad habits regarding concentrations that can be observed in Member States.

Mr Normanton says in his explanatory statement that the fourth report makes no mention of the fact that the Commission is cooperating within the OECD on the question of the control of multinational companies. He believes this cooperation will continue and recalls the Commission's statement in the third report that there had never been any practical difficulties in the past in applying the Community's rules of competition because a company was multinational. Mr Normanton added that the Commission had assured him that the situation in this sector was unchanged.

At a time when multinational companies dominate world production and have a large share of responsibility for inflation by reason of their monopolistic actions and their agreements to maintain high prices, it is truly unusual to hear such observations. Unless the Commission actively works to create in a broader international context the legal basis for these companies' activity, this, together with the Commission's slowness in completing the investigation

promised long ago on the large international oil companies' activities during the acute oil crisis in the winter of 1973-74, will help to give the public the impression that the Community has no great results to show in this field either.

Mr President, I have for the most part been expressing the viewpoints of the Socialist Group. I shall conclude by expressing the Socialist Group's wish that we shall not once again in 1976 postpone dealing with this problem until such time as there happens to be room on our agenda but that we all, Commission, Committee and Bureau, should expedite its consideration so that we can deal with developments in the field of competition policy in 1975 at the latest during the July part-session 1976. It is not particularly inspiring in itself to prepare a report on another report. It is even more unsatisfactory if no-one can remember the events on which the report is based.

The Socialist Group regrets that the sector covered by articles 85 and 86 is becoming more and more restricted and that the Commission is far too mild in its pronouncements. In these circumstances, it will vote against the motion for a resolution prepared by Mr Normanton, though I should mention that a few members of the Socialist Group wish to abstain. I can well imagine that Mr Normanton is surprised about this conclusion to our committee discussions but I can say that our Group came to its decision only after very thorough discussions. I am sure Mr Normanton will understand if he remembers the attitude taken by the Conservative Group when it came to the first sitting in this Parliament, namely one of surprise that everybody agreed on everything. Here is, then, an example of a different attitude: as regards this report at least, we are not in agreement. *(Applause)*

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

Mr Artzinger. — *(D)* Mr President, allow me first as group spokesman to express our thanks to the rapporteur. From my own experience I know that it is not easy to compress the extensive report on competition policy in such a way that it can be presented in a short parliamentary report. We consider that Mr Normanton has fulfilled this task skilfully and industriously and has taken account of the differing views expressed in committee.

The motion for a resolution was adopted unanimously in committee. The Christian-Democratic Group will vote for it. I regret that in the meantime certain differences of opinion have

Artzinger

obviously become so marked that we shall perhaps have a conflicting vote in Parliament.

One may wonder whether it is reasonable to discuss competition in an economic situation characterized by mass unemployment — if I remember rightly the latest figure is 4.6 million—stagnant growth and further inflation. What is the point of a debate on competition? I am grateful to Mr Normanton that in his introduction he linked paragraph 3 of his motion for a resolution very closely with paragraph 4, not only pointing out that subsidies to certain sectors to prevent a further rise in unemployment may cause distortion of competition but also stating in paragraph 4 how this can be avoided, namely by guidelines for a sectoral policy designed to achieve restructuring even during the crisis, even during a period of stagnation.

I believe that the warning in paragraph 3 is not unjustified. In view of the serious unemployment situation in all our Member States, with the exception of Luxembourg, there is a risk that we shall indulge in blind interventionism and nip any progress in the bud. I would consider it disastrous if interventionism were to become the watchword in the Community, because one could then definitely expect the Community to collapse. Apart from the fact that interventionism leads to a gigantic waste of resources, we must remember that the basis of the Common Market is competition. I am therefore grateful to the rapporteur for confirming to Mr Borschette and his staff that they have rendered good service in promoting competition in 1974. We know, Mr Albertsen, that there is still a great deal wanting. Problems of course remain on the table for a long time and we cannot expect that, for instance, the thorny problem of state aids can be solved in one or two years. In the report on competition for 1975 we will therefore probably still find a section on state aids. We shall have to deal with this problem on several further occasions. But we know that the Commission is endeavouring, against considerable resistance by the Member States, to create a competitive situation and we should support them in this.

Mr President, as I do not wish merely to paraphrase Mr Normanton's report, I have a few questions to put to the Commissioner who could perhaps refer to them in his reply later. The report states, as did my report on the Third Report on Competition, that there must be a regularization of the relationship between Community and state law on competition. As I have said, I myself put forward this idea and Mr Normanton has re-emphasized it in his report. In the meantime a German professor has pointed

out that Community competition law is gradually being superimposed on national competition law and that therefore the clause in Article 85 concerned with international trade and which is only designed to protect the flow of goods across frontiers, will become less important because the establishment of a national cartel as such will increasingly impair competition in the Community. I therefore ask the Commissioner whether it is not in fact reasonable to delay the codification of the relationship between Community and national law on competition when we have a development which is creating national legislation on competition on the basis of Articles 85 and 86? My second question is this: Mr Normanton referred briefly in his report to the case of Kaffee-Hag and to the, in his view, somewhat unsatisfactory approach adopted by the Commission; they only consider the question from the point of view of free movement of goods within the Community. So far so good! The Commission is aware that the case of Kaffee-Hag caused considerable controversy in the Federal Republic and considerable opposition to the verdict of the European Court of Justice. I will not say any more about that. I would only like to ask whether you ought not also to consider the question of protection of the consumer in the case of branded goods, and whether the forthcoming regulations on copyright and trade marks might provide a solution?

One final point: in my country at the end of last year the Bundestag was notified by the government of 25 cases of distortion of competition arising because of the power of demand and not the power of supply, i.e. not as a result of monopolies or cartels but as a result of the power of demand.

I would therefore ask you whether this problem of competition being distorted by the power of demand might not be given somewhat more space in your report than was done in the last report on competition?

(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, in drawing up its fourth report on competition policy the Commission was guided, as it has itself stressed, by a desire to contribute to the solution of the difficulties facing the Community as a result of the present economic crisis.

This gives expression to the importance which we attach to this problem. The excellent report

Liogier

drawn up by Mr Normanton concentrates on competition policy as regards undertakings.

Our attention has been focused on the three parts of this study relating to general and legal questions arising from the application of competition rules, the policy as regards state aid and the most significant data as regards concentration.

Our group supports the policy adopted by the Commission on these matters, which for the most part are not new. I would also draw your attention to a fairly long speech I made on behalf of the group at the beginning of 1970 on Mr Berkhouwer's excellent report which dealt very comprehensively with competition rules and the position of European undertakings.

However, I should like to make two general comments. First, we believe that competition policy, more than any other, has at present come to a sort of standstill. In all matters—prices, licensing agreements, trade marks, national monopolies, state intervention on behalf of undertakings and regions—its progress is impeded by the inadequacy of European economic integration.

In our view it is difficult to envisage a competition policy which will properly fulfil its role, i.e. which will ensure freedom and equality between producers in all fields when there are disparities everywhere which are due not to any lack of goodwill or good intentions, but to the national structures which govern them. In short, competition policy will have no chance of functioning properly until economic union is achieved.

This leads me to another slightly more critical comment about the reports by the Commission and by Mr Normanton, although we congratulate the latter on all his excellent work.

In our view it is dangerous and, what is more, pointless to use competition policy, i.e. the rules laid down by the Treaty and the powers attributed to the Commission in this field, in an attempt to approximate and unify situations which are sometimes very different. For example, we do not think the Community Institutions should make competition policy an excuse for gradually acquiring control over price formation. The example of prices typifies the situation, but the desire, or rather the temptation, to use competition policy as a pretext for controlling almost all aspects of economic life is becoming widespread and affecting all fields.

In our view competition policy, as defined by the Treaty of Rome, is aimed essentially at correcting any shortcomings likely to distort the market. Any attempt to turn competition policy

gradually into an instrument of technocratic control from which, in the end, nothing should escape, represents complete distortion of these objectives and even runs counter to them. It would appear that the Commission, which previously had seemingly overweening ambitions in this field, has recently returned to a healthier view of the situation. It should certainly be encouraged in this.

Finally, I should like to say a few words on the draft regulation on the control of concentrations between undertakings. We are not surprised that the Council is at present spending a lot of time considering this matter. The consequences could be so far-reaching that a great deal of consideration should be given to the subject before a final decision is taken.

A right of veto in respect of decisions taken by European undertakings is a concept which is rather alarming and which, moreover, might be contrary to the freedom which characterizes the principles of the Treaty of Rome. We must be on our guard against the implementation of such an initiative bringing the reorganization of European undertakings to an immediate standstill, which would only benefit companies already characterized by a high degree of concentration or, to be more precise, American undertakings and a small number of European groupings. With these reservations we approve Mr Normanton's report.

(Applause)

President. — I call Lord Bruce.

Lord Bruce. — Mr President, I rise to address the House for the first time and I have to ask the House's indulgence on this occasion. It is a matter of some regret to me that on the first occasion on which I have the honour of addressing the House I also have to announce that, when we come to vote upon the resolution in the report, I myself shall feel compelled to vote against it.

Mr President, the report itself deals with a number of matters. I congratulate Mr Normanton on the amount of labour he and his committee must have put into this. What the Commission report did not mention, and what the rapporteur did not mention in his report is that the area within which free competition can possibly apply in the Community is rapidly diminishing all the time. Mr President, we are in circumstances when the multinational companies in the case of Holland are responsible for more than 50% of that country's gross national product. We are in circumstances where in my own country, the big multinational companies are at present responsible

Lord Bruce

for between 40 and 50% of the gross national product and it is estimated that very shortly, within a matter of five years or so, it may well be that they will be responsible for over 50%. Now any report that does not mention the effect upon competition in the area within which it is to operate cannot really be considered to be a serious report on competition at all.

It is not as though the committee and the rapporteur did not have adequate means at their disposal to enable them to assess the impact of this factor upon competition, because the Commission itself produced a report (Doc. 261/73) which said this: 'The growing hold of multinational undertakings on the economic, social and even political life of the countries in which they operate, gives rise to deep anxieties which are sufficiently divided, particularly in the areas of employment, competition, tax avoidance, disturbing capital movements and the economic independence of developing countries, to demand the attention of the public authorities'. The year following that, Mr President, my good colleague, Mr Francis Leenhardt produced his own report upon that, still complaining of inaction. And earlier this year, Mr President, the ICF TU produced its own circular and its own report upon this state of affairs and it was followed by a memorandum from the Confederation of European Trade Unions. So both the rapporteur and the Commission must know perfectly well that there is wide-spread anxiety in the Community about the gross distortion to the whole competitive nature of the micro-economic sector of the European economy which is imposed by these multinationals, that are daily, week by week and daily violating Articles 85 and 86 of the Treaties. I should like to draw the attention of the Commission to the even more topical case of a company which even now might merit their examination. We observe from the *Financial Times* of Tuesday, September 23 that Rank-Xerox is to decrease its prices in the United States by 10% and simultaneously is going to increase its prices in Great Britain by 10%. This is typical of the whole policy of the multinational companies, to which the rapporteur has not directed his attention or, if he has, has not mentioned it. It is to this aspect, Mr President, that I feel that Parliament should direct its attention. For this reason, Mr President, I will merely conclude by saying that today I invite all Socialists in the Parliament to vote against this resolution.

(Applause)

I call Mr Zeller.

Mr Zeller. — (F) Mr President, since Mr Borschette is here, I would like to take this oppor-

tunity of expressing my own concern about the real effectiveness, the role, and the future of competition policy as it is envisaged in the Community at present, when the economy is going through a period of crisis and changing profoundly.

What is the present situation? My impression is that the main problem is that although the Commission, and hundreds of very accomplished and competent officials are trying to harmonize national aid, to control concentrations, to fight against agreements and dominant positions, to find a way of eliminating distortions of competition, and to detect restrictive trade practices, new practices are all the time developing in the Community's economy, and the Member States are violating the rules which they themselves accepted when they signed the Treaty. It sometimes seems that the work accomplished by the Commission, and by you yourself, Mr Borschette, is a never-ending process. For example, while the Commission is laboriously struggling to harmonize national aid, some countries, for reasons best known to themselves, are floating or even devaluing their currencies, although at trade level there are distortions which in my view are much greater than those due to the aid system or to differences in the amount of aid granted. While a careful watch is at present being kept on trade restrictions, and while some countries—at times my own—are introducing export taxes, others are at the same time making strenuous efforts to strengthen the export credit system even though new distortions are appearing. While the Commission is trying to harmonize the relevant legislation, some countries are completely abolishing social taxes on certain branches of industry. For example, to encourage the employment of women, three or four countries have now decided to reduce the taxes on labour-intensive industries.

So much for the practices current in the Member States. The situation is not very much better in the different economic sectors themselves. While the Commission is checking agreements, there are reports in the press to the effect that undertakings are increasing their prices, very often in a coordinated manner, at a time of sales losses. At this point I would like to draw attention to what has happened in the past year in the automobile industry. At a time of acute crisis, industrial prices and wholesale prices have continued to increase, even though the prices of raw materials have decreased. This amazing inflexibility is a sign of the absence of any real competition.

As another speaker has already said, while the economy is becoming more international, enormous price differences are developing in various

Zeller

foodstuffs produced by firms expanding internationally. In fact, it could even be said that the coexistence of inflation and unemployment is in direct contradiction with the very foundations of traditional competition policy as described in our economics textbooks, and as practised at Community level. We did not expect the Community's competition policy to come out of the crisis unscathed. However, if the observable facts are in such direct and obvious contradiction with the principles and objectives which we share with the Commission we have a right to ask about the effectiveness and the very future of this policy. This is a matter which perhaps we should debate this morning.

(Applause)

President. — I call Lord Gordon-Walker.

Lord Gordon-Walker. — Mr President, like Lord Bruce this is the first time that I have had the honour of addressing this Parliament.

I would like to congratulate Mr Normanton at least for the industry and care that he has devoted to this report. I am sure he will forgive me—because we are getting towards the end of the debate—if, in order to save time, I do not talk about those points on which I agree or partially agree with him, and I want therefore only to take up a few points on which I fear that I disagree with his report and the motion for a resolution.

It seems to me in general, if I might start with one general statement, that too much stress, as I think there is in his report, on a return to free competition and to free markets is particularly dangerous in the present crisis in Europe. It smacks too much, I think, of a return to the policies of 1931, which of course made the crisis much worse and would again make the crisis much worse if we returned to such policies. In paragraph 3 of the motion for a resolution, he is against attempts to avoid a higher degree of unemployment through subsidies to specific sectors of the economy. Now this would deprive all states of one of their most useful weapons to combat unemployment, especially in a period of high and, apparently, still increasing unemployment.

Paragraph 5 seems to me very typical of his report because it uses the expression competition-distorting of regional aid. Now that is a way of really damning regional aid with very marked lack of prudence. Regional aid is after all agreed by all governments and by the Community to be an absolutely essential thing, and to damn it by calling it competition-distorting seems to me a very wrong approach which we should reject.

Then there also seems to me a tendency in various parts of the report to have as many digs as possible at nationalization or any increase of nationalization. He indeed says that nationalization could mean a distortion of competition and therefore tries to insinuate the conclusion that nationalization would be against the Treaty of Rome. Of course it is not, as he points out in another part of his report, it is not indeed.

Now my honourable friend, Lord Bruce, spoke with force about multinational companies on which subject he has specialized. I only want, therefore, to make very brief remarks about the multinationals. There are some proposals in Mr Normanton's report for international rules to control multinationals, but if we wait for *international* rules, for which one has to achieve an enormous degree of agreement—it is hard enough within the Community—but if you have got to get the whole world to agree you will never get round to controlling the multinationals at all. It seems to me that, where one is looking for culprits who are working against free competition, the multinationals are much more serious culprits than the others like nationalization or regional aid and the other things which have been condemned in the report. Now it seems to me that one of the real essentials for our Community is that it itself uses and takes as many powers as it can to control the multinationals, not to break them up but to control them and make sure they are subject to public policy. I found, Mr President, in the referendum campaign in my own country, that one of the most persuasive arguments that I found I could use and that seemed to have some impact on the people that I addressed was that individual nations were no longer big and strong enough to control the multinationals and that the only hope of doing so was by joining a much bigger association like the Community, which would have powers sufficient to control multinationals. I am sure that people in Britain look to the Community to use its powers in this field, to use the powers of a very great economic unit which is much bigger than any of its members.

My last point, Mr President, is that I think the whole basis of this report is wrong. It takes the line that full and free competition is the norm, is the natural state of affairs which we always ought to achieve—a sort of latter-day Adam Smith situation. In fact, the free economies of the West and of our nations today can only run and survive as mixed economies. That means a considerable degree, varying no doubt from state to state, but a considerable degree of public control, intervention, both by governments and by the Community as a whole. Now it is intellectually much easier to advocate getting back to a kind of *laissez-faire* situation and regard-

Lord Gordon-Walker

ing any departure from it as something bad. What is much more difficult, much more subtle, much more complex, is how to define and to secure the maintenance of a balance within mixed economies. This is the real problem that is facing us and because Mr Normanton's report does not really deal with that at all but makes a completely opposite assumption, I myself will find it necessary to vote against the motion for a resolution.

(Applause)

President. — I call Mr Hamilton.

Mr Hamilton. — The debate was introduced by a Conservative Member for whom I have a very high regard, a hard-working, sincere, dyed-in-the-wool reactionary Tory, whose views pre-date Bismarck, Adam Smith and even the *ancien régime* of France.

I should like to quote—in reference almost specifically to the report now before us—from the highly respectable and right-wing *Financial Times* of 6 August, referring to a seminar held in Dublin where the Irish Minister for Industry and Commerce, Mr Justin Keating, made some very pertinent comments on the very subject in front of us this morning. I might add that the *Financial Times* is meat and drink to the Conservative Party in Britain and all the other jungle animals in the city of London. The *Financial Times* report pointed out that Mr Justin Keating said that the EEC dream, as visualized by the Rome Treaty, had as its primary thrust the establishment of a region wherein there would ultimately be completely free movement of goods, capital and labour, all with an eye to creating an 'undistorted market economy' and went on to point out that Mr Keating quite rightly said that this could not be reconciled with either regional or industrial realities. From this, he said, it followed that the Treaty itself had to be regarded as a confused and self-contradictory document which was becoming less and less relevant. The *Financial Times* went on to say 'these are hard words indeed to say about the bible of the European Community idea'. But they become disconcertingly close to the truth. That can hardly be denied. And it concluded 'The Rome Treaty is as it stands becoming less and less relevant to the realities of economic life in Europe in a number of fundamental senses and the immediate need is to find out whether, and if so, how it can be suitably updated.' Now that is from an extremely right-wing organ of the press in Britain.

Now, Mr Normanton's leader, the prim and pretty Mrs Thatcher, has recently had the frustrated dames of the United States of America

in hysterics as she dwelt on the same themes which Mr Normanton has inflicted on us today. No doubt they will go down well with the cave-men still in residence in the home countries in England, and in large, but I suspect diminishing, areas of Western Europe or round the world.

There are signs of increasing government intervention in the operation of free market forces. In the United Kingdom the present government has established the British National Oil Corporation. We are in the process of establishing the Scottish Development Agency, the Welsh Development Agency, which will extend state intervention on a massive scale. And this is going on despite British membership or maybe because of continued British membership, of the Common Market. The United Kingdom regional policies, the regional policies of the rest of the Member States have been pursued and are being pursued by all parties, and supported I trust by all parties in those countries. Certainly in Britain the Conservative Industrial Act of 1972 and the Conservative nationalization of Rolls Royce, which was completed in one day's debate in the House of Commons, indicates that state intervention is the order of the day.

In the EEC, regional policies mean, by definition, the thwarting, the distorting, the controlling, the mitigating of the effects of unfettered competition. We have had recently an experience with the common Agricultural policy, where the French government took unilateral action or attempted to take unilateral action to thwart the threat of Italian fair competition in the question of wine. In the field of pollution, the threats of pollution, the soiling of the environment, whether in the air, on the land, in the ocean, can only be countered by massive state intervention.

Industry itself does not believe in competition. It creates monopolies, it creates multinational companies, it creates cartels, all designed to stifle competition and to blackmail nation states. My main objective in being here at all is to assist, to encourage, to persuade our European colleagues to move towards socialism: the creation of a political and economic system based on cooperation and social justice rather than on the bloody-clawed capitalism which is at the root of the Rome Treaty, where the weakest and the poorest go to the wall. There are powerful political and economic forces on our side in all parts of the world and they are growing daily. We have had debates in this House on Portugal this week. Portugal is an indication of that very tendency. They will not be thwarted by the pathetic prattling of the Normantons or the Thatchers of this world.

(Applause)

President. — The proceedings will now be suspended until 2.30 p.m.

(The sitting was suspended at 1.05 p.m. and resumed at 2.35 p.m.)

IN THE CHAIR: LORD BESSBOROUGH

Vice-President

10. Receipt of a petition

President. — I have received a petition on relations between the Community and the Spanish régime from Mr Jean Feidt and three other officials of the European Parliament.

This petition has been entered under No 7/75 in the register stipulated in Rule 48 of the Rules of Procedure and referred to the Committee on Rules of Procedure and Petitions for consideration.

11. Situation in Spain

President. — I have received the following three motions for resolutions on the situation in Spain:

- one tabled by Mr Fellermaier on behalf of the Socialist Group (Doc. 269/75);
- one tabled by Mr Amendola and Mr Ansart on behalf of the Communist and Allies Group (Doc. 270/75);
- one tabled by Mr Alfred Bertrand on behalf of the Christian-Democratic Group and by Mr Berkhouwer on behalf of the Liberal and Allies Group (Doc. 271/75).

Pursuant to Rule 14 of the Rules of Procedure, a request has been made for these motions for resolutions to be dealt with by urgent procedure. In accordance with the decision taken this morning, the next item will be a joint debate on these three motions for resolutions.

I call Mr Borschette for a procedural motion.

Mr Borschette, member of the Commission. — *(F)* Mr President, I wonder if we could first finish the debate on Mr Normanton's report, which would take about another ten minutes, since I am the only speaker.

President. — Unfortunately it has been decided that the vote on Mr Normanton's report would be taken after the debate on Spain.

I call Mr Bertrand.

Mr Alfred Bertrand. — *(NL)* Mr President, I should like to take this opportunity to point out that the debate on an important social matter did not take place yesterday because purely political problems had to be dealt with: Portugal and Helsinki. As a result, the debate on the social problems that directly affect our peoples began at 5 p.m. and went on until 2 o'clock in the morning. The same is happening today.

I propose that we complete the Normanton report and then go on to the resolution on Spain.

President. — Mr Fellermaier, I gather that it was you who suggested that we take the Spanish debate first. Would you agree to our voting on the Normanton report first?

Mr Fellermaier. — I agree, Mr President.

President. — I hope Mr Normanton is here.

Mr Normanton is not here.

(Laughter)

I call Mr de la Malène.

Mr de la Malène. — *(F)* Mr President, in my view the working methods we have been using since the beginning of the part-session are extremely bad. It is very bad to keep changing the agenda adopted at the beginning of the part-session. I shall make my views known to the Bureau, I am telling you what they are now, and I ask that the decision taken this morning should be respected. We cannot do anything else!

President. — As Mr Normanton is not present, we must continue with the next item on the agenda.

I call Lord Castle.

Lord Castle. — Would you indicate, if we are going to observe that timetable, when the vote on the Normanton report will be taken?

President. — That depends entirely on how long the debate on Spain takes.

Lord Castle. — Would you be prepared to accept a motion on the vote being taken at a certain time to be agreed by the House?

(Mixed reactions)

President. — We would have to put that to the House.

Lord Castle. — In that case, I move that the House decides that the vote on the Normanton report be taken now.

(Cries of 'Hear, hear')

President. — I call Mr Kirk.

Mr Kirk. — It was decided this morning, as I understand it, that the vote on the Normanton report would be taken after the debate on Spain. On the understanding that the House had decided that, the rapporteur, who was here all morning and listened to the debate, has quite understandably done what no doubt other Members clearly have done. That is, he has gone and had lunch, which seems to be not unreasonable. And he will be back, I have no doubt, very shortly...

(Loud cries from the left)

President. — I see that Mr Normanton has now arrived...

Mr Kirk. — ... Mr Normanton has now arrived, which I have no doubt gives great satisfaction to the howling mob which has recently joined us; whether to the advantage of this Parliament or not, I leave it to Mr Fellermaier to decide. And, Sir, I suggest that the House should follow the course which it decided this morning and vote on the Normanton report after the debate on Spain.

(Protests from the left)

President. — I call Mr Broeksz.

Mr Broeksz. — *(NL)* Mr President, I think that now that Mr Normanton is here we can pursue the normal procedure as regards his report. Everyone is agreed on that, especially as Mr Borschette has requested it. We will listen with pleasure to what he has to say and then the vote can take place.

President. — Like Mr de la Malène I hate chopping and changing, but I think as the Commissioner did propose this, we should pay attention to what he says. Is the House in favour of our voting on the Normanton report first?

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, this morning, as far as I remember it, Mr Fellermaier, fully within his rights, made the point that he particularly wanted this debate on Spain to start at 2.30. He made it clear that 2.30 should be the time for it to start. We have now wasted 15 minutes. The debate has not yet started. I suggest that the Commissioner would enjoy listening

to the Spanish debate, and we can then continue and finish off the Normanton report afterwards.

If we start changing now, what is this House becoming except a mockery. Even though the honourable gentlemen over there seem to wish to gain some party advantage in this way, I see no point in changing the rules of the House to suit their convenience.

President. — I call Mr Borschette.

Mr Borschette, member of the Commission. — *(F)* I withdraw my request, Mr President.

President. — We shall go ahead with the Spanish debate.

(Mixed reactions)

No, I cannot allow any further speeches!

(Cries of 'point of order')

No, I cannot allow any more points of order!

I call Mr Fellermaier to move his resolution.

Mr Fellermaier. — *(D)* Ladies and gentlemen, I think the House is free to decide to have an urgent debate which was planned for 2.30.

We assumed that consideration of the Normanton report would have been completed by that time. Then we would begin the debate on Spain and afterwards deal with agricultural policy. In response to your question, Mr President, I said that as the mover of the resolution I agreed to hear the Commissioner and then vote on the Normanton report. We are prepared to yield to the House but I think, Mr Kirk, that while there is justified unrest on this side of the House, it is by no means a howling mob. A howling mob would be something quite different and you would have to block your ears against it. I think that a little less tetchiness and more vivacity in this House can sometimes liven things up. Mr President, you have the authority to decide what is to happen now.

President. — Mr Fellermaier, I called you to move your resolution on Spain.

Mr Fellermaier. — *(D)* Thank you for calling me to introduce the debate on Spain.

My group has tabled a motion for a resolution which essentially coincides almost word for word with the motion for a resolution tabled by the Christian-Democratic Group and that of the Liberal and Allies Group and in some parts also coincides with that tabled by the Commun-

Fellermaier

ists. I should like to explain our motion. I believe that the European Parliament, as the elected body of representatives of the peoples of Europe, must make its voice heard at a time when human rights are being trampled underfoot in Spain by a government which—like other governments—has signed the CSCE document in Helsinki and is a member of the United Nations.

However, if our motion for a resolution, in addition to expressing anger at the death sentences imposed by the military courts and the heavy terms of imprisonment, also refers to relations between Spain and the Community, it is because we believe that it is not merely a question of asking a state for clemency but also a question of whether we, as the European Community, can maintain relations with such a state which, using the methods of the Middle Ages and the rack, extracts confessions not in normal legal proceedings but in special courts. That is an insult to humanity in Europe and we must raise our voices passionately against it.

We know how the political police in Spain—I was in Madrid and Barcelona two weeks ago with my friend Mr Corona and we spoke to the opposition—uses the anti-terrorism law to stifle the opposition, because the regime is aware of how fragile it has become and that upright democrats, whether Communist, Socialists, Liberals or Christian-Democrats have joined together to destroy this last island of dictatorship in Europe. And those who wish to destroy it have the sympathy of the European Socialists.

We therefore consider, Mr President, ladies and gentlemen, that bearing in mind the agreement between the European Economic Community and Spain, we cannot avoid the question which we have formulated as follows in paragraph 2 of the motion for a resolution: 'invites the Commission and the Council to freeze existing relations until such time as freedom and democracy are established in Spain.' We cannot therefore apply double standards...

(Applause from the left)

...We used this formula also when Greek Democrats were thrown in prison by the Colonels. At that time this Parliament directed its request to the Council and the Commission to freeze economic relations with Greece.

(Applause from the left)

The agreement concluded in 1970 states that economic and commercial relations with the Mediterranean countries are to be further developed and Article 1 says that 'transition from the first to the second stage shall be effected by mutual agreement between the Contracting Parties, if the conditions for it have been satisfied.'

Is there anybody in this House who can assert that the conditions for entry into the second stage of the agreement in 1976 are satisfied, and thereby separate commercial considerations from human considerations to develop trade relations with a state which tramples human rights underfoot? We Socialists say this is definitely impossible.

Article 16 of the agreement goes on: 'The agreement may be denounced by either contracting party giving six months' notice.' I would ask the Commission whether the preamble to the Treaty of Rome, which places human liberty in the forefront, does not also oblige the Commission to decide, when reviewing this agreement, whether for the sake of the principle of democratic freedom it should be terminated, as an expression of protest against the measures taken by the Spanish Government.

The texts tabled by the other groups, ladies and gentlemen,—I am thinking mainly of the texts submitted by the Group of European Progressive Democrats and I am probably right in assuming that the British Conservatives will support this text—do not satisfy the hopes of the Spanish Democrats. I can say that both the Junta Democrática and the Convergencia, i.e. the Christian-Democratic, Liberal and Socialist forces which have combined in these two opposition movements, told us when we telephoned them yesterday evening that they not only considered that the Socialist Group motion was a good one but that they hoped it would achieve a convincing majority in this House. I therefore ask you to fulfil their hopes. Do not disappoint the upright democrats in Spain who are awaiting this sign from the European Parliament.

(Applause from the left)

President. — I call Mr Lemoine to move the resolution on behalf of Mr Amendola.

Mr Lemoine. — *(F)* I would like to make a few very brief comments on the dramatic and tragic events once more taking place in Spain. This debate could not be postponed. It is a good thing that it is taking place today in this House and it should finish with the adoption of a very firm position. The Fascist regime which, for almost 40 years, has held the people of Spain under its sway, has many victims to its name. In the face of the growing hopes for liberty and democracy in increasingly broad sections of the population, repression has once again hit Spain with even greater force than before. Arrests are multiplying without proof of guilt. Heavy sentences have been passed in Burgos and elsewhere. Without defence and without proof of guilt young men, women and pregnant women,

Lemoine

guilty of wanting to live free lives, have been sentenced to death.

Ladies and gentlemen, each passing minute brings the victims closer to the garrotte. Yesterday the military governors of Madrid and Barcelona signed the death sentences passed on six anti-Franco militants. The supporters of the Franco regime, which is drawing to its end, are not judging assassins but Spaniards, men and women, young and not-so-young, who no longer want to live under the iron rule of an illegitimate power which seems interminable and which maintains by terror and bloodshed the social and political structures of another age. What the supporters of Franco condemn is an entire nation, whose aspirations are increasingly focused on freedom in everyday life.

39 years have elapsed since 1936, and we are now seeing the results of this regime of blood which owes its initial victory to the intervention of Hitler and Mussolini.

Protests are growing throughout the world against the crime which is about to be committed. In Spain itself more and more people are making louder and louder protests. Cardinal Marty said in France: 'Executions are not carried out without appeal, no-one is condemned without adequate proof, no-one is tried without defence, sick people and pregnant women are not executed'.

We can no longer keep silent. The time for indignation alone is passed. We must express our hatred of a tyrant and our friendship for Spain. Parliament must unequivocally condemn the resurgence of repression in answer to the legitimate claims of the vast movement of workers and democrats for liberty and democracy. It must call for the immediate quashing of the cruel and iniquitous death sentences passed in violation of the rights of man and the most elementary humanitarian principles. The Commission and Council must intervene without delay to save the lives of those condemned and break off all economic and political relations with the Facist regime in Spain.

Finally, Parliament must express its complete solidarity with those who are fighting in Spain, and throughout the world, to save those who are condemned and to stop repression.

I should add that, out of a desire to take effective action and to make sure that our appeal is heard, and heard without delay, the Communist Group will withdraw its motion for a resolution, and support the resolution submitted by the Socialist Group.

(Applause from the extreme left)

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

Mr Bertrand. — *(NL)* Mr President, it is because every minute counts in this debate that the Christian-Democratic Group regrets that it threatens to become a purely political debate with a purely political slant, which was not the idea behind the tabling of this resolution. The basis for our action was the feeling that the people whose lives are in danger at the moment can still be saved and that we must therefore make our voices heard. Everything else can be discussed quietly on a later occasion. But I have the impression that the Socialist Group wants, in a demagogic manner, to make political capital out of human beings whose lives are in danger at this moment, and I wish to protest against this.

(Loud protests from the left)

I wish to protest against this because I see, among the Socialists, not a single sign of concern about helping Dubcek, who is being persecuted and badgered in Czechoslovakia and is also the victim of his country's régime. Nobody is talking about him.

That is why I would ask that the humanitarian aspect alone be unanimously underlined in this debate. We will know in a few days time whether or not the Spanish authorities have complied with our appeal for mercy. And when that is known, we in this Parliament can again debate the political conclusions to be drawn. But to link the two aspects at this time is, I find, to weaken the support we wish to give those who have been condemned to death. This is the reason why we have deleted paragraph 4 from our motion for a resolution, since we felt that in so doing, we would be helping the eleven people whose lives are threatened. I therefore ask the House to leave the political debate until afterwards and to adopt this resolution unanimously and wait and see whether it is successful. If this is not the case, we can take up the situation in Spain again in October and discuss the other problems. But there must be no trading when it comes to the lives of human beings.

(Loud applause from the centre and right)

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

Mr Espersen. — *(DK)* I wish first of all to deplore the very strong words Mr Bertrand found it necessary to use here. We are profoundly concerned by the humanitarian aspects of this matter, very profoundly concerned, and I do not understand how Mr Bertrand could get

Espersen

the impression from what Mr Fellermaier said that this was party politics, for that it certainly is not.

Mr Bertrand says that we do nothing about Czechoslovakia. I should like to return to the question of Czechoslovakia in a moment. Mr Bertrand says we should appeal now about the death sentences and discuss the matter again in a month or two. Mr Bertrand is forgetting that, perhaps next week and the week after that, more death sentences will be passed. We cannot postpone taking our definitive position on the matter.

A book has just been published about non-violence and how the world can be changed without the use of violence. The book mentions various examples, which may seem rather far removed from the reality of to-day: Ghandi, Dolci, etc. It also mentions Czechoslovakia, the Czech people's heroic fight against the Communist invader, and we support that fight, there can be no doubt about that. But what we are concerned with to-day is trying to find a way to prevent developments in Spain going on as they are at present.

I should mention, before I go any further, that this book also mentions the Common Market. It may seem surprising in a book about idealistic people that cause has been found to mention the EEC. This has happened because it is claimed that the EEC helped to restore democracy in Greece through positive action based on the principles of non-violence. It was successful. There were some who were hesitant, too hesitant, on that occasion, but they allowed themselves to be persuaded, and I think it is to the credit of Parliament that they did allow themselves to be persuaded.

To-day we see strong protest being made by the public against what is happening in Spain, and this is natural. We ourselves are appealing to that same public at the moment. We are appealing to them to get more power for Parliament. We are appealing for direct elections, etc. but I think that the public will be able to understand our wishes, will be able to understand our needs, if it can, at the same time, see that we take unequivocal action in respect of the dictatorships present in our own world.

The situation in Spain is now just as bad as it was in Greece. When we froze our relations with Greece, torture and death sentences prevailed in that country. It is precisely the same situation in Spain today and matters are getting rapidly worse. There is thus a similarity between the two situations and if we take no active steps in respect of Spain we shall have let that coun-

try down. We can protest and we can beg for mercy but what characterized all these examples of efforts to change matters for the better is the fact that those concerned did not stop at appeals or pleas for mercy but backed up their words with action, non-violent action, and that is what we are asking for to-day.

We have mentioned the security conference in our debates, we have said we are afraid that the humanitarian principles laid down in the Helsinki Convention will not be observed by the other side. If we are to be able to criticize the Eastern Bloc countries for not observing the humanitarian principles laid down in the Helsinki Convention, we must first of all ensure that our own doorstep is clean. We must first of all be sure that the other countries cannot criticize us in the Western world.

(Applause from the left)

We must not accept a dictatorship in Spain or Portugal. Only then can we demand anything of the Eastern world and that is why we also have Czechoslovakia in mind, Mr Bertrand! We believe we can help Czechoslovakia by positive action in this matter. There are a few other motions for resolutions which I shall briefly mention.

There is a motion from Mr Kirk and from Mr de la Malène on behalf of the European Conservative Group and the Group of European Progressive Democrats. And what is the tenor of this motion? Let me first of all say that I think their intention is good. I think that side of the House, too, wishes to see a democratic development in Spain. But what they are doing is asking for mercy, asking for mercy from the merciless. They are asking for pity from people who never show pity. They are appealing to the conscience of those who have no conscience. We have done this a few times in all our countries. Each time we have been disappointed and there is no reason to think that the situation is any different now. Therefore we do not believe that this motion is adequate, even while acknowledging the motives behind it.

Mr Berkhouwers' and Mr Bertrand's motion for a resolution, tabled on behalf of the Liberal and Allies Group and the Christian-Democratic Group bears a very strong resemblance to our own. The only difference is that where we, in one specific area, call for action, namely for the freezing of relations, paragraph 4 of Mr Bertrand's and Mr Berkhouwers' motion states that we call on the Council and the Commission to take steps in this connection. The steps to be taken are not specified. This can of course be understood in many ways, it can also be taken to mean what we wrote in our paragraph 4.

Espersen

We believe that taking steps should mean freezing relations. We believe this is the least one can do in this affair.

I believe—and this is borne out by the feelings that have been expressed here already—that we are facing a very important decision in Parliament's history. Shall we belong to those who waver between democracy and dictatorship? Shall we belong to those who despite many years' experience cannot decide which of the two sides in Spain we should support? Or shall we belong to those who say: this has gone far enough, we must now show we are ready to do something to help the democratic forces in Spain? This can only be done in my opinion by taking the modest step that I am proposing, namely by deciding to freeze relations. I would therefore urge very strongly that we all recognize each other's democratic motives in this matter, where the rest of the world is watching us with interest and where important decisions are to be taken in one direction or another. Stop foisting upon us motives which we do not have. I therefore urge that we vote for this motion for a resolution which the Socialist Group have presented to-day.

(Applause from the Socialist Group and the Communist and Allies Group)

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

Mr Berkhouwer. — *(NL)* Mr President, I very much regret that the representatives of Europe are not able to act unanimously in this matter. As a basis for what I intend to say briefly now, I shall take what the great Spanish humanist, Ortega y Gasset, once wrote: *Europa es un equilibrio*. It is our task, as representatives of the nine Member States, to create together a Europe in which people can live.

We Liberals are against any discrimination and any suppression whatever the grounds. And we are against any totalitarian administration, whether it is left or right-wing. How little help the left and right provide in such cases can be read in the *Gulag Archipelago*, the book by Alexander Solzhenitsyn: 'Left and right are merely labels.' I recommend my friends opposite to read this book. These labels can, according to the Russian author, change so easily. We have seen this in the world lately. And it sometimes happens to the same people! That, at least, is my reaction to the interruption by a female Member of this Parliament to my right.

I repeat: sometimes to the same people. My political friends and I do not therefore go in for selective opposition. It is always the same. The left is angry about what the right is doing and

vice versa. There must be opposition to all totalitarian régimes, wherever in the world they are in power. Unfortunately, parliamentary democracy is finding things very difficult these days, not only outside Europe, but also in Europe itself. That is why it is so sad that we cannot be more unanimous and that we come up with political propaganda in this sort of question and go in for political fly-swatting. I am against this. And now suddenly we have uproar from London. I should like to say the following about this. I quote Bernard Shaw: 'When you have nothing to say, you make a noise.' That is what Bernard Shaw said...

(Murmurs of dissent from the left)

... And I do not want to make a noise!

(Protests from the left)

I shall not compete with this noise any more!
(Uproar)

Mr President, I do not understand this uproar. I will not take part in political wrangling over eleven people who are facing death. I find it very sad that we are resorting to political wrangling in this matter and that we cannot demonstrate greater unanimity. That is what I wanted to say. You must leave political uproar for other occasions and refrain from it while we are discussing these very sad matters.

For this reason, my group will abstain in the voting on the texts before us, with the exception of that tabled by Mr Bertrand and myself.

(Applause from the right)

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

Mr Kirk. — Mr President, Mr Berkhouwer regretted the absence of unanimity, and I do, too. But I think there is one matter on which we are unanimous, and that is the desire to save the lives of those who are condemned to death in Spain. I hope that at least on that there is no difference of opinion between anyone in any part of this House. I do not wish to exacerbate any feelings which have been running naturally very high on this subject in the course of this debate. I would merely point out that the amendment tabled by my group and the Group of European Progressive Democrats is designed to crystallize the unanimity which we know exists. We have taken the one thing on which we know this House is unanimous; we have enshrined it in an amendment, and if all else fails, we hope that at least this message will get across to the authorities in Spain. This has been the objective of our two groups and of Mr de la Malène and myself in framing this amendment

Kirk

and in the discussions we have had within the groups over the last two days.

It is of course perfectly possible for anyone to claim that merely to express an urgent appeal to the Spanish Government to relieve those who are to die is not enough, that one must go further, that one must express oneself in much stronger language, that one must review the whole relationship of Spain with the Community. I would not claim to be wise enough to know whether this is correct or not. I can only assure Mr Fellermaier that he is not the only person who has been on the telephone to Madrid in the last 24 or 48 hours, that some of us have been on the telephone, too, and that some of us have been advised not by supporters but opponents of the present Spanish régime, that what he is proposing would be, to put it at its lowest, counter-productive. I do not know whether this is true. All I am saying is that what we are putting forward in our amendment is the highest common denominator that exists in this Parliament, one which we think represents unanimity, and we believe that this Parliament would be wise to rest upon that, rather than run the risk in voting on several conflicting texts of achieving at the end of the day nothing at all. And that is a very considerable danger.

I have opposed the death penalty in my own country on principle. I oppose it anywhere on principle. I oppose exceptional military courts on principle wherever they may be. I have expressed the view of my group, in this Parliament and in other parliaments, not just in connection with Spain, but also in connection with Greece and in connection with Czechoslovakia, that we are opposed to any form of anti-democratic régime. All that, I accept, is a matter for debate between the parties; on all that we can be attacked, as no doubt we shall be attacked on the grounds that we are not taking a realistic view and so on. All this boils down, however, to one thing as far as I am concerned: tomorrow the Spanish authorities are going to take a decision about whether certain people live or die. And that is all that matters, and all that matters is that from this House today an unequivocal message should go out, and we know that we can agree upon that. When Mr Espersen asks what side we stand on, I say we stand on the side of democracy, of justice and of mercy, and that is what we are urging this House to support this afternoon.

(Applause)

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

Mr de la Malène. — *(F)* Mr President, my group does not wish to give anyone a lesson in demo-

cracy. At the same time, however, it does not wish to be given one, especially by the extreme left of this House.

We are sorry, I might almost say dismayed, to see that real democracy—that is to say, democracy which is aimed at allowing the human being to unfold and is not guided by the collectivist or bureaucratic aims of any given society—is disappearing rapidly in all parts of the world. It is disappearing in Africa, it is disappearing in Asia, it is disappearing in America... It disappeared a long time ago in Eastern Europe. We note that in Spain, too, there is no real democracy, and we hope with all our hearts that it will gradually be established in that country. It is a rule of ours—an absolute rule—that in our external policy we do not interfere in the internal affairs of third countries. We have political and economic relations with the Soviet Union, but we condemn the regime of the Soviet Union. We have entered into our first diplomatic relations with the so-called 'People's' Republic of China and we have economic and political relations with that country, but we condemn the regime of that country and those of other countries in the world. We do not mix politics and ethical judgements.

We have always followed the principle of non-interference and will continue to do so, since we are convinced that it is one way of trying, on this strife-torn planet, to establish at least a modicum of peaceful coexistence. We are all the more determined to follow it because history teaches us that all attempts at interference, whatever form they take, usually produce a contrary result to the one aimed at.

Since we are discussing Spain, let us recall what happened directly after the Second World War. A number of democratic nations attempted to boycott democratic Spain. The result was that the existing regime in Spain was strengthened. No doubt Spain is close to us, no doubt Spain has played a very important role in European history and culture—and will continue to do so, continuing to arouse our keenest interest—but from the ethical point of view, whatever distances are involved, to the South or to the East, terrorism and counter-terrorism, violence and counter-violence have the same deplorable effect and must be condemned with the same force. We do not know which is worse, to condemn to death in an extremely hasty manner those who oppose a regime by terror, or, perhaps legally, I do not know, because the matter is shrouded in secrecy—to declare insane the intellectual opponents of a regime or to confine them in psychiatric hospitals. I do not know which is worse.

(Applause from the centre and right)

de la Malène

Also, as Mr Kirk has just said, we must not confuse our purpose, we must aim at being effective. If we wish to launch an appeal—and we do—in favour of the condemned persons in Spain, we must not at the same time issue rather ridiculous threats to the Spanish Government. If you want to be listened to, the smallest glimmer of common sense would tell you to be realistic and to rule out this contradiction.

So let us not confuse our purpose! Our aim is to attempt in a spirit of pity to save these eleven people, and perhaps more in the near future, from sentence of death. That and that alone must determine our attitude.

We do not wish to deal in direct or explicit terms with any individual act of terrorism. We do not wish to intervene directly or indirectly in favour of any political party beyond our frontiers, we simply wish to be as effective as possible in trying to save a number of men and women from death.

(Applause)

President. — I call Lord St. Oswald.

Lord St. Oswald. — Mr President, I hope that I am echoing the tone and the intention of Mr Bertrand, Mr Kirk and Mr de la Malène when today I feel compelled to speak to this Parliament thoughtfully, specifically and pleadingly, making the assumption that our common purpose is to save lives and lives not limited, as Mr de la Malène has just pointed out, to the eleven people at this moment in the condemned cells. This has to be done by an appeal to the Spanish people through their present leaders.

I would not be so presumptuous as to speak with authority on the Spanish character, but I can claim some close knowledge based on friendship and admiration during forty years. Lately as one manifestation of the violence which is disturbing many areas of our ostensibly civilized world, innocent people have been murdered on political pretexts, 33 in the course of the past two years on Spanish soil, leaving 51 orphans and 71 maimed, as recorded in yesterday's edition of *Libre Belgique*. As a consequence, at this moment, eleven, including two women, have had sentence of death passed on them for some of those crimes. Death is a harsh sentence, and as one who has been close to death many times, I can comprehend the gravity of that sentence.

It may be that not everyone present is aware of the precise position of those eleven people. They have been tried and sentenced under a law and by the type of court which have existed in Spain since the late nineteenth century, and functioned under the monarchy, constantly and

severely under the Republic, during the Civil War and since that war. Tomorrow, the Spanish Council of Ministers takes formal cognizance of those sentences, sitting under the chairmanship of the Head of State. Presumably the ministers will give him their view and counsel upon them. Recourse to the urgency procedure of this Parliament was never better justified than in this case, because the law also prescribes that within twelve hours of that meeting either the sentences must be carried out or reprieves granted by the Head of the Spanish State, whoever he may be. At this time, as we know, he is General Francisco Franco. In case it may need saying, I feel constrained to point out the illusion of supposing that because they have not been democratically elected, these men cannot be reflecting the attitude of their countrymen. They are nothing if not Spaniards.

If I may attempt to simplify the Spanish attitude today, I would say this: either you accept that terrorism is war and must be dealt with as you deal with an enemy under arms, or you do not, and you accept the continuance of terrorism. The Spanish Government is treating it as a situation of war, and I must tell this Parliament, from my personal witness, that the vast majority of Spaniards, especially those living in the areas of daily fear and peril, support the Government in this attitude. In fact, if the Government were seen to be too weak, in the view of the Spanish people, it would attract indignation and contempt. If it was believed to have weakened in response to the kind of arguments and threats expressed by some quarters—well-meaning quarters, I dare say—it would suffer acute criticism and contempt. It is therefore true to say that the more violent and menacing and recriminatory our own appeal from this Parliament, the less help it will be to those condemned, whom we are trying to spare. Appeals have already been made, by governments and churches and other bodies, all couched in reasoned language, and all have been given respectful consideration, as will ours, so long as it is not accompanied by threats or insults. Significantly, the procedure of the Spanish Bishops has been closely in line with the approach of the amendment shortly to be moved by two of our groups, that is to condemn terrorism and to plead for clemency for those condemned. It is traditional, under the operation of this particular law, for reprieves to be granted after sentence. The present instance is of unusual importance in Spain's history.

Reforms are on the way in Spain...

(Protests from the left)

I hear the cries of the ignorant, whom I pity. Proposals include one for a form of autonomy

Lord St Oswald

for the Basque provinces. The *apertura*, the opening towards more liberal and elected forms of government, is tantalizingly in sight. It is borne upon anyone speaking to those in authority in Spain today that this is so. The young professional men and women, including those in the civil service and diplomatic service and the judiciary, are openly, outspokenly insistent upon it. That being so, they also recognize that reforms of this scope and scale and nature can only be effected in a situation of stability and public order. I doubt if anyone in this Parliament would seriously quarrel with that precept, would question its good sense. It is those in Spain, and some outside Spain, who do not wish those reforms to come in peacefully, who bend all their efforts to undermining the public order and the authority which is responsible for its maintenance, who hope that this Parliament, in the message we send out, will affront, by tone and reference, the desire of the Spaniards to restore stability and move on, without delay, to the new order.

(Cries from the left)

Moderate and constructive Spaniards—those whom I believe Mr Fellermaier described as upright, forthright democrats—look to this Parliament for understanding and encouragement. We need not underestimate the influence for good that we possess at this very moment, or the responsibility which that imposes. Because I own, however modestly, to a devotion to Spain, I wish these reforms to come in peacefully, not through revolution, but through fraternity and reason. For this reason, I could not sit silent on this subject today. I have spoken with restraint.

I will not answer Mr Fellermaier, because I believe him to be a man of honesty, quoting honest beliefs, but he suffers under very considerable misconceptions, which I could spell out to him. Mr Lemoine referred to pregnant women. There is in the penal code of Spain a paragraph which prohibits the execution of pregnant women. Would there were such a paragraph in the penal code of Soviet Russia.

I think we have to look into our individual consciences, at this moment, and decide whether we wish to strike a fine, apparently historic and ferocious attitude, which by its nature will fail and pass unrecorded by history, or whether we wish to play some part in saving a number of lives by a reasonable appeal, which will undoubtedly be conveyed to the decision-makers in Madrid tomorrow. I am in favour of the more modest, but in fact more aspiring and effective option, and for that reason I shall beg this House to carry the amendment which will be put forward later by the two groups I have mentioned.

(Applause from the centre and the right)

President. — I call Lord Bethell.

Lord Bethell. — Mr President, I wish to add just a few words very briefly in support of what my colleague Mr Kirk said about the need for us to give as unanimous as possible a message to the Government of Spain in the hope that the condemned people will be reprieved and that terrorism will be reduced and that some progress can be made towards lessening the violence from both sides that now exists in that unhappy country.

The first reason why I shall not vote in favour of the Socialist motion is the intemperate language that was used by several of the people who spoke in favour of it. Mr Espersen spoke of the rulers of Spain as being people without conscience. Mr Fellermaier spoke of the rulers of Spain as being mediaeval. These are emotive terms, which were totally absent, for instance, from our debate yesterday on the Security Conference when we were discussing mainly the internal affairs of the Soviet Union. And while there may be different views about those two political systems, and while comparisons are odious, I must give my personal view since I have some slight knowledge of the Soviet Union. My personal view is that if the Soviet Union, gradually, becomes more liberal, as I hope it will, if elementary human rights, freedom of expression, assembly and travel and the elimination of police terror progress in the Soviet Union, as I hope they will, then it could be that in say 10 or 20 years they will reach the stage that Spain has reached...

(Applause)

...I hope that in a further 10 or 20 years they will reach the stage that the countries of the Nine have reached.

The other point I wish to make is that we should not use threats in trying to make our appeals for clemency. Mr Espersen referred to the fact that we had frozen our agreement with Greece when it was under the Junta, a move which was supported by Mr Kirk and by myself and by many Conservatives. And I would remind this House, Mr President, of the Conservatives who fought strongly against the Greek Junta and who helped towards its overthrow. We try to avoid double standards in this respect. But I would remind Mr Espersen of the technical point that we have an Association Agreement with Greece, and that this is something that can be frozen. We do not have an Association Agreement with Spain. Indeed such an agreement was specifically ruled out, and really the two situations are not comparable. If we are to break off all relations with countries whose governments we disagree with, we would have to

Lord Bethell

presumably cut off relations with Morocco, with which we have an Association Agreement, with China, with Yugoslavia and with almost every other country with which we are associated.

Finally, Mr President, I wish to express my very deep hope that these death sentences will be commuted and I think most of us—all of us—in the House earnestly desire this. Almost all of us are against the death sentence on principle. Capital punishment does not exist in any of our own countries at the moment. This is a step in my view towards civilization, and one which we should encourage. I also believe that sentences on political criminals only increase the bitterness and the violence and the fanaticism of the terrorists. And I hope our Irish colleagues will agree that it is extremely wise of the United Kingdom Government not to bring in the death penalty for terrorists who take part in acts of violence in Ireland. If this were to happen, the bitterness and the anger would be gravely increased. Finally, I wish to urge that a strong message calling for clemency be sent from this House to the Spanish Government.

(Applause from the centre and the right)

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Ladies and gentlemen, it has been left to Mr Berkhouwer to make this exhibition of himself, but I object to his description of the Socialist Group as political rowdies.

I am grateful to Mr Kirk for stating that there are no differences of opinion about what has happened in Spain in the military courts. However, and here I come to an important difference, I turn to Mr de la Malène who said that in European external policy the principle of non-involvement in the internal affairs of a third country must apply and then referred for comparison to China and the Soviet Union. The point is, ladies and gentlemen, that we do not wish to include either China or the Soviet Union in the European Community or associate with them. We wish to keep the door open, however, so that Spain, as a part of this Europe, can become a full member of this Community. That is the essential difference. That is the point and when the honourable Member of the House of Lords, Lord St Oswald, was speaking, I sometimes asked myself whether I was actually a listener in the Cortes in Madrid or here in the European Parliament.

(Applause from the left)

He said that there were Spanish elements outside Spain who wished to prevent reforms in that country. Who are they? Does he mean the Spanish emigrants who were forced out in the same way as upright German democrats

were forced out by the Nazis? Who are the people who cannot move about freely in Spain? Who are the people who cannot leave Spain because the political police withdraw their passports? A Spanish Prime Minister gave his word to the German Federal Chancellor at the Helsinki Conference that the Secretary-General of the Socialist Labour Party would get his passport back to enable him to accept an invitation by the chairman of the SPD, Willi Brandt, to visit Bonn. This promise has been broken by this same Spanish Government. The person concerned still cannot leave Spain, otherwise he would certainly have been a guest today in this Chamber. And to say, as the honourable Member of the House of Lords has said, that stability should be restored in Spain by supporting the forces of reform by diplomacy, is a rash hope. Equally audacious is Amendment No 1, tabled by Mr de la Malène, which reads 'anxious to see that the progress in Spain towards the democratic nations of the Community and of the other countries is not impeded'. Where is this progress then? There is no progress, Mr de la Malène, only retrograde developments.

(Applause from the left)

This reminds me of the debate in this House about Greece, in which we heard exactly the same approach from a former Member, Lady Elles, while the Socialists wanted a clear denunciation of the Colonels' regime. I therefore have to assume that some people are obviously prepared to apply double standards in this case. And if the Pope has asked for clemency and has not been acknowledged by Franco, does anyone believe that this Parliament will be acknowledged if it only asks for clemency?

It is in the nature of the Church to ask states for clemency. It must be in the nature and the duty of a free democratic parliament to draw political consequences as well as appealing for clemency and therefore we stand by our motion for a resolution.

(Loud applause from the left)

President. — I call Mr Espersen.

Mr Espersen. — *(DK)* I am taking the floor again simply because a number of speakers have been referring to me. I should like to repeat to Mr Kirk that I consider his motives to be as democratic as our own. But what Mr Kirk wants us to do is to tell Spain that we are democrats, that we are against the death sentence, and that we are against military tribunals. I trust—even after having heard various speakers here today—that the rest of the world knows that the European Parliament is against undemocratic methods, against

Espersen

dictatorships, and against death sentences, without our having to say this. I think it is superfluous to do so and I therefore ask Mr Kirk to understand why we believe that we should go further in this matter.

Mr de la Malène says, quite wrongly, that it does not help to interfere in other countries' internal affairs. He says that history has shown that it only produces bad results. This is indeed wrong, Mr de la Malène. Practically every speaker today has mentioned the case of Greece, where we did interfere in order to change the internal affairs and where internal affairs have now been improved. So you cannot say, when we want to use precisely the same methods here, that history shows that it doesn't help at all. Then we are told about psychiatric hospitals in the Soviet Union. I think we are equally opposed to them as we are to what is happening in Spain, but table a resolution on the subject and let us vote on it. Obviously even Mr de la Malène's group is perfectly entitled to do so. We will then discuss it, but that is not what we are talking about today.

I believe it will be in Lord St. Oswald's best interests if we do not spend too much time on his contribution. I should just like to say that it is the first time that I have heard a member of a democratic assembly suppose that we can ask Franco to introduce reforms. What Lord St. Oswald actually suggested was that such reforms would be forthcoming.

Lord Bethell said that nobody displayed feelings yesterday when we spoke about the Soviet Union. If Lord Bethell heard my statement he will have understood that I did in fact combine these two matters and said that, if we wished the Soviet Union to observe the Helsinki agreement, we must also see to it in our own western world that we keep our doorstep clean and do not accept the dictatorships confronting us today.

I believe that if we are to help improve developments in Spain, if we are to prevent developments possibly going in the direction of a quite different dictatorship, to which we Socialists are equally opposed, it is essential that we take active steps today and not simply wait until violence and terrorism increase; so that the future leaders of Spain may know which part of the world they should turn to, and they can only know this if we do something and not just say that we are democrats. That is why I ask you once again to vote for our motion for a resolution.

(Applause from the Socialist Group)

President. — I call Lord Castle.

Lord Castle. — My contribution, Mr President, will certainly be short, but I think I will be expressing the opinion not only of newcomers like myself, but of people who have been acquainted with this House for some time, if I express a sense of shame that this debate has been turned into an opportunity for airing political ideas which have nothing whatever to do with eleven people under sentence of death.

(Applause from the right)

I intervene here not necessarily as a Socialist, but as one who is anxious to see that some glimmer of humanity appears on the Iberian peninsula. And I welcome the moderation with which the chairman of the European Conservative Group spoke...

(Applause)

...but I cannot say the same for the people behind him who are now cheering, and it was with equal shame, Sir, that I found that a Member of my own House was parading ideas which certainly belong to the last century at least.

(Applause from the left)

It is because there have been expressions from all sides of the House—except from the lily-livered Liberals—of a desire to achieve a common purpose, namely saving these lives, that I feel I can appeal to the chairman of the European Conservative Group—for whom I have, as I have confessed before, a great admiration in his actions in this House at least—to follow the logic of his own resolution. In his speech he said that time is of the essence. It is not a matter of tomorrow or next week, it is a matter of the next hour or two. Tomorrow in Spain the people who will decide whether or not these people die will be meeting, and it would be a shame and a scandal if this House, representing, as I think, civilized Europe, did not make itself heard directly. But, Mr President, Mr Kirk is suggesting that the Council of Ministers be invited to take action in agreement with the governments of the Nine. That is a delaying tactic, Sir, and we cannot accept that delay because the Council of Ministers does not meet until Monday. These men may be dead and these women may be condemned to death before then, and I appeal to him to get his time-table right and sink a few little political prejudices and support the Socialist resolution.

(Applause from the left)

President. — I call Mr Deschamps.

Mr Deschamps. — *(F)* Mr President, ladies and gentlemen, I think that during such a serious debate it is impossible for the Assembly not to

Deschamps

refer to what was written on 20 September, i.e. quite recently, by a newspaper to which, I think, the left in this House will have no objections. In its editorial of 20 September, the newspaper *Le Monde* dealt with this question. Having expressed the horror which I am sure all of us here feel on the subject of these sentences and the executions which could follow, this newspaper, in a spirit I would like to see shared by the whole of this House, since it alone is capable of making our decision of today effective in obtaining our only objective, to save the lives which are in danger, goes on to say:

'It is true that repression is the child of terrorism. Since the beginning of the year, terrorism has grown to considerable proportions in Spain; twelve police officers have been the victims. No doubt it is to some extent due to the despair of a generation which has not experienced the horrors of war but which is still suffering its consequences.'

We, too, condemn these consequences, which are directly opposed to the most fundamental human rights. But I quote again from *Le Monde*:

'For the extreme left and for the autonomists who are using it, terrorism is also a strategy. Repression, they reason, has always eventually hardened opposition to those in power. They consider that this policy of meeting force with force has its risks, but does it not have opportunities too? The prospect of a flexible transition to the post-Franco period which seemed plausible just a few months ago has dimmed somewhat since repression has taken insane forms.'

This text says that repression is the child of terrorism. We must all reason along similar lines, perhaps too simply, perhaps too logically for the impassioned atmosphere in which we have wrongly conducted this debate so far, and we must allow such reasoning to dictate our decision.

Ladies and gentlemen, we must decide whether our decision today is intended primarily to save human lives, to break the vicious circle of insane repression leading to blind terrorism, in order to ensure that blood does not flow, or whether it is intended—and I choose my words carefully—to denounce its possible flowing tomorrow with the ulterior motive, which would be terrible, of taking advantage of the situation.

This suspicion must not even occur to the minds of those who will read today's report of proceedings. And for that reason, knowing that only a clear decision concerned only with saving human lives can be accepted as devoid of all political ulterior motives, I ask you to vote for that part of the resolution which is concerned with the saving of these human lives.

You have the opportunity today—and I speak in particular to the Socialist Group—you have the honour of replying today by a majority vote

to the question which I have raised. And to find the answer, I would ask Mr Fellermaier and all our Socialist colleagues not to look behind them but to look into their hearts, to revive within themselves that pacifist socialist conscience and spirit which Jaurès advocated: it is better to be among the victims than to be one of those who in one way or another, directly or indirectly, exercise violence and cause blood to flow, with the risk of rekindling civil war, with all the blood and violence which that would involve, in a country which already had that experience less than 40 years ago.

That is the importance of today's decision. Ladies and gentlemen I insist that you reflect and base your decision on that reflection, on the thoughts which I have outlined on the magnificent article in *Le Monde*. Remember that there is never any shame attached to changing one's point of view when it is done honourably. That is what I ask you to do today.

(Applause from the centre and right)

President. — I call Mr Dondelinger.

Mr Dondelinger. — (F) Just a word: my colleague Mr Deschamps will doubtless recall that between 1940 and 1945 resistance fighters in France, Italy, Belgium, Yugoslavia, Poland and Russia were condemned as terrorists because they fought collaborating police.

That is not the main point of my remarks, however. Ladies and gentlemen, in March of last year, faced by events which were taking place in Spain, this House adopted a resolution on the execution of Salvador Puig Antich. A motion was tabled by my colleague Mr Broeksz, Mr Lückner, on behalf of the Christian-Democratic Group and Mr Durieux, on behalf of the Liberal and Allies Group. I quote an extract:

'The European Parliament, denouncing the recourse by dictatorships to the use of special courts to try opponents of the régime in power, in the light of the execution of Salvador Puig Antich, who was tried by special courts, and of the threatened expulsion from Spain of the Bishop of Bilbao by the Spanish Government and of the political reasons on which this measure was to have been based, declares that the Accession of Spain to the European Community is being hindered by repeated violations on the part of the Spanish Government of fundamental human rights and the fundamental rights of the citizen and its contempt for the democratic rights of minorities in a Europe which is seeking its own free and democratic path towards unity.'

(Applause from the left)

Ladies and gentlemen, a word to our Christian-Democratic and Liberal colleagues. You voted in favour of this resolution in 1974, but now, where pregnant women are condemned to death,

Dondelinger

you retreat and adopt a position which is far behind last year's.

Dispassionately but in the name of the humanity which you Christian-Democrats and Liberals claim to share, I would ask you to withdraw your resolution, which does not go as far as last year's, and accept ours, which alone resembles the resolution which you unanimously adopted last year.

Please do so. I will thank you.

(Applause from the left)

President. — I call Mr Bertrand.

Mr A. Bertrand. — *(NL)* Now that everyone — on the left, the centre and on the right — has had an opportunity to air his views, in some cases passionately, in others calmly, I would ask that we now come to the vote. We have three motions for resolutions, but two of them are identical apart from one paragraph, that tabled by the Socialists and that tabled by the Christian-Democratic Group and the Liberal and Allies; they are identical, with the exception of paragraph 2. There is therefore a majority in this Parliament for an appeal for humanity in saving the lives of these people, and this comes out in the motions. Let us, for Heaven's sake, get on with the voting and discuss the only paragraph which has a political character, on whose desirability opinions at the moment differ. That is all. In all other respects, we are against dictatorship, against restriction of civil rights, against the violation of human rights, against capital punishment — we all agree on this. That is what this motion says. For Heaven's sake, let us put this resolution to the vote. Parliament will decide whether or not paragraph 2 should be retained at this time, and then this debate can be closed.

President. — I have had a request from Lord St. Oswald for leave to make a personal statement, but under Rule 31 such statements may be heard only at the end of the sitting, that is, after the vote has taken place.

I call Mr Berkhouwer.

Mr Berkhouwer. — *(NL)* Mr President, I should again like to say how depressed I feel that eleven people are facing death while a political contest is going on here. If this is to be a sign of what is known as polarization, I am sorry. And I am also sorry that we cannot demonstrate greater unanimity here.

In this political debate, one of the Members who joined us recently, Lord Castle, said exactly the same as I have said, but he reproached the

Liberals for lacking nerve. He began by saying that he, too, regretted the political contest that was being played out around the lives of eleven people. Thus, ultimately, Lord Castle and I are in complete agreement in this respect. But I am sorry that Lord Castle should attack me personally. It would seem that Lord Broeksz would also like to say something...

Mr Broeksz. — *(NL)* You mean well, but you do not know what it is all about...

Mr Berkhouwer. — *(NL)* I will now come to Mr Fellermaier, who will never be a lord in this or a future life.

(Laughter)

To Mr Fellermaier, I should like to say that I cannot accept his contention that I have staged a circus act here on behalf of the Liberal and Allies Group. I do not accept that. I leave it to the Assembly to judge who is responsible for the circus act.

(Noise)

President. — I would remind the House that this is not a circus. We are discussing matters of life and death and when I heard the uproarious laughter from different parts of the House, I felt a little ashamed to be presiding over this Assembly. We are speaking of urgent matters of life and death.

I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, it is my duty to try to express the collective view of the Commission on the solemn subject matter of the debate that is now beginning to draw to a close. In one sense this is one of those occasions that fortunately are not too rare in this House, where this Assembly ceases in a sense to be simply an institution of an economic group of nations and becomes a European Parliament in the true sense of the world, a European Parliament speaking as the conscience of Europe, the conscience of the Community.

It has been a debate, as you have remarked, Mr President, in which there has been a good deal of heat and high passion. I think we all recognize that the passion and the heat come from differences of sincerely held views on the best way to assist the cause of human rights and democratic liberty in Spain and equally the great dilemma that always occurs in a debate like this as to how best to assist the tragic situation of 10 men in condemned cells in Spain at this moment.

Thomson

I think Lord Castle spoke for everybody in the House, whatever other differences of view there were, when he concentrated our minds on trying to do the kind of thing that will be helpful and not harmful to those people under sentence of death. The Commission, Mr President, deeply shares the concern that was expressed by Lord Castle.

At this point I must tell Parliament, as I would have done yesterday during Question Time if the question had been reached, exactly what action the Commission has recently taken on this subject. On 8 September, on the initiative of Sir Christopher Soames, who, as you know, has the special responsibility for international affairs, but who is out of Europe at the moment, the Spanish *chargé d'affaires* was requested to call at the Commission. Sir Christopher Soames told him then that the Commission hoped that for humanitarian reasons the Spanish Government would commute the death sentences passed on the two Basque militants who were the subject of yesterday's question and who were the first two people, in the present stage of developments, to be sentenced to death. Sir Christopher Soames indicated that the Commission did not wish to interfere in Spain's legal processes, but he suggested that public opinion in the Community was likely to be affected by this affair, with consequent effects on Spain's relations with the Community. Mr President, two days later, on 10 September, the whole Commission met and as a collective group discussed this question, and as a result the Spanish Government was informed that the Commission as a whole hoped that these death sentences would be commuted. Since September 10 an additional eight people have been sentenced to death, and of course the representations that the Commission had made to the Spanish authorities on behalf of the original two also apply to the other eight.

The question now, is what happens next? This debate takes place on the eve of the crucial decisions that have been mentioned. I can perhaps assure Lord Castle on one point: this is not the kind of matter that has to wait for the normal operation of the Council machinery, meaning a delay until the next date on a calendar. In that sense, the Member States of the Community are in continuous session, and they can always find a way to react to events, just as in a sense this debate this afternoon does not need either the Commission or the Council because Parliament is speaking directly—fortunately, in view of the urgency, to the Spanish authorities and to the people of Spain. But the Commission is in the closest possible contact with the governments of the States of the Community, and we will fully associate the Commission with whatever

joint action is decided as the best way of assisting in this situation.

The argument has developed partly around the one part of the resolution moved by Mr Fellermaier with which the other groups in Parliament do not agree. That is the question of the freezing of future relations between the Community and Spain. Due to the emergency nature of this debate the Commission has had no opportunity to discuss this particular proposal. It is in any case, following the kind of debate we have had, I think a matter to be decided in the first instance by the free vote of this Parliament. What I can undertake to do is to convey a very careful account of what has been said here and what will have been decided here, to my colleagues of the Commission, which will in any case be meeting tomorrow. I think all I would want to add on that point is to underline what has been said to the Commission: that carrying out the proposed death sentences would undoubtedly influence relations between Spain and the Community because of the effect it would have on the attitude of the public in the Community towards Spain.

The final point I would like to make, and I make it perhaps personally rather than collectively, Mr President, is of course that I think we are all conscious from all our different points of view that this kind of issue in a country like Spain, brought to a head by the fact that 10 people are under sentence of death, does present an almost insoluble dilemma as to how far you help to bring about the desired results by bringing pressure to bear, by seeking to exercise influence from outside on the internal situation in another country. It is a problem whatever the particular political situation of the country concerned. It is a problem, of course, that has been pointed out by Mr Fellermaier and others that the Community has faced in another context. It faced it in the case of Greece, and yesterday we discussed how we had to face it in the case of Portugal. We naturally want to behave with all possible prudence to try to bring about the humanitarian results that we all seek. But in another sense this problem is not merely an internal problem for Spain, but also an internal problem for Europe. The people of Spain are fellow Europeans. That is in one way what distinguishes them from other third countries with which we have relations, and those who seek to bring Spain to that democratic stage of development in which she can become a Member State of the European Community, are people who share the values of liberty and democracy that we hold sacrosanct in this House. We therefore have a special obligation of solidarity towards them.

Thomson

Mr President, that is all I have to say about the difficulties and issues in which we have got to strike a balance and on which Parliament will now take its decision by democratic vote.

President. — The debate is closed.

I would inform the House that the motion for a resolution tabled on behalf of the Communist and Allies Group (Doc. 270/75) has been withdrawn. We therefore have only two motions for resolutions on which amendments have been tabled.

I propose that Parliament should proceed as follows: the two remaining motions for resolutions should be considered in the order in which they were tabled. Accordingly, we shall first consider the motion tabled by Mr Fellermaier on behalf of the Socialist Group. On this motion an amendment has been tabled replacing the entire text. In accordance with the Rules of Procedure we shall therefore vote first on the amendment and then, if the amendment is rejected, on the original motion. If that motion is in turn rejected, we shall then consider the motion for a resolution tabled by Mr Bertrand on behalf of the Christian-Democratic Group and Mr Berkhouwer on behalf of the Liberal and Allies Group, together with the amendment thereto.

It is clearly understood that once any one resolution has been adopted, the remaining resolutions will be declared void.

Are there any objections?

I call Mr Fellermaier.

Mr Fellermaier. — (D) I think Mr Bertrand would agree if I now propose that voting on the motion for a resolution tabled by the Socialist Group takes place paragraph by paragraph, because most paragraphs coincide with those of the motion for a resolution tabled by the Christian-Democratic and Liberal Groups.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, Mr Fellermaier has suggested that when we come to discussing his resolution, we should take it paragraph by paragraph. I, of course, have no objection to that, but I gather that means that the amendment to the whole resolution will be taken first. If that amendment is rejected, then we proceed as Mr Fellermaier has suggested. Is that correct?

President. — That is what I propose to the House.

Are there any objections?

That is agreed.

On the motion for a resolution tabled by Mr Fellermaier (Doc. 269/75), I have Amendment No 1 tabled by Mr Kirk on behalf of the European Conservative Group and by Mr de la Malène on behalf of the Group of European Progressive Democrats and worded as follows:

'Replace the entire motion by the following text:

'The European Parliament,

- deeply concerned by the recent events which have occurred in Spain,
- condemning as always all recourse to violence as well as any attacks on the rights of man and the fundamental democratic freedoms,
- moved by the situation of those who have suffered from this violence both personally and materially,
- anxious to see that the progress in Spain towards the democratic nations of the Community and of the other countries is not impeded,

1. Invites the Council of Ministers to undertake in agreement with the governments of the Nine, immediate steps with the Spanish Government to obtain clemency for those condemned, in the name of the humanitarian principles of our common civilization.'

I call Mr Kirk to move this amendment.

Mr Kirk. — Mr President, I have already explained the principle behind this amendment, which I think is quite clear. It aims at singling out the one matter on which we all know we are unanimous. That is the demand for clemency, for the annulment of the death sentences passed on eleven people in Spain. As I have already explained it, and as indeed it has been the subject of a certain amount of discussion, I do not think there is any need for me to go into any more detail. The one point that Lord Castle raised, a very interesting point about the timing, has been answered by the Commissioner, and I would have answered in exactly the same sense, though without the same authority, of course. The Council is a permanent body; it is quite possible for the Council to adopt an opinion later this afternoon if this amendment is carried and make the necessary representations with the support of the governments of the Nine. Indeed, we know that several of the governments of the Nine will associate themselves with such a motion. Therefore, Sir, I think I can move the amendment reasonably formally. The grounds for it are known. I think they are absolutely straightforward, and I hope it will have the support of the House.

President. — I call Mr Yeats.

Mr Yeats. — Mr President, on behalf of my group, I should very briefly like to propose that this amendment be adopted. I would put it very sincerely to Members, and particularly those Members opposite, that the only matter we are considering is not the rights and wrongs—particularly the wrongs—of the present administration in Spain, but the fact that there are a number of men and women in prison at the moment, not knowing whether by the end of this week they are going to die a particularly unpleasant death. That is the only matter that need concern us. The political aspect of this matter is irrelevant. A great deal has been said about it. I would put it very sincerely to Members that they should vote for whichever motion before us that, in their view, has the greatest effect in saving the lives of these people. I would put it that this motion which does not attempt to condemn or threaten the Spanish Government, is likely to have the greatest effect, if anything has an effect. If there are any elements of moderation seeking to remit these sentences, this will help them. I would put it very, very sincerely that the text proposed by Mr Fellermaier is likely to do damage rather than good.

President. — I put Amendment No 1 to the vote.
The amendment is rejected.

We shall now consider paragraph by paragraph the motion for a resolution tabled by Mr Fellermaier.

I put the first indent of the preamble to the vote.
The first indent of the preamble is adopted.

I put the second indent of the preamble to the vote.

The second indent of the preamble is adopted.

I put the first paragraph of the resolution to the vote.

Paragraph 1 is adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

(*Applause from the left*)

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I call Mr de la Malène for an explanation of vote.

Mr de la Malène. — (*F*) I would like to intervene briefly to say that my group will not associate itself with the vote in favour of the

motion in its present form. We are convinced that the Spanish authorities will regard it as a challenge and that instead of saving or trying to save the lives of the persons concerned we will have the opposite effect. We regret it profoundly and will vote against it.

(*Applause from the EPD Group*)

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

The resolution as a whole is adopted.¹

(*Loud applause from the left*)

The other motion for a resolution is now void.

12. Fourth report on competition policy

(*Resumption*)

President. — The next item is the resumption of the debate on Mr Normanton's report concerning the Fourth report on competition policy (Doc. 164/75).

I call Mr Borschette.

Mr Borschette, member of the Commission. — (*F*) Mr President, I would first of all like to thank Mr Normanton and the Committee on Economic and Monetary Affairs for the excellent report and the motion for a resolution which have been laid before us. In general terms, the Commission is in agreement with the motion for a resolution.

Before going into some specific problems which were discussed this morning, I would like to make some remarks on certain considerations which were voiced this morning at the end of the debate.

It was said at one stage that the Treaty of Rome was no longer relevant, and the speaker was referring to the entire Treaty of Rome, not just the rules of competition. In support of this, reference was made to a British economic newspaper and a Minister of a country whose Government signed, whose Parliament ratified and whose people approved in a referendum the Treaty of Rome. What odd witnesses!

Secondly, it was also said that the action of the Commission had always consisted of giving free rein to 'bloody-clawed capitalism.' Mr President, that is news to me, for I had always thought that the Commission had always directed its action against the excesses of a certain kind of capitalism in order to maintain our system of economic freedom.

¹ OJ No C 239 of 20. 10. 1975.

Borschette

I thought of the author of 'Alice in Wonderland' who at one point has the judge say to Alice, 'You must believe me it is the truth.' Alice replies 'No, Your Honour, it is not the truth,' and the judge says, 'You must repeat the truth six times, and after six times you will believe it.'

I have heard this new truth for the first time today, Mr President. I just have to repeat it five more times.

Having said that, Mr President, I also heard it claimed that we were engaged in a never-ending process, undoing by night what we had done during the day, or the other way round, and that there were distortions of competition other than economic ones, particularly in the social field. I will even add, Mr Zeller, that distortions of competition exist in the fiscal field, for example. But that does not mean that we should not continue our action with regard to the rules of competition which are contained in the Treaty of Rome and which the Commission has a duty to implement under that treaty. I would like to support what Mr Normanton said this morning on the subject of good relations between the Commission and Parliament on the subject of competition. The rules of competition are one of the only fields in which the Commission has a real decision-making power and in which it is politically responsible to Parliament alone, except of course, for its legal obligations to the Court of Justice. It is therefore in the interest of the Community that Parliament and the Commission should cooperate closely.

I have also been asked to say what progress the Council has made in considering the regulation on the control of mergers. I am sorry to have to inform you that the matter is still pending and that a few weeks ago I energetically pointed out to the Italian President of the Council that the Council had not respected the original time-limit which it had set itself.

Regional aid was also mentioned. I would like to reassure certain Members of Parliament by telling them that the Commission certainly does not intend to abolish all regional aid; on the contrary. The Commission's only intention is to avoid various governments and various regions outbidding one another, since such an occurrence would be at the expense of regions, governments and, ultimately, consumers.

I am very sorry that certain speeches referred to what the Commission had or had not done. Some speakers mentioned selective distribution and national law. It is true that we have not yet issued specific regulations or directives on this subject. Firstly, because it is an area which is extremely difficult technically and secondly

because our policy is pragmatic rather than theoretical. Its primary concern is to take decisions on specific cases and then, still under the legal supervision of the Court of Justice, to gradually draft common rules applicable to all enterprises.

With regard to oil companies and the report which the Commission has been called upon to make in this connection, I have already told this Assembly that we are indeed several months behind schedule. However, having to choose between an incomplete report and a much more thorough and detailed one, I opted for the slight delay. I can assure you that before the end of the year I will introduce to this Assembly the guidelines of the Commission's report on the conduct of oil companies, particularly during the oil crisis of 1973 and 1974.

I now come to multinational companies. This is certainly not the first time that they have been mentioned in this Parliament. First of all, I will recall that the Commission submitted a memorandum on multinational companies, in which it tackled the serious problems brought about by multinational companies. These are not only problems of competition but also of free circulation capital, social and economic problems, etc.

The only thing I can affirm here is that from the point of view of competition, the Commission has in any case so far acted fairly in its dealings with multinational companies. Allow me to quote a few figures for those parliamentarians who declared this morning that the Commission had done nothing against multinational companies and that the latter were eliminating all competition in the Community. Out of 64 decisions taken by the Commission during the past few years, 23 were concerned with 21 multinational companies based in Europe and 22 from third countries. In addition—and I think that no national government has done as much—the Commission has taken decisions against multinational companies with their seat in third countries and has even imposed fines on companies whose seat is outside the Community. Mr President, has any national government taken a comparable number of decisions against multinational companies? Has any government already taken decisions against companies based in third countries?

A final word on the ownership of undertakings and nationalization. First of all, allow me to say this: the Commission must be neutral in the question of ownership, it is obliged to be so by the Treaty. Article 222 obliges it to judge in exactly the same manner companies which are under state control or which belong to the state and those which are completely private.

Borschette

In the future as in the past the Commission will deal in exactly the same way with all companies, whatever their ownership.

(Applause)

President. — I call Mr Normanton.

Mr Normanton, rapporteur. — May I, as briefly as possible, deal with one or two points which have come up in this debate.

First, on behalf of the Committee on Economic and Monetary Affairs I wish to express the grateful thanks of my committee for the valuable, highly critical, analytical, but constructive comments which have played a conspicuous part in this debate. The contents of those critical comments will be noted and will certainly influence the thinking of the committee when the next report is drafted and is presented to this Parliament.

All members of the committee are equally grateful to Mr Borschette for the frankness, the candour and the highly critical, but constructive manner in which he deals with our critical comments and the views put to him. That is, in fact, the kind of relationship which we feel should, and generally does, exist between the committees of this Parliament and the Commissioners who work with them. We want that relationship to continue. It is to the benefit of the people as a whole that that should be the case.

Mr Albertsen made one or two questionable comments. He implied that the committee's report was critical of the trade unions. There is not one single word from which any inference can be drawn that the Committee on Economic and Monetary Affairs is critical of them. It is not. We do recognize there are individuals who feel critical of them. We want that criticism, like criticism of other agencies, to be examined, to be considered objectively and dispassionately. And then, when we have the facts, we, in this Parliament, will exercise the sole prerogative of judging.

Mr Albertsen also said that I made no reference to multinationals. I wish he had read the text of the report. I equally wish a number of the more virulent critics of this report had read everything that is contained in it. There are in fact many references to multinationals. They appear on page 30, but it was the decision of the committee and of the Socialist Members who were sitting in on that decision, that this question was already being constructively viewed and examined by the Commission and by existing mechanisms. It was for that reason, and that reason only, that there is no reference to multinationals in the resolution.

Mr Artzinger made several points which we would strongly underline. He stressed that aids must have as their sole objective restructuring, leading to the creation of industry which is viable and competitive—competitive in the Community but, more importantly, competitive in the world environment on which we depend. That is the objective on which all members of the Committee on Economic and Monetary Affairs, regardless of their party allegiances, have up to the present concentrated their attention.

It is not pure formality or hollow courtesy which prompts me, the rapporteur, to express congratulations to those two honourable gentlemen who have used this, an extremely important occasion, we believe, to make their maiden speeches. As to the content of their maiden speeches, perhaps it is not quite appropriate on the occasion of a maiden speech for the objective rapporteur of a committee to go too much into critical analysis. But I would ask Lord Bruce to consider rather more carefully this invitation to all Socialists in the Parliament to vote against this competition report. I am sure he will be aware of the fact that, of the 15 members of the committee who voted in support of this report, 7 were members of his political group. As far as Lord Gordon-Walker is concerned, I felt it was a little unkind of him to make remarks about digs against nationalization. There is not a word which can be construed as a dig, implied or otherwise, against nationalization. The role of the rapporteur is to be objective, and I hope that tradition of this House will continue to be observed.

As far as Mr Hamilton is concerned, I am indeed grateful to him. I now know that I can ask those who might want to write my biography and my epitaph, if anyone were so foolish, to look up the debates of this House and read the words which he used to describe me personally. But quite frankly I do not, nor I am sure do those who have served in this Parliament, want the practice of washing domestic political linen to be adopted in this House. That has never been the practice here, and I earnestly hope it will not be so in the future. Perhaps, with the passage of time and the accumulation of experience, he and others will come to share that view.

Lastly, and I think most importantly, I earnestly hope that the objective approach which the rapporteur for the Committee on Economic and Monetary Affairs has tried to express in the report, reflects the unity of the members of the committee and achieves unity amongst all who represent the political groups in this Parliament when we come to vote.

(Applause)

President. — I call Mr Albertsen.

Mr Albertsen. — (DK) Mr President, I should like to thank the Commission representative, Mr Borschette, for the information he has given us and at the same time to express our gratitude for the report we asked for ~~and~~ are getting on the policies of oil companies ~~in~~ connection with the energy crisis we have had.

I should also like to express ~~my~~ satisfaction at the fact that we presumably will be getting the opportunity, either here in Parliament or in committee, to follow up the debate we have had here about the Commission's attitude to multinational companies. If it is not followed up, I can promise that the Socialist Group will come forward with an initiative on the subject.

I shall not prolong this debate with remarks addressed to the rapporteur, but merely say, since some of my final remarks were misunderstood in one of the interpretations, that the conclusion of our discussions in the Socialist Group was that the group as such could not vote for the report but would vote against it, with certain Members who hold a slightly different view abstaining from voting. That was the conclusion we came to. That is the position we shall take.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The motion for a resolution is rejected.

13. Change in the agenda

President. — I call Mr Scott-Hopkins for a procedural motion.

Mr Scott-Hopkins. — Mr President, I wish to make a statement about my oral question with debate. It has just come to my notice, Mr President, that Commissioner Lardinois unfortunately cannot be here tomorrow, and it is almost certain that my oral question with debate will not be dealt with today. It will not come up before 8 o'clock because the wine debate is an important one. I therefore propose withdrawing my oral question on the understanding that it is referred back to the Committee on Agriculture and we can have a wider-ranging debate on fishing at our next part-session in October.

President. — Does the House agree to the withdrawal of the oral question tabled by Mr Scott-Hopkins, Mr Jakobsen and Mr Corrie from the

agenda for this part-session and to its being put on the agenda for the next part-session?

I call Mr Laban.

Mr Laban. — (NL) Mr President, I would vigorously support Mr Scott-Hopkins' proposal, namely that the whole problem of the fishing industry should be studied in detail by the Committee on Agriculture and placed on the agenda for October.

President. — I put the motion to the vote.

The motion is adopted.

14. Oral question with debate on the common agricultural policy: Oral question with debate on the wine market: Oral question with debate on French measures in the wine sector

President. — The next item is the joint debate on three oral questions with debate, to the Commission of the European Communities, which are worded as follows:

— Oral question (Doc. 247/75) by Mr Cipolla, Mr Lemoine and Mr Marras on behalf of the Communist and Allies Group:

Subject: Common agricultural policy.

1. What was the outcome of the meeting of the Council of Agricultural Ministers of 9 September as far as the wine-growing sector is concerned?
2. What stage has been reached in the preparation of measures for the revision of the common agricultural policy?
3. Are the appropriations entered in the 1975 budget for the Guarantee Section of the EAGGF sufficient to meet expenditure under various chapters for the implementation of sectoral market policies, with particular regard to dairy products, meat, cereals and wine?
4. What is the current level of Community stocks and what are the Commission's estimates to the end of the year for dairy products, meat and cereals?

— Oral question (Doc. 248/75) by Mr Houdet on behalf of the Committee on Agriculture:

Subject: Wine policy and the situation in the wine market

What is the present position as regards the wine policy and what is the situation in the wine market at the beginning of the 1975/1976 wine-growing year?

— Oral question (Doc. 249/75) by Mr Vetrone, Mr Boano, Mr Ligios, Mr Vernaschi, Mr Mitterdorfer, Mr Brugger and Mr Giraud:

Subject: French measures in the wine sector. Could the Commission state:

President

1. How it views France's recently adopted unilateral position, totally disregarding Community principles, on the wine question?
2. Whether it made a forceful effort to mediate within the Council of Ministers, and if so, why such mediation failed particularly in view of the fact that wine represents only about 1.1% of EAGGF expenditure whereas other sectors (meat and dairy products) alone account for up to 40%. The failure to find a solution, if only in financial terms, which would safeguard the interests both of French and Italian wine-growers, is therefore impossible to understand.

I call Mr Cipolla.

Mr Cipolla. — (I) Mr President, ladies and gentlemen, this debate follows the discussion of Mr Della Briotta's report on the new regulations in the wine-growing sector at the July part-session. I should like to remind colleagues and the Commission's representative that, at the time, the entire Italian delegation, with the exception of the Fascists only, tabled an amendment which, in a manner that I would call prophetic, pin-pointed the hub of the problem. We were saying then that it was not a case of adopting with much beating of drums, a new set of regulations which would produce results in a matter of years, but of adopting emergency measures which could alleviate the serious situation on the market and the difficulties currently faced by wine-growers, particularly those in France and Italy. We also asked that revision of these regulations, the latest set of regulations governing agricultural markets to be adopted by Parliament and the Community Institutions, should be undertaken in the Directorate-General for Agriculture.

Events have, unfortunately, proved us right. When the Ministers of Agriculture met in September—that is after the July part-session—they found themselves in disagreement over the emergency measures to be adopted to help the growers, and points arose affecting not only the interests of the wine-growers but also some of the principles fundamental to the Community's existence, such as the free movement of goods and the prohibition on individual states taking measures contrary to the general organization of the market. If we have come to this pass, it is because the course we advocated then was not adopted. So here we now are, faced with this 12% French tax which is not only illegal, as a majority of the Commission acknowledge—and Commissioner Lardinois could have pointed it out at the meeting of the Council of Ministers instead of waiting for a full meeting of the Commission, and saved both the Commission and the Community much trouble and much discredit—but is also inadequate. It is inadequate because, as we can see from current develop-

ment in Italy, the industrial groups, the big traders, have been spurred by the 12% tax in France to manipulate the market in order to lower the prices even further. So, apart from being illegal in the juridical and institutional sense this measure will by no means, at the economic level, slow down the flow of cheap Italian wine into France, as it was intended to do.

On the other hand, the Commission has taken, or has declared its intention of taking, some measures which are in part identical with those proposed by us in the substitutive amendment to the resolution which we tabled, that is: export refunds—a measure which has already been approved by the Management Committee—and the removal of obstacles to the movement of wine within the Community. This latter measure is what I would call precatory, rather than mandatory, since the Commission makes it dependent on the good will of those countries which, not being themselves wine producers themselves impose true customs duties on wine. For, in fact, excise duties applied in non-producing countries, such as Great Britain, the Netherlands, Denmark or Belgium, and partly also in Germany, on imported Italian and French wines is a customs duty and not a purchase tax. Other measures remain still to be taken, such as the suspension of the German compensatory amounts or the juridical condemnation of the French position.

The course we had indicated was to tackle practically and at once the problems which had caused the French and Italian wine-growers to go out in the streets, those that gave rise to the demonstrations of French and Italian wine-growers. It was hardly reasonable to expect people who had a full unsold stock on their hands to be calmed by being told that there would be a prohibition on new plantings which would produce results in two or three years. That really was not sufficient to calm emotions. Besides, of the measures taken by the Commission, only one is operative, and that only to a limited extent. We should ask ourselves, ladies and gentlemen, why did this wine war break out? And also why was this war made to break out. The whole French press, beginning with *Figaro* and *Le Monde*, has said that between the three principal protagonists of the affair, that is the two Ministers of agriculture concerned and our illustrious Commissioner for agriculture here present, a kind of game was being played to see who could shout loudest, who could show most good will in finding a compromise agreement. But all this manoeuvring was aimed at avoiding the real problem of the common agricultural policy as a whole, and of the Italian

Cipolla

French wine-growers in particular. Our suspicions on this score, already aroused at the time when we tabled our question, were subsequently confirmed on the publication of the 1976 budget, the original draft and the rectifying part submitted by the Commission.

For this is the point: we have exposed the Community to discredit, we have, in fact, brought it into disarray. We have opened to discussion—Commissioner Lardinois will say he is surprised—and we have treated as a matter negotiable between the parties, the question of introducing customs duties and the unified market system. For all the papers have said—and this has not been denied—that Commissioner Lardinois had done his best to convince the two Ministers, Mr Marcora and Mr Bonnet, that they should agree to the application of the duties, a measure which, according to Commissioner Lardinois could be open to debate. What I ask in my question is: if we have risked all that without arriving at a solution of the wine-growers' problems, why did we do it? Was it perhaps to conceal other matters?

The intention was to concentrate the attention of European public opinion on the wine lakes, which in my opinion are inexistent or could easily be eliminated by measures that would not be costly—and, what is more, would be legitimate from the point of view of Community market unity—in order to conceal what is the real problem in agricultural policy today, that is the re-emergence of butter and dried milk mountains. If we look at the summary table of the EAGGF budget proposed by the Commission for 1976 we shall realise that the Commission has done all this not only against the interests of the wine-growers, but against the very principles of the common agricultural policy. In Chapter 69, Title 6 concerning the wine-growing sector, an allocation of 196 million is proposed for 1976, compared with 204 million in 1975. In contrast, the Commission proposes to raise from 1126m u.a. to 1941m u.a. the allocation for milk and cheese products, which we, in our question, say no longer corresponds to the realities of this situation. I have mentioned this figure of 1941 million because to the milk and cheese surplus should also be added 679 million for beef—since more or less the same type of farm is involved—as well as the amount of compensatory amounts intended to finance trade in dairy produce, and the allocation for food aids which consist largely of milk powder surpluses. So, because the right and unanimous proposal of the Italian delegation at the Strasbourg July part-session was not accepted, a wine war which was by no means dictated by the market conditions was artificially and cynically fomented. All

this was done to conceal the real central problem of the common agricultural policy, which is now coming to light in the 1976 budget and as a result of the German attitude on this question. The essential answer to the common agricultural policy problem lies in its revision and in restoring conditions for free competition among products.

There can be no discussion on new regulations on 29 September while the 12% tax remains in force. One cannot go on applying the 12% tax until the new arrangements are accepted. Woe to us if we had to transact our business in such conditions! Tomorrow another country would do exactly the same. Besides, it is absolutely essential that the common agricultural policy budget that we are to adopt for 1976 should be given a new shape.

IN THE CHAIR: MR YEATS

Vice-President

President. — I call Mr Houdet.

Mr Houdet, chairman of the Committee on Agriculture. — (F) Mr President, ladies and gentlemen, I am sorry that this debate did not open with a statement from Mr Lardinois, which could have supplied us with information on the Council meetings held since 22 July, with which we are familiar only through the press, and which worry us somewhat. Such a statement could certainly have facilitated the debate which is to follow.

Mr President, your Committee on Agriculture has put an oral question to the Commission, and above all to the Council, whose absence I regret today, on the particularly serious situation with regard to European wine production and the organization of its market, because the serious nature of this situation, which we have been pointing out for three years, has grown more serious during the past few weeks and unless rapid solutions are found is likely to disturb profoundly the very principles of our common agricultural policy.

The aim of our question is not to dispense with the debate on the two other questions, which are more specific and of a more national character, as Mr Cipolla has just said, and which have been tabled by a number of colleagues most of whom belong to the Committee on Agriculture and are experienced experts.

My question simply seeks to reiterate the motion for a resolution tabled by our rapporteur, Mr Della Briotta, which you adopted by a very large

Houdet

majority on 10 July 1975. We considered it rather hurriedly, which everyone regretted, because in view of the serious nature of the subject we accepted our responsibilities and wished to reply to the consultation by the Council, which was to take its urgent decisions on 22 July. However, it was unfortunately unable to reach agreement on 22 July, or on 9 September, or recently in Venice. I repeat, I regret the fact that the Council of Agricultural Ministers, responsible for the final decisions, is not represented here among us, since the questions which arise concern it directly.

I appeal as solemnly as I am able to the Council to realize that behind the technical aspects, which I admit are very complex, of a wine regulation, a political problem whose significance is lost on no-one begins to arise. The absence of rapid and effective solutions is jeopardizing the common agricultural policy and, in turn, the economic union of Europe.

Our Parliament has so often called in vain for the Commission and Council to ensure the achievement of a monetary union, which is indispensable to the development of our common economic policies. The crisis affecting intra-Community wine trade, which is largely due to monetary matters, proves once more that it is necessary to make rapid progress towards this monetary union.

Mr President, to introduce the question put by the Committee on Agriculture, I would ask you to call our rapporteur, Mr Della Briotta.

(Applause)

President. — Before I call Mr Della Briotta I would like to stress that this oral question on behalf of the Committee on Agriculture entitles the author of the question, that is the representative of the committee, to speak for a total of ten minutes. Mr Della Briotta, therefore, has four minutes in which to complete his speech.

I call Mr Houdet.

Mr Houdet. — *(F)* Mr President, I should like an exception to be made for Mr Della Briotta, because I was speaking as chairman of the Committee on Agriculture. I do not know whether I had the right to do so, but I was speaking in that capacity and it would be for Mr Della Briotta to present the question tabled on behalf of the committee. I would therefore ask you to exercise some flexibility as regards the four minutes you proposed to give him—I assume that I spoke for six minutes—and the ten minutes he would normally have had if I had not spoken.

President. — I am sure we have the greatest sympathy with the position of the representatives of the Committee on Agriculture. I am personally happy to be flexible on this matter, but I would not like this to be taken as a precedent by other speakers later on. If there is no objection from Members, then I think we could allow Mr Della Briotta to speak for ten minutes on this matter.

I call Mr Della Briotta.

Mr Della Briotta. — *(I)* Mr President, ladies and gentlemen, in order to achieve the reopening of French frontiers to Italian wine, the Council on 15 April last adopted a resolution in which it undertook to produce by 1 August a revised basic regulation. It was nearly the end of June before the Commission submitted its final proposals, the reasons for this slowness not being entirely clear. Perhaps it was intended to soften up Italy in the negotiations on internal adjustments that were prejudicial to her and on the Mediterranean agreement, but at any rate Parliament, in order to meet the deadline and not deceive the producers and traders, raced to produce its opinion at breakneck speed in July.

We agreed to work in conditions that I have no hesitation in calling indecent only because we were aware of the dramatic nature of the crisis on the wine market and of the imminent approach of the grape harvest. Meanwhile, 1 August came and went and the Council had taken no decision. The body that did take decisions, and very serious ones, was the French Government and now we find that the common market in wine products no longer exists. I know I am making a very grave statement but it is the truth. We should not forget that in addition to the French duty there are also the exceedingly varied taxes being levied in the various countries and the collection of substantial compensatory amounts at the German frontiers, all adding up to the other problem mentioned by Mr Houdet, that of the monetary difficulties which have resulted in the effective disappearance of the market.

But let us return to the resolution then adopted. In paragraph 1 the Commission was invited to modify its proposals at least partially and to bring into effect Article 149 (2) of the Treaty. In answer to my request the Commissioner told us with which points he agreed, with which he did not agree and on which he reserved his answer. But this, Mr President, is not enough. If the constitutional principle of political responsibility, embodied in the possibility of a negative vote, is to be maintained in the course of legislative proceedings, it is necessary for the Com-

Della Briotta

mission to let us know whether it has in fact applied Article 149 (2), that is, whether it has modified its proposal to the Council. In practical terms what we want to know from Commissioner Lardinois is whether, on the matter of plantings, he has kept the criterion of regional variations and of protection of hill growers, whether he has restricted compulsory precautionary distillation only to spoiled wines, whether he has submitted detailed proposals on the suppression of frauds, whether, in regard to tax harmonization, he has gone beyond generalized recommendations or declarations which have had a great echo in the press but which might as well remain confined to its pages, whether he has made any proposals on aid for marketing and bottling, and whether he has finally had some new ideas on external protection.

These, if I am not mistaken are the points on which the Commissioner had said he was in agreement. But what has he done about it since? So far all we know is that the Council has overshoot the 1 August deadline. Similarly, there has been total silence on the two points on which the Commissioner had on the evening of 10 July reserved his answers. The first concerned the precautions suggested by us in connection with the prohibition of using dessert grapes for wine making, the second the payment of a transport allowance on wine for distillation, analogous to the subsidies paid on powdered milk. Is the Commissioner at least now able to tell us whether he accepts these two points of our resolution? I think you should be aware that in our opinion this business of the powdered milk is very important, not least as a matter of principle, because if this allowance is refused for wine, how can it be claimed for the 'mountains' of milk which are costing the EAGGF much more than the wine 'lake'?

Our warnings on dessert grapes were more than justified. Witness the arguments which have arisen in Italy over the *abruzzese 'pergolona'* grapes. We said it would happen. To forbid using them for wine making overnight meant barricades on the roads next morning. Besides, the figures quoted by the Commission in tables 5 and 18 of its latest report on the wine-growing sector somewhat fictitiously inflate the amount of vinification of dessert grapes, which certainly is not the only factor causing the surpluses, if we consider that in 1973/74 hardly 105 thousand hectares in the Community were under dessert grape cultivation, compared with approximately 2 500 000 hectares under grapes grown for wine. In Italy in 1973 out of a total output of 12 353 000 quintals of dessert grapes, those destined for wine making did not account for even one half as shown by the latest data communicated by

the Commission. It is curious that comparative statistics for France should be missing, given that in France the problem also exists, and, in fact, one of our French colleagues had tabled an amendment to my motion for a resolution in which he asked for much more than we were asking.

I thought it was my duty, as draftsman of the opinion we are now to deliver, to recall these facts. The opinion should also help us to understand the grave crisis into which the wine-product market has fallen once again since the beginning of September. Our resolution attempted to build out of the ashes of the 1970 regulation some kind of equilibrium which, though it would not be easy, would at least incorporate some principles in some coherence: amended rules on plantings, stricter quality standards (classification, fortification, etc.) and better market support. Among these support measures we also included Community action against frauds and the gradual and harmonized reduction of the tax burden. The essential conditions for such equilibrium were the free movement of the merchandise guaranteed by the letter and the spirit of the regulations still in force, the exercise of Community preference, and solidarity in the financial sector. All these are corner stones, the sacred principles of the whole common agricultural policy.

This equilibrium and these essential conditions are now seriously threatened, and in some cases have already been infringed. Time does not permit me to go into a detailed analysis. We all know however, that the simple device of false invoicing will send Community preference together with the observance of reference prices to the devil. We have all read how reluctantly full financial solidarity is being put into operation in respect of wine. To cut short speculations on this subject, please tell us now, Mr Lardinois, how much is wine going to cost the EAGGF Guarantee Fund in 1975, including the supplementary budget, and in 1976. For I fear that the figures in the wine-sector report I referred to are not complete. We all know, after all, that in France now a duty on Italian wine to the amount of 12% of the reference price is being collected and that means the end of a unified market. Of course, it is something that the Commission has declared it illegal, even though Commissioner Lardinois had not balked at attempting an impossible dishonourable compromise. But what is certain, Mr Lardinois, is that there are very many people in my country now, wondering when you are going to put your extraordinary talent for compromise at the service of the ill-starred agriculture of my country too.

Della Briotta

But I shall not embark here on a diatribe on Article 31 of Regulation 816. I am speaking on behalf of the Committee on Agriculture. The French tax is a blatant violation of the principle of market unity. But it is not a 20 lire per litre duty that is going to solve for France the problem of its low quality Mediterranean wine output. Italian table wine is imported into France either to be consumed directly—and this is a matter concerning the traders—or to be mixed with certain inferior wines that can no longer be mixed with those from Oran. But the local plonk remains; in fact, its output is growing; and it is because of its existence that Italian or Maghreb wine is brought into the country; unless it be blended with these, it remains unsold. To get out of this vicious circle one must think of ways of improving the quality of that plonk. To rage against wines from Puglia or from Sicily is not very nice and certainly will not solve the problem.

Finally I should like to quote some figures on the tax burden, using Great Britain as my example. These duties are also a factor in the crisis of market unity. I should like you all to read the reports of the proceedings of 9 July 1975 in the House of Commons containing an exchange of questions and answers between a British MP and a Treasury spokesman. After the huge increases in the last budget, the duty on table wines is at the rate of £2.725 sterling per gallon, while on beer it is £0.116 sterling. On a bottle of table wine originating in the EEC which retails at £1.40 sterling, the taxes, including the VAT, account for 39.8%. The statistics show tremendous differences in the tax burden applied in different Community countries. One thing is certain: wine can hardly be considered a luxury good. Without these vexatious taxes it would be much more generally accessible. From a reading of Shakespeare it is clear that wine was much drunk at one time on the banks of the Thames. Would then the England of Elizabeth II be somewhat less democratic in this respect than that of the first Elizabeth?

Mr President, shortage of time prevents me from completing my analysis of the problem which affects many millions of farming families and the economies of huge areas of our Community. I believe, however, that I was able to indicate all the problems which have given rise to the crisis in the wine sector and those which, when they are resolved, could solve the crisis. Now, together with my colleagues in the Committee on Agriculture, I await Mr Lardinois's reply on the points raised.

(Applause)

President. — I call Mr Scelba.

Mr Scelba. — *(I)* Mr President, I should like to speak on behalf of our colleagues who have tabled this question.

The background to the problem is generally known. As regards the measures introduced by the French Government, there is no shadow of a doubt that these are illegal. What is more, they are economically inappropriate and politically inopportune.

I shall not dwell on the technical aspects of the question, but should like to mention two political considerations.

The first is: how can the Commission continue to pursue this stop-gap policy? Does it not feel that the time has come to start a new policy in this sector too, and not just get something done after, as in this case, the wine war has broken out? Would it not be better to prevent such wars? The wine problem did not arise unexpectedly, its existence was known and it was known perfectly well that political complications would ensue.

My second remark is of a more general nature. In this instance a specific responsibility attaches to France, but all the countries are also a little guilty and I ask myself: if the Commission, and the Council of Ministers, are not capable of resolving a problem which in financial terms I have no hesitation in describing as minor, how can we seriously hope to build a European Union?

France has put a question mark over the whole future of European Union. It is, indeed, hard to envisage creating new Community links when we are unable to observe the rules that bind us already.

Mr Della Briotta spoke of the heavy taxes borne by wine in all the other Community countries. So all the countries are to some extent responsible for the present situation. I should therefore like to appeal to all the governments to strengthen the European spirit. How shall we be able to launch initiatives for progress towards a united Europe when the Community shows itself unable to resolve problems created by itself?

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — *(NL)* Mr President, before answering the various questions that have been put, I should like to make a statement on behalf of the Commission. I did ask the Bureau if I might begin the debate with this statement, as Mr Houdet suggested, but it was pointed out to me that a number of

Lardinols

Members wanted to put their questions first. I accepted this.

In connection with the oral questions that have been tabled, I should like to say a few things so that we may recall what preceded the present situation.

I believe I can say that the problems in the wine sector did not arise today or yesterday. Various other problems that we now have in the wine market were undoubtedly caused by the political compromise reached when the organization of the wine market was being established by the Council in 1969 and 1970, which does not seem to have been the happiest of solutions. In fact, at that time a compromise was reached between two philosophies, between free production without much discipline—which Italy in particular advocated—and a rather rigid system of bans on planting and the like, which France in particular advocated and which France has also been applying for many years.

At the time—it was only five years ago—insufficient thought was given to the possibilities that modern methods of cultivation offer for the expansion of production. Together with the monetary complications which we had and to which no answer at all has been found, this produced an extremely difficult situation, particularly in the French wine market.

The Commission submitted its first proposals for the improvement of the wine market in 1974. Parliament cooperated fully in this. We had had extensive discussions with the Council on the difficulties in the market the previous year. On 9 April, the Council adopted a resolution which by and large stated that there must be a great deal more discipline in the market with regard to planting and the quality of wine. The Commission then put forward a number of new proposals, which enlarged considerably on those made in 1974. Again, Parliament cooperated fully—and in this respect, Mr Della Briotta is quite right—by agreeing to debate at very short notice these proposals, which had been submitted to Parliament very late, a further reason being to give the Council more time than had been expected for the negotiations with the Mediterranean states.

At the Council meeting that took place at the end of July following the approval of the report by the European Parliament, the wine question was not, of course, discussed. Finally, firstly because the Council had no time to discuss these matters and secondly perhaps for other reasons as well, it was decided to hold an additional meeting immediately after the holiday period to be devoted solely to the problems connected with wine. But after the holiday period, instead

of there being a better atmosphere in which to reach a compromise, the problem had, in fact, become more acute as a result of the troubles in the South of France during the holiday months. On 9 September, the Council made a serious effort to solve the difficulties. It unanimously agreed to many parts of our proposals and also to Parliament's resolution. There are a large number of subjects on which—at 5 o'clock in the morning of 10 September—complete unanimity was achieved in the Council.

There remained, however, two important points on which agreement cannot be reached: firstly, the problem of the price of preventive intervention, as it is known, and secondly, the question of how the problems can be quickly solved for a period of about three months. The Council was not able to come to an agreement on these two very important points. As a result, the proposal for a compromise was not accepted, or at least not accepted unanimously, in the early morning of Tuesday, 10 September. The French Government then decided, after 10 September, to protect its market by imposing a levy of about 12% on wine imported from Italy.

In the French Government's view, the difficulties had been caused by the considerable increase in the difference between the value of the French franc and that of the lira.

In brief, the Commission immediately began discussing what should be done about this. It came to the conclusion that Article 31(2) of the regulation organizing the market in wine may not be applied unilaterally by one Member State. This action was consequently condemned or disapproved. The Commission informed the French Government last Monday, in writing, of its point of view and motivation. It felt, however, that it could not leave it at that. Above all, it wanted to prevent even greater problems arising in the wine market, particularly in Italy, as a result of these difficulties. The Commission therefore put forward another set of measures in an attempt to find, at least temporarily, an answer to the actual difficulties.

Its first proposal was for an increase and extension of the refunds on wine. It itself could arrange for this. The existing refunds for wine applied exclusively to Scandinavia and amounted to a maximum of 30 u.a. per tonne or 3 u.a. per hectolitre. The Commission proposed in the Management Committee that this amount should be raised to 6.5 u.a. per hectolitre for practically any destination, with the exception of North and South America. The Management Committee decided in favour of this proposal by 8 votes to 1, and it consequently came into force on Monday of this week.

Lardinols

Now that the Commission has adopted a firm position on France's action and because it wanted to see the monetary compensatory amounts used more logically in the wine sector, it has also proposed that these monetary compensatory amounts should be abolished in the wine sector in Germany as well, because both the positive and negative amounts were abolished in all the other Member States in March, following the decision taken by the Council in February of this year. This was also put to the Management Committee. But the result of the vote on this point was completely different: only three Member States were in favour. One country was against the proposal, and five abstained. In strictly legal terms, the Commission can proceed. It felt, however, that, in view of the outcome of this vote, it would be better to submit a new proposal. This came up for discussion by the Management Committee yesterday. It included the abolition of the monetary compensatory amounts in respect of the types of wine which are produced in Italy and above all the South of France, and the retention of monetary compensatory amounts for the types of wine produced in the North of the Community. This proposal was approved by eight of the nine Member States. One country voted against. This measure will therefore enter into force on Monday, 29 September.

The third proposal made by the Commission is in the form of a recommendation to the Italian Government to eliminate the backlog as regards the payments from the EAGGF to which the wine-growers and wineries are entitled. We have thus asked Italy to pay out the sums in question as quickly as possible, since it seemed to us that there was a considerable administrative backlog in Italy in particular as regards compensation for warehousing costs, distillation costs and so on, in the wine sector. The delay had undoubtedly had an effect on the market.

A fourth action proposed by the Commission was in the form of a letter to all the Member States, particularly those in the North, which were planning to increase excise duties—this being the case in the Federal Republic and the Benelux countries—requesting them not to take these measures, and secondly, to those countries which levy extremely high excise duties on table wine—I repeat, table wine—which applies above all to Britain, Denmark and Ireland, requesting them to lower these duties.

The Commission did not hesitate to denounce the level of these excise duties before a very large European public in order to demonstrate, among other things, that the taxes on table wines in the three countries I have named are five to seven times higher than the price the

producer in Italy or the South of France gets for his wine. I believe the realization that these taxes are so high will leave a deep impression, among consumers in the Member States concerned as well, and I do not doubt, therefore, that the action set in motion there by the Commission, will produce certain results, perhaps not immediately, but in the longer term, when the subject has been discussed and approved by this Parliament. It is not realized, particularly in the North of the Community, that table wine does not cost much, that, for example, a litre of wine in the South costs no more than a litre of milk in the North of the Community. It is not realized that taxes which amount to five to seven times the price paid to the producer, are of course prohibitive, with the result that wine remains a luxury, which is of course anything but evidence of solidarity in the Community.

The Commission naturally realizes that this situation cannot be changed overnight, that it will take time and that at the moment the treasuries of the Member States need every mark or guilder or pound they can find.

On the other hand, we are also convinced that after a given time other sources can be tapped, possibly even indirect sources, in this field of excise duties, perhaps for other products as well. This will put an end to this extremely one-sided burden on table wine—I repeat, table wine: I am not speaking about champagne or expensive luxury wine. This concerns a mass-produced product, the pleasures of which our workers and those on lower salaries in the North of the Community should be able to enjoy in the long run, just as other products are now normally accessible to them.

To summarize, the Council was not able this time, as it usually is when faced with major difficulties, to agree. The Council of the Ministers of Agriculture will be meeting again on Monday and Tuesday, and Regulation No 816 organizing the market in wine will undoubtedly again be Item No 1 on the agenda. I do not know whether the problems will be solved, but I believe that a serious effort will be made, and if agreement is not reached on Monday or Tuesday, there is another Council meeting in two weeks' time.

You should not, however, underestimate the difficulties. The Commission has submitted a proposal, and the majority of this Parliament has voted in favour, in favour, therefore, of an organization of the wine market which guarantees greater discipline in that market and which will restrict the occurrence of surpluses. But the action which the Commission and Parliament have taken has come up against enorm-

Lardinois

ous resistance in the Council. However, if this organization of the wine market does not produce an improvement in the present situation of increasing wine surpluses, but worsens the situation—and this applies to expenditure as well—it does not bode well for the improvement of the agricultural policy in other sectors which are much more expensive, for example, the dairy produce sector. The dairy produce problem will undoubtedly be the first subject for discussion once the wine problem has been solved.

In the present climate, however, I must say that I am becoming increasingly convinced that the positions adopted by the Member States and the public in the Member States are beginning to harden noticeably. Nationalistic traits are becoming much stronger. The will for cooperation has considerably diminished, possibly as a result of this period of recession. The advantages of the Common Market are being wilfully and knowingly minimized by the mass media and in national politics. Maximum attention is paid to the sacrifices that have to be made, and this results, in this period of recession, in an atmosphere that makes the reaching of reasonable compromises more difficult as time passes. I feel that having been a member of the Council for almost nine years, I can safely say that I am an old hand in this field, that I, too, know pretty well what the opposition is and what chances there are of finding compromises. But I have never had so difficult a matter to deal with as this wine market, despite the fact that I sacrificed three-quarters of my holiday in order to propose a solution on 9 September. For events such as those in the South of France at the beginning of the holiday period are among the bad things that can befall this Community, and it is a question of self-control for the Community if the national governments are not to be compelled to disregard the Common Market in order to prevent incidents of this kind.

I now come to the questions that have been put to me. First, there was the question by Mr Cipolla and others. I feel I have already answered the first part of this question, which concerns the consequences of the Council meeting of 8 and 9 September. What is the position as regards preparations for the adjustment of the common agricultural policy? In reply to that question, I can say that the Council has decided to devote a special meeting to the statement on the common agricultural policy that was drawn up by the Commission in March of this year, and on which Parliament delivered an opinion at the end of October. This meeting will be attended not only by the Ministers of Agriculture, but also the Ministers for Economic Affairs or Finance if they are interested.

Thirdly, it was asked whether the appropriations for the Guarantee Section for 1975 were sufficient to cover expenditure on the various chapters of the budgets in connection with implementation of the policy in the various sectors of the market, especially the markets in milk and dairy produce, meat, cereals and wine.

Parliament shall have precise figures: from these figures it would seem that we had a large surplus in the milk and dairy produce sector, principally because markets paying reasonable prices for dairy produce could not be found this year. As a result we have had a surplus of about 350 m u.a. in the dairy produce sector this year, but we will unfortunately need this sum next year to come up with different methods under a policy that will undoubtedly be changed to work off these surpluses. Expenditure in the meat sector will considerably exceed the budget, probably by about 400 to 450m.u.a.

Less money will be required for cereals than approved in the original budget, but the wine sector will cost substantially more. The original wine market budget amounted to 99m.u.a., and the ultimate figure will be above 200m u.a.

In the fourth question I was asked how much milk and dairy produce the Community is holding. At the moment we do not have a surplus of butter; we have enough for proper winter supplies. In contrast we have a real surplus of milk powder, principally as a result of the reduction—not only in Europe, but in the world as a whole—in the use of casein, one of the most important outlets for milk powder. In the case of meat we expect fewer difficulties this autumn than last year, and we expect to have somewhat more room for manoeuvre in our beef market at the beginning of next year than we have had in the last two years. Where cereals are concerned, we will have to be careful with the harvest. I definitely expect there to be a smaller reserve of cereals until August 1976 than there was last year. That, then, was my answer to the questions put by Mr Cipolla and his colleagues.

I will now turn to the question raised by Mr Houdet. He has asked what the present state is as regards the policy on wine production and what the situation is on the wine market at the beginning of the 1975-1976 marketing period. I feel that I have already given a satisfactory and detailed explanation of the policy on wine production. The situation on the wine market at the beginning of the marketing season looks better than we expected a few months ago. We will not be getting the final figures until December, but at the moment we expect the harvest that has just begun, or is about to begin, to be about 10% down on last year and

Lardinois

about 20% down on 1973. If this expectation proves correct, there will be an approximate balance in 1975-1976 between production and expected consumption. Both will amount to about 145 to 150m hectolitres in the Community. There would therefore be no difficulty were it not for the fact that our stocks at the beginning of the season are lower than in 1974, but still somewhat higher than the average before 1973. Moreover, the import and export policy will be the decisive factor. In view of the expected level of production and also of the generally exceptional quality of wine in 1975—at least that is what is predicted—I believe that we will definitely have fewer difficulties in 1976 than in 1974 and 1975. Conditions therefore definitely exist which will allow the whole matter to be handled rather more calmly next year. It seems to me that if there is reasonable—I would almost say old-fashioned—willingness to accept a compromise, the Council should be able to take decisions which will solve our problems without costing too much.

Mr Scelba asked what the Commission thinks of France's recently adopted unilateral position, totally disregarding Community principles on the wine question. I feel that I have given a clear answer to this question. The Commission has rejected this action and declared it to be contrary to the Treaty of Rome. Secondly, Mr Scelba asked if the Commission really mediated in the Council, and if so, why its mediation failed. I have already explained what the real reason was. The failure is to be taken all the more seriously since only about 1.1% of EAGGF expenditure goes to the wine sector, while meat and dairy produce alone absorb 40% of this expenditure. In 1975, however, as I have already said, expenditure in the wine sector will not amount to 1.1%, a historic figure, but to close on 5%. In view of the importance, the economic value of meat and dairy produce as production sectors on the one hand, and wine on the other, these costs are therefore no longer, relatively speaking, so disparate. They are now of the same order of magnitude, at least if expenditure for 1975 does not change.

I have already said that in my view the difficulties are becoming more acute, and this certainly does not apply to the wine sector alone. In the coming months we will undoubtedly face similar difficulties in other sectors of agriculture—and there will also be difficulties which have nothing to do with the agriculture policy. I would remind you of the difficulties which the Commission has with its budget in the Council. The difficulties are becoming greater. I have the feeling that the Member States, that many governments really

regard the Community as a kind of luxury, which can be left to burn on a low flame during this period of recession, while priority is given to national difficulties. Charity begins at home apparently. If we do not watch out, much of what a previous generation experienced in the 30's may well repeat itself in the Europe of today for the younger generation.

(Applause)

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

Mr Laban. — *(NL)* Mr President, I should like to thank Mr Lardinois for the detailed review he has given following the request made by the Committee on Agriculture and for the information on the new measures, which we shall be examining in greater detail, since it is not yet possible to foresee exactly what practical effects they will have.

On behalf of my group I should like to say a few words on the problems connected with wine. I do not think I need go into greater detail because we have discussed these problems long enough. The problems are known, and Parliament has after all adopted a resolution on the Commission's proposals which sets out how the Commission and the vast majority of this Parliament feel the balance between supply and demand on the wine market can be restored in the short and long term with the aid of appropriate measures. I will emphasize once again that structural measures alone will result in the wine producers receiving the price for their wine that will assure them of a reasonable existence.

I would also stress that my group fully supports the main elements of the Commission's proposals that we approved in July.

The Council has apparently not been able as yet to decide on a number of items, despite the fact that it itself has set a deadline. I am well aware that France and Italy in particular face difficulties. I feel that Mr Lardinois has done his utmost on his travels to find a solution to the problem, and I feel that we should thank him for that.

I do not think we would be wise to add fuel to the fire in this conflict. And I should like to express my appreciation for the way the Italian Government has reacted so far and for the fact that it has not retaliated following France's unilateral action, since that would have led to an enormous escalation of the conflict. On the other hand, the French Minister does speak of difficulties between 'two friendly nations'. I therefore hope that a political solution to this

Laban

doubtlessly difficult problem will be found shortly. Mr Lardinois has at least indicated that this may be the case. Despite our sympathy for the tension in the South of France and Italy we must always reject any violation of the Community's regulations and of the Treaty. I am therefore happy that Mr Lardinois has expressed himself clearly on France's action.

Although certain measures have been taken, the organization of the market in wine does not in fact work, and there is therefore talk of a slight reduction in the freedom of movement of goods. I therefore hope Mr Lardinois' expectations that an agreement can be reached as quickly as possible in the future will prove true, because we cannot carry on in this way. My group is convinced that such incidents are symptomatic of an agricultural market which time and again has to contend with surpluses. If we do not do our utmost to improve, to reform the agricultural policy by taking structural measures, the situation will remain as it is, with surpluses that have to be disposed of at great expense. The efforts the Commission has made in the form of its memorandum on the adjustment of the policy should therefore no longer be simply brushed aside. It is not the Commission or Parliament that is to blame; it is the Council, which must look into its own heart. It must at last take the necessary decisions. From a macrofinancial point of view the expenditure on agriculture is not really all that high. But for the Community it is of course a massive sum, and we know what the reason is: savings in the Community's agricultural policy, effected, albeit, in a socially just manner, could mean money being released for other purposes.

Admittedly, we must await the final decisions, but the Council, which is not coming up with a structural reform of the agricultural policy itself, is threatening at the next budget to meddle with the Social Fund, food aid, the Regional Fund, the very things that are so necessary at the moment and which must help in bringing about an improvement of the agricultural policy. We will resist with all our strength any such action, and the whole of Parliament should do so in the future. Meanwhile, the restructuring of the agricultural policy is not progressing very fast, and since the governments often make mistakes, we must not simply leave the farmers and small wine-growers out in the cold. I thus come to the second part of the question raised by our Italian colleagues.

Mr Lardinois clearly said that there is in fact—if this is to be the yardstick—some discrepancy between EAGGF expenditure and the economic value of production. That is clear. Payments for wine have hitherto been lower than the economic

value of production. Expenditure amounts to 5%, but the value is 12% if my information is correct. I might add that although it can be said wine is a very noble product, or at least it should be, with the best will in the world it cannot, of course, be called a basic foodstuff like rice, milk and other proteins. If, then, money has to be spent on it, some financial solidarity is required to protect food supplies coming under the main headings of the policy. But the problems facing production in the North must also be tackled by means of structural reforms. That is why I think I am right in saying that structural measures must also be taken in the wine-growing areas, that there, too, matters must be put to rights. And that is completely in agreement with the articles of the Treaty that concern agriculture.

Mr President, as I have already said, we are faced with the situation of only being able to get rid of the surpluses with money for the time being, and the producers, many of them small producers, must not be exposed to an unfeeling form of reorganization. This means that we agree, in view of the conditions that Mr Lardinois has described, that a solution must be found in the Council, if necessary a solution of a financial kind. If it should prove necessary, some money will have to be spent. But I say this against the background of the rest of my speech. We should not, of course, do anything to the detriment of the wine-growers, the farmers who are at present producing. The only way is for everyone to work seriously towards structural reforms.

(Applause)

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

Mr Früh. — (D) Unfortunately I can only comment briefly on the problem in five minutes. We are not in the fortunate position that you are, Mr Commissioner, and therefore I would say one thing straight away: when a famous department of economic affairs speaks of a wine war and says that it is a question of life and death for the European Community, as one Minister is supposed to have said, I think we must reject such talk. I always believed that such talk was no longer to be heard in the European Community.

There is however a second important point: it is possible to destroy something by ridicule; that is much worse because it is much more effective. One of our famous newspapers has a giant cartoon showing Europe sinking in a wine lake with the caption: 'Hail to thee O beautiful mountains!', and the beautiful mountains in the background are steep Alpine peaks, over which

Früh

is written 'Butter Mountain', 'Beef Mountain' etc. We should reject such scorn and ridicule and here, Mr Commissioner, I have a request to make: we must, I believe, do everything we can, and the Commission must do even more, to reject this image of the European agricultural policy. It is irresponsible because it is simply a distorted picture.

The real situation is that we certainly have a problem in the wine sector, but if the cost of this whole agricultural policy—and I do not know whether this figure is correct but it is the one you used—amounts to 0.3 or 0.4% of the gross national product of this Community and wine forms a fraction of that, then it is certainly not a problem of life and death.

I do not wish to conceal the difficulties. One thing is clear and that is that supply and demand in this sector must be adjusted. That is easy to say! We know however that we are in a particularly difficult situation since, as happens very rarely in the wine sector, we have had three successive years of good wine harvests. We are pleased about this for the sake of the wine growers, but when demand is sinking, this naturally produces a problem which cannot be solved by distillation. This is an expensive solution which does not help and only makes the situation worse.

Therefore the solution is to limit the area under cultivation. This principle has been decided here and we are all in favour. Once again, however, it is not as easy as that. When Mr Ligios invited the Christian-Democratic Group to a study meeting on the Regional Fund in Sardinia, I realized there for the first time how difficult it is to say to another country that it must not extend the area under cultivation. We have to think of human beings, of their income, of their social situation. If they do not extend the area under cultivation they will suffer losses, because we have given them no other means of obtaining an income except through agriculture.

We completely agree, Mr Laban, that the structures must be changed, but they can only be changed if alternatives are available and these alternatives may not of course then be removed. There is no point in taking money from the Agricultural Fund to create a Regional Fund and then all the governments—in a new spirit of economy—setting about taking 150m u.a. out of the Regional Fund again and congratulating themselves on having made savings.

And then there is the second aspect: extending consumption. You made clear reference to this, Mr Commissioner, and it was implied in Mr Laban's remarks and I know that at a time

when people are concerned about health, the traffic problem etc. it is difficult to speak about alcohol consumption. It is a fact that wine is not a basic food like meat or milk. Certainly there is no-one, even in the wine-growing areas, who would say that calorie requirements should be met by wine. But there is a difference, as you have said, if millions of people have a quarter litre of wine on the lunch table every day. Every little helps and 260 million quarter litres make up a considerable quantity. In that case, of course, excise duties of 102 u.a. per hectolitre are intolerable in a country of the European Community. It seems to me almost as if we were saying that the French and the Italians have wine problems—Germany also has them but we are not dealing with those—and half of the Community is watching to see how the two countries solve the wine problems without being able to give any help. That is not a Community spirit. I would therefore ask you, without raising the question of alcoholism, to increase wine consumption. I guarantee that there are reports which say that wine is important for health and that we can therefore increase wine consumption without necessarily having a bad conscience, as so many do when they speak about wine drinking.

There is a third aspect. I am also convinced that many difficulties arise because the market structures are not as they should be. We can see this in the Federal Republic. We have regions which have established their market structure in such a way that they have nothing to fear even from three good wine years, but we also have regions where, when there is a second good wine year, they have to look for swimming pools which are then lined with foil so that the new wine can be stored and you can imagine what sort of a situation that produces on the wine market if the market cannot be continuously supplied. It is therefore vital for us to extend the market structure accordingly.

We have also said that currency difficulties play a major part. Who knows that better than a Member from Germany for whom the reduction in the countervailing charge for wine was such a bitter unexpected decision? The wine conflict is a classic example of this European agricultural policy. If we cannot find a solution here with good will and the assistance of all parties, it will be a poor testimony for Europe.

One last comment. It would be shameful for us all if future historians, perhaps in the year 2000, had to say that Europe made a start but then came the cash deposit system, and then came the wine war and then came the milk war and then it collapsed. They could not agree in a period of prosperity but in a period of austerity

Früh

they succeeded. Therefore I appeal—not so much to you, Mr Commissioner, since you are making an effort—but to the Council of Ministers to tackle this problem quickly and smartly.

(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 crisis on the European wine market is due above all, and we have consistently and repeatedly affirmed this, to structural problems. The present situation is the result of the aggravation of tendencies apparent in previous marketing years: on the one hand the failure of present Community machinery to adapt supply to demand, and to control production at present tending towards quantity rather than quality and on the other hand, a special reaction in production and markets in Italy, which created disturbances and imbalances in the Community.

This meant that apart from the economic measures essential to regulate this marketing year, an urgent review of Regulations 816 and 817 was necessary. This review, laboriously proposed by the Commission in June this year was discussed by us at our July part-session in Strasbourg, during marathon sittings, in the interests of Community wine-growers as a whole. Imagine, then, our disappointment when the Council twice failed to reach a decision on measures which were nevertheless essential. This disappointment was felt even more acutely by the wine-growers who showed their feelings in often violent demonstrations which gave practical expression to their cruel disillusionment.

While we were not in complete agreement with the basic measures proposed by the Commission, we nevertheless agreed with the general policies put forward, that is to say, strict controls on the planting of new vines, preventive distillation at a guide price as yet to be laid down, the prohibition on marketing wines of too poor quality together with Community-wide controls. If these measures were applied, they should lead in future to the absorption of the surpluses which by now have become structural. This absorption can only be achieved through measures to encourage quality. If there are no common rules, if there is no code of conduct, the massive recourse to the distillation of wine, particularly in the short term, will have very little effect on prices, and will really only be a palliative.

This question of wine is a truly European one. It is not so much a quarrel between Italy and France as a question which must be solved at European level. The Council has at times realized this. But its reactions and decisions have been late and disappointing: It has, indeed, hesitated in the face of Italy's refusal to accept certain rules, in particular the prohibition on new planting.

The principal cause of disagreement among the Nine was the financial aspect of the reform of the wine market. This financial aspect called into question all the other items of the review of the regulations which, it seems, had been accepted by the Ministers at the beginning of the discussions and for this reason none of the reforms planned in the interests of wine-growing will enter into force.

Budgetary considerations played a disproportionate part in the discussion on wine, to the detriment of Mediterranean agriculture, while agriculture in Northern Europe has guarantees for its products and hence a safe income for its farmers.

Postponing the discussion perpetually to a later part-session will not solve the problems. The next meeting of the Council will be burdened with many other problems which will not facilitate the settling of the wine question.

The results of that Council meeting are therefore likely to have serious effects on the future of the agricultural common market. And yet solutions to the crisis at both economic and structural level are simple and easy to apply, it appears.

Why not start by increasing the support to producers? The French and Italian Ministers agree to such a proposal. Why not grant wine-growers a price guarantee of the same kind as is given to cereal and livestock farmers? If a guarantee price were fixed around the same level as the guide price the wine-growers would be appeased and our Italian colleagues would no longer have any reason for delivering wine below the intervention price.

This solution was not welcomed by non-producing countries although the common agricultural policy should allow each of the regions to develop the products which suit its natural conditions.

Until the essential long-term reforms can stabilize the market a temporary formula could be found, promising wine-growers, for example, intervention at a price which, without being punitive like the one laid down for preventive obligatory distillation, would nevertheless be less expensive for European funds. The Italian

Liogier

wine-growers in exchange could make certain commitments for the future, particularly regarding the prohibition on planting without corresponding uprooting.

Until such time as the European Community can impose a minimum of discipline to put an end to the present unbridled freedom which is ravaging the economy of southern Europe, how could one avoid taking protective measures at frontiers to compensate for the advantages enjoyed by Italian competitors because of the depreciation of the lira in particular. In doing this the French Government is not stepping outside Community law. The Commission itself proposed that for a certain time there should be a 12% tax till the end of the year on Italian wine entering France. Political agreement among the Nine would even have been possible if Italy, whose interests in this affair are directly opposed to France's, had not objected to this measure.

In view of the changes which we have witnessed, we are surprised now to hear the Commission's judgment on the compensatory taxes temporarily imposed by France which are only 12%, whereas the devaluation of the Lira is 30% as everyone is aware.

The Commission's judgment seems to be affected by the vigour of the protests from Italy. In any case, France could not, after all the sacrifices it has borne—and borne alone up to now!—condone the anarchy in wine-growing policy which exists in other countries by allowing its own producers to become the sacrificial victims of improvidence or laxity, which one must criticize, but for which France cannot be held responsible.

It must hope that Italy, which also has a duty to ensure a decent standard of living for its producers—which it could not do with the prices of its exports to France!—will finally understand that its interests and ours are basically connected and convergent both as regards wine and the general aims of the common agricultural policy.

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

Mr Lemoine. — (F) Mr President, ladies and gentlemen, at our July part-session we had a long discussion on the problems of winegrowing. We stressed then the seriousness of these problems and warned the Commission about them. If there is not thorough reform of the present regulations on wine rapidly, the ills of which we are aware can only become worse.

Weeks have passed, the harvest time has arrived. In spite of a record amount of distillation, things are not well in the wine-growing areas of the south of France. There is great anxiety among wine-growers. The chaos on the market, poor sales, low prices and until the last few days, continued uncontrolled imports aggravating discontent and even anger, still persist.

It is this discontent and above all resolute action by wine-growers which forced the French Government to ask the Commission to review the Community's regulations and to take the decision it did, the application of taxes on exports of Italian wines arriving in France at prices much lower than the prices of local produce. This decision which, in view of the size of the crisis and its consequences, we deemed to be inadequate, permit it to gain time and obtain a respite. But the real problem, the fundamental problem is not and will not be solved in this way.

Having said this, it must be agreed that the French decision only confirms what we have always repeated, namely that Community machinery has only aggravated the problems of small and medium-sized wine-growers and farmers, too often forcing both into bankruptcy and driving them from the land.

Today the Commission judges the French duties on Italian wines to be illegal. It refuses to allow France to apply safeguard measures to protect its wine-growers. It thus demonstrates once more that the aim of the Common Market is to maintain free movement to put pressure on producer prices to enable a country's products to be bought at the lowest possible price.

The governments of Europe have always supported such a policy and if the latest reports are true they do not mean to change it.

In fact it is undeniable that present European policy leads to anarchy on agricultural markets. It will be increasingly difficult to convince people that the future of tens of thousands of French and Italian wine-growers depends on a legal quarrel between experts in Brussels on Article 31 (2) of the wine regulation.

What we wish, expressing, we are sure, the thoughts and interests of both French and Italian wine-growers, is that prices offered to them should give them a fair return, should take account of production costs, and should be guaranteed. What we want is a real policy of quality and aid towards this end.

Because there is or has been too much wine, it is not by eliminating a number of wine-growers that we can overcome the crisis and ensure a high-quality product for consumers.

Lemoine

It is in this light that we would like to put forward some urgent proposals. It is important that the Common Market damages neither French or Italian wine-growers. Free circulation should not be carried out under just any conditions. A minimum price when crossing borders should be laid down, respected and controlled. To achieve a lasting improvement on the wine market, common rules should be laid down for all Community countries in some essential fields. For example, a minimum guarantee price should be laid down, related to production costs, for given qualities up to a maximum return and for a volume per grower equal to the production of a family wine-growing concern.

There should eventually be a reduction in the charges borne by producers together with aids to grafting to improve quality. Finally, if the wine market is to be regularized, the marketing year must be properly organized first. The liberalism of Regulation No 816 must be done away with. As with cereals, there must be a real organization of the market and this is all the more necessary because, in addition to existing competition, further competition is likely soon from the countries of the Mediterranean basin, more in line with the interests of the monopolies than of producers in our countries.

Mr President, last year farmers in my country saw their income drop by an average of 15% and for some much more. It seems clear that this year again they will not catch up but are likely to fall again. Further increases have already been announced on animal feeding stuffs and fuel; there are many who have been victims of disastrous weather. But it is clear that it is the small and medium-sized wine-growers who are today hardest hit by this policy. Do not be surprised, then, if they struggle hard and long not only for adequate prices but to protect their farms, their right to work, and more basically their right to live. Their voice must be heard today in this Assembly.

President. — I call Lord Walston.

Lord Walston. — Mr President, this is the first time I have had the honour of addressing this House, and I am particularly happy to be able to do so on this particular subject for two reasons.

The first is that I am a farmer myself, and anything that concerns the agricultural producer is of great interest to me.

The second is that I do enjoy the good things of life, and I consider wine to be one of the greatest contributors to the happiness of men. There used to be an advertisement in France,

which said that a day without wine is a day without sun. And I think that many of my colleagues and friends would endorse that.

Many speakers, Mr President, have already pointed out that wine accounts for a relatively small part of the whole common agricultural policy. In terms of the numbers of people engaged in wine production, in terms of the value of product and even in terms of the nutritional value of a product, it cannot compare with milk, with cereals or with the great crops of the Community. Nonetheless, it is of enormous importance to a certain number of people, who have grown this crop for generations and for centuries, and we must look on it as a human problem as well as an agricultural problem. Possibly even more important, as the Commissioner has so rightly pointed out, this is a symbol for other agricultural commodities, and unless we can solve the problem of wine—a relatively simple one—how on earth can we solve the other problems of the more complex commodities which will inevitably arise in the years ahead? Because there is one fact which we must accept ourselves and must get other people to accept: if we are to produce enough food and enough drink for ourselves within the Community, there will from time to time be surpluses, and if the reaction to those surpluses is going to be the erection of barriers by one country against another and the penalization of the producers of those surpluses, then the whole common agricultural policy will fail. And for that reason, hard though it is, this House must, I believe, roundly condemn those who in any way interfere with the free movement of agricultural produce between one country and another.

Having said that, Mr President, let me move on to the longer-term problems. Of course, there is a structural surplus of wine that must be reduced. It cannot be reduced quickly. The structures of agriculture are very slow-moving, but if it is not already being done, I do urge either the Commission or the governments of the countries concerned to initiate an enquiry into alternative crops in some of the areas where this particular type of wine is being produced in such large quantities. An attempt should be made, for instance, to establish if it might not be possible in the area of Roussillon to dam up some of the waters coming down from the Pyrenees, to have irrigation projects to grow animal fodder, protein fodder there in place of this cheap table wine. This would be a long-term project, a project requiring the retraining of people and the investment of money, but it is the only way in which this problem can eventually be solved.

Lord Walston

In the meantime, of course, in the intervening four, five, ten years, this problem will continually recur. We must therefore look at the methods of disposing of the surpluses as they arise. I am strongly in favour of the Commissioner's suggestion and recommendation to governments that where the tax on wine is highest, it should be reduced. As a consumer of wine in the United Kingdom, I would personally be very happy. It is to me quite ridiculous that the excise duty on a bottle of fine *Château-Lafite* is exactly the same as that on a bottle of the cheaper wines which come from some of our friends in Italy. I believe that can be changed—not by altering the excise duties, but by a judicious arrangement with valued added tax. That, I believe, is something that can and should be done quickly. I would also say in passing that it would help the British Government to make such a change if our Italian friends could persuade their Government to reduce the VAT on Scotch whisky to about the same level as that on Cognac. That would make our job very much easier in the United Kingdom.

As far as the dispersal of the wine at the moment is concerned, I cannot frankly see that it matters if it is sold to the Soviet Union or to South America or to Africa, or where it goes. It must be disposed of. The sooner it is disposed of, the less money it is going to cost. It is not as if it was butter, dried milk, wheat, nutritionally desirable foods which should go to our own undernourished people or those of the starving world. This is a different commodity, and the Commissioner would have my full support for any means that he can devise of getting rid of this surplus speedily, at the highest possible price, even though it means some loss at the present time.

Mr President, you are looking at the clock. I do not want to incur the wrath of your hammer. There are many more things that can be said on this, and I hope that on a future occasion we can develop this very important problem in more detail.

(Applause)

President. — I call Lord St. Oswald.

Lord St. Oswald. — Mr President, it is certainly not my intention to attempt to swim across the turbulent billows of the wine lake this evening, only to take a quick dip, in order to pose a particular, narrow question to the Commissioner.

I have already set down for written reply a question which I do not expect him to answer

today, relating to the comparative internal excise duties on table wines operating in the individual Member States of the Community. I have asked him to provide a scale by which we can judge the internal excise duties in the various Member States. If this table of tax levels were to show, for instance, that the recent dramatic increase in tax on wine in my own country, amounting to about 24p on a bottle, has caused that duty to be well in excess of that in other countries, I should be bound to express regret at this discovery. The regret would naturally enough be rooted in the feeling that this was inequitably prejudicial to certain other countries of the Community who produce wine, which we do not. We wish to be regarded as good Europeans, and it would seem to me a particularly poor response on our part to the action taken by the Community when Britain had a very serious sugar shortage at the beginning of this year and when we were helped in a most timely and effective way. It would seem to me a fairer response to that action if we were to enable wine drinkers in Britain to consume more wine rather than discourage them from consuming as much. Of course, it would be perhaps better for this point to be put by a teetotaler. I do not even know if the word teetotaler exists in any other language, but it means someone who completely refrains from consuming any form of wine or any alcoholic beverage. I could not possibly be put into that classification.

The question I am putting to the Commissioner this evening is quite a separate one but will have a bearing on the purpose of the Written Question. I have been told, rightly or wrongly, that in fact the French surplus at present consists of very inferior wine. We have a word in English 'plonk', which means a wine of such inferior quality that it is only just acceptable to the human palate. I have been told that the French surplus consists of a liquid even inferior to this and in fact is only suitable for conversion into industrial alcohol. If this was so, it would of course make a difference to my feelings on the matter, but I would have mentioned this even if it had not been for a passage in Mr Della Briotta's speech when he spoke, politely as always, but reproachfully, about the taxes in my country. If we are failing the Community in this way, and also inhibiting the good, respectable wine-bibbers of Britain, I should like to hear this, and I shall be able to point this out to my own Government. That is all I have to ask.

President. — I call Mr Houdet, chairman of the Committee on Agriculture.

Mr Houdet, chairman of the Committee on Agriculture. — (F) As I believe I am the last speaker down, I would like, before he speaks again, to thank Mr Lardinois for his very full explanation. He only confirmed—but it was important that he did so—the decisions which were not taken by the Council of Ministers which were reported in the press, but he did it in such a way that now we can counter the false rumours which reach our ears.

But I would also like to thank Mr Lardinois for having, during this period of recess, put on his pilgrim's cloak and gone to visit both the wine-growing and non-wine-growing countries to seek acceptance for the compromise resulting from studies made by the Commission since September 1974 which we considered, after their review, in July 1975.

But, as I said a moment ago, I would like to have here before me the representative of the Council, for the decision is up to him. In the proposals you made to the Council there are two kinds of measure which have been mentioned by my colleagues: structural measures, which are perhaps not urgent, but which we have been waiting for for three years. By delaying them we delay even further the harmonization of our wine production by short-term measures which are absolutely urgent. Wine surpluses have been mentioned, there has of course been criticism of a policy which produces surpluses. We must have no illusions therefore: in agriculture there will always be short-term surpluses, and I stress short-term surpluses, especially in wine production.

We are the victims or the beneficiaries—I am not sure which—of two years: the 1973 marketing year which gave us 171 million hectolitres of wine and the 1974 marketing year which gave us 150 million. We will not necessarily always have a surplus but we must always guard against short-term surpluses and we must seek the means of remedying them.

King's Law is more valid for wine than anything else. You all know King's Law: a 10% surplus will completely upset a market. Short-term measures must be taken immediately and we regret they were not taken before the harvest.

You are very optimistic, Mr Lardinois, for you said: 'The Council of Ministers will meet on 29 September, it will discuss this problem again since it has not yet reached agreement. If it fails to agree it will meet again a fortnight later to try and reach agreement'. This is something like the saying 'pigs might fly', because, from one fortnight to another the marketing year will be going on without these essential measures being taken.

I also find you very optimistic about the forecasts for the 1975/1976 marketing year. I am aware that you stated that you will not be able to tell us the exact quantities harvested until December. However, I think you are right, for to judge by the information I have received in my own country quantities received in the 1975 year will be 10% lower than in 1974. Fortunately, the quality will be far superior and this will mean that we will not have to withdraw poor quality wines from the market. It remains true, however, that even with a reduction of 10% and even 20% in relation to 1973, you have at present—you have not given us figures but you surely will in a moment—enormous quantities of wine in storage. These wines are in general of poor quality and will be the first to have to be destroyed for if they are not they will depress the market whatever the results of the 1975 marketing year.

You told us that you were not in charge of the policy of importing and exporting wines. Our great anxiety in the Committee on Agriculture—which the rapporteur, Mr Della Briotta expressed at each of our meetings—is that the agreements with the Mediterranean countries—and we are not criticizing these—may lead to the risk of very large imports of wine which will thus depress our market.

Through measures for which the Commission is responsible you acted in the manner you saw fit, and I agree with you—granting export refunds for wine—but do you think that even with these refunds you will export large quantities of wine when all the third countries, even very distant state-trading countries, are encouraging wine-growing?

This is in my view an extremely serious situation. Among the measures which you have told us about and which we welcome, apart from export refunds, you mentioned the possibility of reducing compensatory amounts on certain wines. I do not think that compensatory amounts should be handled in this way. As I said a moment ago we cannot simply wave a magic wand and bring about European monetary union tomorrow, but until we have such union our common agricultural policy will be in constant danger and we can say too that Europe will be in danger. This use of compensatory amounts is perhaps inevitable but I have not much faith in it.

There remains the problem of duties, and I was very interested to hear the words of our two British colleagues. All our states—I stress all our states—hypocritically impose duties on wine, on alcohol in general and on wine in

Houdet

particular, on the pretext of fighting alcoholism. But if it was a question of health which justified these duties, it could be taken much further. Why not put duties on milk? My doctor tells me to keep away from fats on the pretext that it is bad for my circulation: so, to keep me off fats there should be duties on milk. On the other hand, my doctor recommends me to drink whisky, because it helps my circulation: there should therefore be abolition of the duties on my whisky! You can see where the hypocrisy lies: however, I can understand very well the position of our respective finance ministers when faced by their treasuries which are always in difficulties.

As regards duties on wine, Lord Walston very interestingly recalls a French proverb which said that a day without wine is a day without sun. This is very true and wine is a drink which when taken in reasonable quantities is very healthy and is an indirect way of fighting alcoholism. I was greatly struck—some of you were too—on a visit to the Soviet Union where I visited very large vineyards, to hear them say that the reason for these vineyards was the fight against alcoholism from vodka.

In conclusion, there are three points which the Commission must study shortly.

There is the policy of production of ethyl alcohol by distillation of agricultural products. In my country the director of the alcohol board says that at present he has in stock quantities of agricultural alcohol which could meet consumption in France for the next fifteen years. And at the moment it is only alcohol from wine: tomorrow the beet growers will probably ask you to produce alcohol from beets, etc. A few years ago the Commission put before Parliament a regulation on policy for alcohol from agricultural sources; we asked for a review of that regulation at the instigation of our colleagues from the United Kingdom who were not members of the Community at the time of the first consideration. We must therefore have a regulation on agricultural ethyl alcohol available quickly.

There is one important thing which has not been mentioned, namely speculation and frauds in the wine market.

It is certain, in the light of the disparities at present arising between our two countries—France and Italy—that there are considerable frauds which are profoundly upsetting indeed destroying the market and in addition there is speculation which plays upon these frauds. I think that it is absolutely necessary for you, in agreement with the Member States, to find effective measures quickly.

Mr Lemoine mentioned the marketing of wines. He was right. My country, worried at the situation, is studying the organization of the market. Some would even suggest the creation of a wine board, similar to the wheat board which has existed in France since 1963 and which I can speak about with full knowledge since it was not set up recently. When I was Minister of Agriculture in my country, I opposed it for various reasons, but I believe now that it is more necessary than ever, in the framework of Europe—I am not just talking about one country in Europe—to find one or two bodies to control marketing.

On these points I put my faith in Mr Lardinois and I ask him above all, to use all his authority with the Council to make it take a decision before the end of September. Otherwise, it will make itself a laughing stock, it will make a laughing stock of the Commission and of Parliament which, last July adopted a very firm position as Mr Della Briotta has just reminded us.

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — (NL) Mr President, as I have already spoken for so long, I will keep what I now have to say as brief as possible. In the first place I wanted to assure Mr Laban that I can agree with everything he has said. He referred to the structural aspect, which we must not overlook in the wine sector. He referred to the differences that exist between products, for example wine and cereals, wine and milk. This is the great risk we run when speaking of expenditure in, for example, the wine sector: we immediately say that expenditure in the milk sector is far higher, which is correct. When we speak of guarantees in the wine sector, we want them to tally with those in the cereals sector. In other words, the characteristics of the various products are not given sufficient thought. I have always resisted the idea of having one and the same market organization for all products. It would not take account of the characteristic differences between the production of, for example, wine and that of cereals. In the case of cereals we generally speak in Western Europe of a maximum yield per hectare. In the wine sector, on the other hand, yields per hectare vary from, let us say, 40 to 250 hectolitres. And the quality of the wine, at least in the vast majority of areas in Europe, is affected far more by quantity than is the case with cereals used as animal feedstuffs, for example.

Lardinols

In brief, I would say that generally speaking we must beware of taking the easy way out with agreements that create distinctions which in political terms and at a given moment make the matter even more difficult than is necessary.

Mr Früh rightly said that by far the larger proportion of the press, presumably in the country that he happens to know best, is anything but positive in its views on agricultural policy and particularly the Community's agricultural policy. Well, what do you expect? The mass media sometimes express themselves in strong terms. If there are difficulties in the wine sector, the newspapers refer to the 'wine war'. That is a headline that will sell the newspaper. It is so easy to say 'lake' and 'mountain'. I should just like to say again that Western Europe should count itself lucky to have food surpluses from time to time. Surpluses are, despite the costs they entail for our consumers, for our economy, to be preferred to shortages. And in agriculture, where people are always so dependent on nature, production cannot be planned—what system can be used?—as it can in purely industrial sectors. But what do you expect? As time passes, more and more people live in the towns, do not know land, are hardly aware that milk comes from the cow and not from the factory, and it is so simple to rail at the authorities, especially if they are a long way away, and it is so amusing to write that they have again made a mistake.

Mr Früh rightly said that the agricultural policy did not cost more than 0.4%. The figure is, in fact, 0.38%. But this does not mean, in my opinion, that we should be satisfied with the situation. In one respect I agree with what Chancellor Schmidt said in the German Bundestag the other day, if I understood him correctly: 'I refuse to be branded as a poor European if I press for economy in the administration.' I agree with this statement. I feel that the common agricultural policy must be a responsible and good agricultural policy, entailing less expenditure. We have repeatedly stressed this and also said what the policy should be. But I find it irresponsible for sums simply to be withdrawn from a budget if the Council then refuses to allow the policy to be adjusted. The policy can become more economic if it is adjusted. But we cannot scratch appropriations on the one hand without adjusting the policy on the other. That would be fatal. The rules and regulations, in other words Community legislation, could not then be applied as the citizen has been promised.

I have already given Mr Liogier an answer to some of his questions. Mr Lemoine pointed out that the organization of the wine market must

be improved. I agree with him. He rather rashly assumed that frontier charges must be tolerated in the common market. I think the Court of Justice is becoming increasingly opposed to frontier charges in any form.

I listened with great satisfaction to the maiden speech in this Assembly of that old parliamentarian, Lord Walston. I congratulate him on that speech, with which I agreed in every respect. What he said, for example, about alternatives to wine production in various departments of France is absolutely correct in my view. I feel that some of the difficulties, and the degree of those difficulties, encountered in a number of departments in the South of France in particular, are in fact caused by the burden that their monoculture means for them. If three or four departments have wine as a monoculture, and generally simple table wine at that, it goes without saying that in the free Western society of today a collapse of the economy naturally affects whole regions, with the result that not only the producers, but the whole population are the victims.

I also completely agree with Lord Walston when he says that the existence of these monocultures in the Community, whatever they may be, is really an unhealthy phenomenon and that alternatives must be found. But it is not so easy to find crops that produce as much per hectare as wine and even less so, crops that offer as much security as wine, despite the imperfections of the present regulations. Fruit can be grown in the areas concerned, and has been grown a great deal in the past. Wine is considered to be a hardier product which offers a greater guarantee. So people do not change over to other products which on average would produce the same yield, but one way or another, from a historic point of view, do not offer the same security. I completely agree that monocultures from which whole areas, whole departments live—where there are no other major industries, if tourism cannot be regarded as the required alternative—are a factor in our Community which we can no longer accept. I am therefore glad to note Lord Walston's remarks, and I agree with him that something must be done.

I also completely agree with what he said about the export of wine, to Russia for example. At the moment we are again reading in the press about a major scandal: the Commission is again making preparations for an enormous deal, the export of wine to the Soviet Union. Note that it is now 'Soviet Union', and not Russia. I fail to understand why this is apparently rubbing so many of the general public up the wrong way. At the refund that has been fixed I do

Lardinois

not in any case expect wine to be exported to Russia in any significant quantities. I believe Russia has sources of imported mass-produced wine at lower prices than the Community can offer at present. If what has been suggested had been our objective, we would have had to increase the refund. My experts have also heard from trading circles that at the refund that has been fixed the Russian market does not offer any opportunities, at least none of any significance considering the quantities we want to export at this refund. I hope that that gives the lie to that fairy-tale.

I should like to assure Lord St. Oswald that I have conferred with my colleague Mr Simonet, who is primarily responsible for a number of the aspects of the tax policy we are discussing, and I will be passing on the tables requested. I must also congratulate Lord St. Oswald and indeed Lord Walston on their very fair comments on excise duties in their country.

In this respect, however, I agree with Mr Houdet that every Member State is living in a glass-house. In the Benelux countries, for example, the excise duty on wine they themselves produce is far lower than that on wine imported from the rest of the Community and third countries, or no duty at all is levied. In some countries a considerable distinction is made between the country's own products and imported products. Not quite two months ago I answered a series of questions on a large number of alcoholic products and the excise duties levied on them in France. But I believe that as a result of the discussions in July and now in this Parliament, we have set a process in motion that is gradually making us aware that the differences in excise duties, together with VAT in many cases—since VAT is usually charged in addition to excise duty—present a problem that we must begin to look at in the Community, and we must also examine the implications for the Community.

I agree with what Mr Houdet said about fraud. I am convinced that there are far fewer problems in the wine sector, as long as the wine that comes on to the market has actually been produced from grapes. There is unfortunately much too much talk, in the case of wine production, of chemical processes that scarcely involve the use of the grape. Where this happens, we have real fraud, which distorts market conditions and is an enormous deception as far as the consumer is concerned. I cannot really say that fraud is responsible for a major part of the surplus. The poor qualities of wine that are produced in some areas and in some undertakings are, of course, also a contributory factor. I thus find that these poor qualities, especially if

they are partly due to poor-quality grapes, must be eliminated as quickly as possible with the aid of specific programmes and a changeover to other products.

I do not think Mr Houdet can say I am optimistic about the Council. If I was optimistic about the Council meeting that will take place next week, I certainly was not when I spoke about the Council meeting due to take place two weeks later. I am not optimistic. All I said was that we obviously have to contend in this period of recession with more rigid nationalistic positions than was the case a short time ago.

(Applause)

President. — I have no motion for a resolution on this debate.

The debate is closed.

15. *Regulation on the importation of products in the wine-growing sector*

President. — The next item is the report drawn up by Mr Frehsee on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation laying down special rules for the importation of products in the wine-growing sector originating in certain third countries (Doc. 254/75).

I call Mr Frehsee.

Mr Frehsee, rapporteur. — (D) Mr President, the proposal on which I have now to report is not directly connected with the subject which we have just debated. It is not a question of Italian exports of wine to France but rather the exports of wine from certain third countries, in particular the Maghreb countries, into the Community. Mr Houdet, the chairman of the Committee on Agriculture, has already mentioned this topic. The purpose of the proposal is to implement a decision by the Council of Ministers on 23/24 June this year to make the agricultural concessions in the context of the overall Mediterranean approach dependent on certain measures for the organization of markets.

These measures relate to processed fruit and vegetable products, citrus fruits and out-of-season fruit and vegetables as well as wine. The Council has already decided the details of this proposal for a regulation, but has postponed the implementation of the decisions until the European Parliament has given its opinion. In the second sub-paragraph of paragraph 1 of

Frehsee

my explanatory statement I have taken the liberty of referring to the difficulties involved in such a procedure although no formal legal objections can be raised to it. Briefly the regulation contains arrangements to prevent the dumping of wine by third countries with whom there are preferential agreements. Clear anti-dumping regulations are already contained in the basic regulation No 816/70 but these, of course, only apply to third countries and not to France in relation to Italy. The legal position is clear.

Article 9 of Regulation No 816/70 provides that reference prices are to be fixed and countervailing charges to be levied if the free-at-frontier offer price for a wine is below this reference price. So far, however, there has been no definition of this free-at-frontier reference price. This is now contained in Article 1 of the proposal for a regulation. The free-at-frontier reference price is the reference price referred to in the wine market regulation less the customs duties actually levied. Under Article 2 of the proposal, third countries who wish to claim customs preferences on the basis of preferential agreements, must certify that this free-at-frontier reference price has been respected, a similar arrangement as exists for Emmentaler cheese. If, nevertheless, imports of wine from third countries enjoying tariff concessions are brought in at a price lower than the free-at-frontier reference price—and this has happened repeatedly—the full rate of customs duty will be levied; in the case of the Maghreb countries therefore the rate will no longer be 60% of the Common Customs Tariff which they have to pay under this preferential agreement, but 100%.

The Member States are to inform the Commission immediately of individual instances of infringements. In the case of serious infringements against preferential agreements, it will be possible, through the Management Committee procedure, to levy the full rate of duty on all imports from the third countries concerned, i.e. 100% not only on the individual wine shipment but on all wine shipments over a certain period.

Like the measures to be imposed under Article 9 of the basic regulation—the levying of the countervailing charge—these customs measures are to be reviewed monthly.

Mr President, in connection with the wine debate which has just ended, I should perhaps give some information about the quantities of wine imported from third countries. Whereas our own production in 1973 and 1974—this has already been pointed out frequently today—was

somewhat more than 170 million hectolitres, in 1973 we imported somewhat more than 9 million hectolitres from such third countries. For 1974 the final figures are not yet available but from the Commission's report on the probable development of new planting and replanting of vineyards in the Community and the relationship between production and consumption in the wine sector, it is apparent that imports from third countries have not increased but decreased.

There will be 14 million hectolitres less from our own production. Finally may I point out, Mr President, that this proposal for a regulation is fully in line with the European Parliament's resolution of 10 July on reorganization of the wine market. Paragraph 1 of that resolution says that the Commission should propose measures to prevent uncontrolled imports from third countries.

Paragraph 38 in the fifth section of our resolution of 10 July, which concerns the regulation of trade with third countries, expressly welcomes the Council decisions of 23 and 24 June this year in regard to reference prices and import certificates for Maghreb wines. Your committee, Mr President, considers that Parliament's approval of this proposal for a regulation is a logical follow-up to the favourable opinion contained in the July resolution. It expressly emphasizes, however, as stated in the second subparagraph of paragraph 7 of my explanatory statement, that time will show whether these protection measures and the instruments which the present regulation provides can guarantee adequate and continuous protection of the domestic market against dumping while at the same time guaranteeing orderly trade. For this reason, the committee and the two committees asked for their opinion—who voted unanimously whereas we had one vote against—propose that Parliament should adopt the proposal for a regulation while at the same time expressing in paragraph 2 of the motion for a resolution some doubt about the effectiveness of the proposed solutions.

(Applause)

IN THE CHAIR: MR SANTER

Vice-President

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

Mr Liogier. — *(F)* Mr President, ladies and gentlemen, although this report appears to be

Llogier

of a technical nature it is extremely important as it raises fundamental problems relating not only to wine but to the entire common agricultural policy and also to our Mediterranean policy. The rapporteur, Mr Frehsee, whom we congratulate on his analysis, has recognized the importance of the issue.

We are being asked to endorse what amount to decrees implementing the compromise reached at the Council meeting of 24 June 1975 to enable the negotiations already opened between the Community and the Maghreb countries to be continued with a view to the conclusion of new preferential agreements.

The Council had already defined in broad outline the new and more extensive import arrangements which were to be completed by the proposal for a regulation now before us. I must point out at once that this procedure limits to some extent the Commission's right of initiative and the Parliament's right of control in respect of these proposals. What is the substance of the new proposals? The arrangements now approved by the Council stipulate that if the reference price is not respected, a compensatory tax will be levied and, in addition, the full duty will be restored on imports which fail to respect the reference price; this will apply even to the countries to which tariff concessions have been granted.

The purpose of these measures is to prevent the prices applied by third countries from having a negative influence on price formation within the Community. The procedure is also flexible in that a decision may be taken by the management committee procedure to apply the full duty to all future imports of wine from the third country concerned.

It seems that these decisions, arrived at by the Commission to strengthen the protective measures embodied in the basic regulation No 816/70, reflect the strategy defined by the Council—namely that the internal market can be adequately protected against dumping at all times, while guaranteeing a regular flow of trade. We can support this principle of a fair balance between the development of European agriculture—as far as products originating in the Mediterranean areas are concerned—and the maintenance of preferential agreements, in particular with the least favoured countries. But we think it necessary to draw this Parliament's attention to the difficulty of making our wine producers understand this policy; after all they are already suffering from the effects of overproduction, the fall in prices and, more generally, the lack of effective Community regulations.

One major difficulty resides in controlling the reference price. The Commission believes that this control should be facilitated by the fact that tariff concessions will only be granted against presentation of a document delivered by the responsible authorities in the exporting country and certifying that the reference price has been respected. The road to hell is sometimes paved with good intentions! If the reference price is in fact respected—and the levying of compensatory charges should ensure that it is, regardless of the price in the country of origin—it would seem quite impossible for the countries of the Mediterranean basin to export table wine to the Community, at least for as long as prices within the Community remain well below these reference prices as they are at present.

I am afraid, however, that frauds occur in this sector just as they do in the case of fruit and vegetables—and the Commission is powerless to prevent them.

In the most optimistic assumption then, there is little likelihood of the Commission's proposals being applied. If they are to be applied, production and markets within our own Community must first be normalized and at the same time prices increased.

As long ago as 6 July 1972—yes, in 1972 or more than three years ago—I put an oral question with debate on behalf of my group on the wine regulation and the accompanying implementing measures. I introduced that question with the disturbing observation that in the first marketing year, 1970/71, covered by the Community arrangements there was a 20% drop in the earnings of French wine-growers as a result of competition from Italian wines imported into France at low prices with no control on quality or quantity. Until then France had been entirely responsible for ensuring the health of its own wine market; since 1937 it had imposed stringent conditions such as the prohibition of replanting unless other vines were grubbed up beforehand, the progressive elimination of wines of low alcoholic strength and poor quality vines—especially hybrids—as well as storage and distillation provisions; meanwhile Italy, with no vine register, followed a totally anarchic production policy without any form of checks or controls. As a result its production soon passed that of France, leaving the heavens and the wine trade to dispose outside Italy and at any price of surpluses which soon became plethoric and, for the most part, flooded into France as they still do.

As a direct consequence, prices on the Community market collapsed. French imports from

Liogier

other Community countries rose from an index base of 65 in 1960 to an index of 1419 in 1970 while imports from third countries fell from an index base of 69 to 36.

The trend which began when the Community's internal frontiers were opened in September 1970 has continued and is still going on today. In the 1971/72 marketing year, imports of table wine from Italy amounted to a total of 4 191 599 hectolitres out of total imports into France of 4 194 697 hectolitres.

Three years ago, I made a number of further observations. I should like to remind you of them:

'Under these conditions, if the state of the market continues to deteriorate, especially for R1 wines, we consider that the intra-community safeguard clause contained in Article 31 of regulation 816 must be applied automatically to any Member State in which major intervention measures have had to be taken following a collapse of the market price.

It will of course be objected that the cessation of imports within the Community would result in export difficulties; wines which cannot be sold on one market will obviously be moved to another. My answer to this objection is that if controlling measures similar to our own had been taken elsewhere, the surpluses would have been largely absorbed and would not now be creating a situation which has become altogether intolerable on the French market, and on the French market alone.

We must also draw attention to a distortion of competition—perfectly legal—which results from the authorization to mix Community wines. For example: a low-cost table wine obtained by coupage of a type A1 Sicilian wine and an R2 wine from Appulia with a strength of 12 to 14 degrees, represents absolutely abnormal competition with type R1 table wines.

Be that as it may, and even if we assume that the problems I have just described can be solved, the stagnation of consumption which it appears to me very difficult to stimulate further, coupled with a level of production well in excess of consumption and few possibilities of exporting to third countries, especially in the case of ordinary wines, make it essential for the Community to strike at the heart of the problem, namely the constant overproduction of ordinary wines. Intervention measures which represent a heavy burden on the Community, and even more so on the Member States which implement them, can do little more than influence the fluidity of the market and help to normalize it through short, medium and long-term stocks with a view to avoiding in particular speculation on the absorption of surpluses, where the harvest is larger than usual, by preventive distillation. These measures are above all expedients to be applied when a special situation arises. They must be the exception and not the rule.

If the market is to be restored to permanent health other measures of a structural nature must be taken.

The memorandum presented some years ago by France provides for some of these measures, in-

cluding the control of new planting, with a view to preventing the appearance of structural surpluses and encouraging the replacement of mediocre vines by good quality stock; a policy of promoting quality implies penalties on high yields, the harmonization of oenological practices, strong control of surpluses and vigilant supervision of the wine trade.

No doubt it will also be necessary to take an early look at the problem of the wine register which exists in France and in respect of which surveys are underway elsewhere—although conclusions do not seem to be readily forthcoming. We shall also have to define the wine-growing areas or regions to eliminate excessive quantities of adulterated wine, or wine enriched with sugar, from the market, and convert certain vineyards to other crops better suited to the place and climate; then we shall have to review the whole question of alcoholic strength to eliminate poor quality wines, and the levels of excise duties in the Community so that table wine is no longer taxed as a luxury product.

In conclusion, let me say to our Italian friends that we are not trying to call them to account here, especially as Italy finds a large market in France for its high strength wines—used for coupage—and for its concentrated grape musts.

Our criticisms are for the most part directed not at our Italian friends but at a regulation which is ill-adapted to the circumstances and conditions of the market and allows speculation on falling prices and other practices which are fraudulent in varying degrees.'

Those were my words to this House more than three years ago.

In a long and extremely pertinent reply, Mr Scarascia Mugnozza, the Vice-President of the Commission, largely endorsed my observations and suggestions, subject only to the application of Article 31; he concluded his answer with the following words:

'Quite obviously, Mr Liogier, there cannot and must not be a wine war between France and Italy. That is out of the question and I have therefore asked for a study to be made of the whole problem. I hope that the contacts of the next few months will bring about a clarification of the situation. But it is also obvious that in this particular context agreement is needed between all the Community countries, as changes to the regulation can only be adopted by unanimous agreement.'

Those were Mr Scarascia Mugnozza's words more than three years ago! It is now 25 September 1975 and our papers are full of reports of a wine war between France and Italy! Whose fault is this? France is certainly not to blame! (*Murmurs of dissent*)

The Commission took three years to submit a new regulation which has just been rejected in the Council because one Member State is refusing to take essential measures of improvement—in its own interest—while others may perhaps be refusing to agree to the arrange-

Liogier

ments already very generously applied to other products being extended to wine.

We note that the new regulation simply takes over, at least in part, the suggestions we ourselves made three years ago. Today we are being presented with a text which bears within it the seeds of fraud, just as surely as clouds bring a storm. It is bound to lead to a worsening of the situation on the Community market, already far too depressed by new imports, while our production is moving increasingly into surplus.

You will therefore understand our intention to abstain from the vote on this regulation until the measures I have outlined are taken, as the French wine growers, while not wishing to be the pariahs of our modern age, would fail to understand how new preferential agreements can be concluded at a time when thousands of hectolitres of table wine from the Community are continuing to cross our frontiers at miserably low prices.

President. — I call Mr Della Briotta.

Mr Della Briotta. — (I) Mr President, ladies and gentlemen, Mr Frehsee's report, and Mr Kofoed's on citrus fruits to be debated tomorrow, usher into the House the repercussions of the internal compromise of 23/24 June last. Before proceeding to what was hoped would be the final stage of the overall Mediterranean negotiations, and before putting into effect the new agreement with Israel, which is a kind of fore-runner of the overall Mediterranean approach, the Council thought it necessary to readjust certain internal regulations of the common agricultural policy. These are adaptations which, while allowing the relations with the Mediterranean countries to be placed on a solid base, should prevent these preferential relations from producing grave repercussions upon the Community's internal market. As we all know, the principal products concerned are fresh and canned fruit and wine.

The Frehsee report is concerned with wine. It deals with a readjustment of the basic regulation which should increase protection against imports which do not conform with the reference price, without, however, harming the proper development of normal trade relations. It is impossible to say at this stage whether this amendment to the basic regulation will, once the new Mediterranean agreements come into force, permit a reasonable intake of wine from the Maghreb without harming the wine-growing sector of the South of France and Italy.

I have, of course, listened with great interest to Mr Liogier's impassioned speech; but we should bear in mind what were historically the origins of those vineyards in northern Africa, though I shall desist from mentioning the decrees of those Roman Emperors who even at that time came to realize that wine-growing in those regions was by no means a happy complement to a prosperous agriculture on the European continent.

I say this because now we are not dealing with ancient history but with rather recent history and to show you that at the root of the unbalanced state of European viticulture, which is to a large extent located in France, lies the repatriation into France of colonialists expelled at the end of France's colonial era, who were capable of following only one occupation, that of cultivating vineyards, as we saw in Corsica and as we can see throughout the French Midi; vineyards producing high yields of a product which has to be mixed with wines either from the North of France or from the South of Italy. Otherwise no markets can be found for such wines because one can say anything about a 7° wine, except that it is good. Now a measure is to be introduced and we shall have to see how it is going to operate.

What is certain is that in the present acute surplus situation the emphasis should be on the disequilibria arising from imports which cannot but have aggravated the sluggishness of the market. Particularly, since—and this is the real reason for the present attempt to strengthen the basic regulation—up till now observance of the reference price has frequently meant no more than making a customs declaration. Graph No 6 in the latest Commission report on the wine sector shows clearly that the average price of the R 1 table wine had dropped below the reference price as early as October 1973, that is, immediately following that exceptional 1973 crop which our wine growers have still not been able to dispose of. We can ask ourselves, then, how that imported wine could be sold on our markets at prices which should have been so much higher than the average prices that were actually obtaining. The Commission now seems disposed to recognize that the surplus crisis is structural in origin. But if the imports represent a factor which increases a supply that is being decreasingly taken up, then how can we avoid envisaging—and here I am in agreement with Mr Liogier—the possibility of controlling a phenomenon which, with appropriate regulations and mechanisms, could be reduced to more amenable proportions? Before we talk of the structural crisis, we should try to assess exactly the effects of these imports. This is a grave argument, the validity of which I accept.

Della Briotta

Today, in the wine sector—in contrast, once again, with what is happening with regard to milk, cereals and beef (for which only recently and very judiciously the safeguard clauses have been relaxed)—the tariff situation is in complete disarray and we should all appreciate that some of the reasons for this are political. This is true not only of the table wines from the Maghreb and Turkey but also for a number of quality wines from Spain and Portugal, with which we shall be dealing tomorrow in connection with the Klepsch report. How then can we fail to bear these facts in mind when we know that the Council is preparing to restrict for at least two years plantings in our own vineyards, in the Community vineyards? When we know that since the beginning of September Italian wines in France have to bear a tax equal to 12% of the reference price? The situation is serious and must be seen as a whole. As regards imports, even though there has been a certain slowing down, at least as far as we know, we should proceed very cautiously and wait both for the completion of the overall Mediterranean negotiations and for the revised basic regulation. Not to mention the Italo-French crisis which will now affect the whole development of our policy on the organization of the wine-sector market.

I think that this might be a useful suggestion for the Commissioner; I would like to ask him to take it up because it is dictated by a desire to avoid exacerbating the problems.

I think that in this Parliament, as indeed in all parliaments, we should stop speechifying to the external gallery and going so far as to make different speeches depending on whether we are in our national parliament, or in this Parliament, or in the market place, addressing a worried audience.

We must rediscover, I believe, a balance between all these problems and assess the negative, or the worrying, aspects of the wine-growing situation. The problem of wine imports from third countries is an additional factor. I am not saying these imports should be stopped. But it is certain that they should be seen as an element that exacerbates, in the medium and probably also in the long term, the crisis we are experiencing.

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — *(NL)* Mr President, I should like to thank the

rapporteur for his excellent report. I can therefore recommend Parliament to adopt it without further ado. The Commission has no criticism to make, and I thank Mr Frehsee for agreeing to our proposals.

Mr Liogier has tried to say that all the difficulties have been caused by the others: according to him, France is not to blame. It is this mentality which unfortunately has latterly been gaining the upper hand in all our Member States and which in my opinion will cause a very grave crisis in the Community. To give a small example, France, Mr Liogier says, has only ever opposed the growing of poor qualities, the hybrids. I will accept that. It is true. Nevertheless, France is sitting there with 100 000 hectares of hybrids, in most cases poor-quality ones, while Italy has less than 35 000 hectares. I could give other examples, but if a Member of Parliament simply delivers a speech because it may be printed at home and does not wait for an answer, I shall not go into the matter any further.

(Applause)

Mr Della Briotta, on the other hand, told quite a different story. He knows—like few others in Parliament—our problems, and I can undoubtedly agree with some of the remarks he made. But I will say this: as the reference price now stands, and it is to be strengthened in the future, there can be no imports of table wine. From mid-December until today, to give an example, because of the strict application of the reference system, and, of course, given the market price policy in the Community, which has been under pressure, imports from third countries have amounted to about 1m hectolitres. This clearly shows that a reference price system in the wine sector can be a help to so large a Community as ours and that the stiffer measures and the very considerable penalties imposed on countries exporting at below the reference price do in fact ensure that this system will work even better in the future.

I am convinced that the agreements we have concluded, or are about to conclude, with the Mediterranean countries, together with the improvement of the organization of the markets for European agriculture, and above all for Mediterranean agriculture, will on the whole benefit our countries, despite the improvements for the exporting countries included in those agreements. In other words, the situation will improve rather than worsen, which has been feared for so long.

(Applause)

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

The resolution is adopted.¹

16. Agenda for next sitting

The next sitting will be held tomorrow, Friday, 26 September 1975, from 9.30 a.m. to noon, with the following agenda:

- Schuijt report on a regulation on new potatoes originating in Cyprus (without debate);
- Kofoed report on regulations on Community citrus fruits;

- Kofoed report on a regulation on production subsidies for cereals in the United Kingdom;
- Klepsch report on regulations on quotas for port, Madeira, Muscatel and Setubal wines;
- Boano report on regulations on quotas for Jerez, Malaga, Jumilla, Priorato, Rioja and Valdepenas wines;
- Kaspereit report on a regulation on a quota for dried grapes;
- De Koning report on colza and rape seed;
- De Koning report on the cereals and rice sector.

The sitting is closed.

(The sitting was closed at 7.45 p.m.)

¹ OJ No C 239 of 20. 10. 1975.

SITTING OF FRIDAY, 26 SEPTEMBER 1975

Contents

<p>1. Approval of minutes 283</p> <p>2. Documents submitted 283</p> <p>3. Transfers of appropriations in the 1975 budget 283</p> <p>4. Regulation on new potatoes originating in Cyprus - Report drawn up by Mr Schuijt on behalf of the Associations Committee (Doc. 210/75) 283</p> <p style="padding-left: 20px;">Adoption of resolution 288</p> <p>5. Regulations on Community citrus fruit - Report drawn up by Mr Kofoed on behalf of the Committee on Agriculture (Doc. 256/75):</p> <p style="padding-left: 20px;">Mr Kofoed, rapporteur 283</p> <p style="padding-left: 20px;">Mr Thomson, member of the Commission; Mr Laban 284</p> <p style="padding-left: 20px;">Amendment to proposed Regulation No III:</p> <p style="padding-left: 40px;">Mr Kofoed; Mr Thomson; Mr Laban... 285</p> <p style="padding-left: 20px;">Consideration of the motion for a resolution:</p> <p style="padding-left: 40px;">Amendment to paragraph 1:</p> <p style="padding-left: 60px;">Mr Laban 286</p> <p style="padding-left: 40px;">Amendments after paragraph 4 286</p> <p style="padding-left: 40px;">Adoption of resolution 286</p> <p>6. Regulation on production subsidies for cereals in the United Kingdom - Report drawn up by Mr Kofoed on behalf of the Committee on Agriculture (Doc. 257/75):</p> <p style="padding-left: 20px;">Mr Kofoed, rapporteur 287</p> <p style="padding-left: 20px;">Mr Hughes; Mr Thomson, member of the Commission 287</p> <p style="padding-left: 20px;">Rejection of motion for a resolution .. 288</p>	<p>7. Regulations on quotas for Port, Madeira and Setubal muscatel wine - Report drawn up by Mr Klepsch on behalf of the Committee on External Economic Relations (Doc. 261/75):</p> <p style="padding-left: 20px;">Mr Klepsch, rapporteur 288</p> <p style="padding-left: 20px;">Mr Thomson, member of the Commission; Mr Della Briotta 288</p> <p style="padding-left: 20px;">Adoption of resolution 289</p> <p>8. Regulations on quotas for Jerez, Malaga, Jumilla, Priorato, Rioja and Valdepeñas wines - Report drawn up by Mr Boano on behalf of the Committee on External Economic Relations (Doc. 262/75):</p> <p style="padding-left: 20px;">Mr Klepsch, deputy rapporteur 289</p> <p style="padding-left: 20px;">Adoption of resolution 289</p> <p>9. Regulation on a quota for dried grapes - Report drawn up by Mr Kaspeit on behalf of the Committee on External Economic Relations (Doc. 262/75):</p> <p style="padding-left: 20px;">Mr Klepsch, deputy rapporteur 290</p> <p style="padding-left: 20px;">Adoption of resolution 290</p> <p>10. Regulation on colza and rape seed - Report drawn up by Mr De Koning on behalf of the Committee on Agriculture (Doc. 259/75):</p> <p style="padding-left: 20px;">Mr Martens, deputy rapporteur 290</p> <p style="padding-left: 20px;">Mr Thomson, member of the Commission; Lord Walston; Mr Thomson 291</p> <p style="padding-left: 20px;">Adoption of resolution 292</p> <p>11. Regulations on the markets in cereals and rice - Report drawn up by Mr</p>
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<i>De Koning on behalf of the Committee on Agriculture (Doc. 260/75):</i>		12. <i>Filing of a petition</i>	295
<i>Mr Martens, deputy rapporteur</i>	292	13. <i>Dates of the next part-session</i>	295
<i>Mr Frehsee; Mr Laban; Mr Thomson, member of the Commission; Mr Frehsee; Mr Martens</i>	293	14. <i>Adjournment of session</i>	295
<i>Rejection of motion for a resolution</i> ..	295	15. <i>Approval of minutes</i>	295

IN THE CHAIR: LORD BESSBOROUGH

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 from the Joint Parliamentary Committee of the EEC/Turkey Association the recommendations adopted in Ankara on 19 September 1975 (Doc. 272/75). They have been referred to the Associations Committee.

3. *Transfers of appropriations in the 1975 budget*

President. — I have informed the Council of the European Communities that the Committee on Budgets has delivered a favourable opinion on the proposals for transfers of appropriations (Docs. 119/75, 121/75, 137/75, 215/75, 216/75 and 217/75), which concern the 'Commission' section of the budget of the Communities for 1975.

4. *Regulation on new potatoes originating in Cyprus*

President. — The next item is the vote without debate on the motion for a resolution contained in the report drawn up by Mr Schuijt on behalf of the Associations Committee on the proposal from the Commission of the European Com-

munities to the Council for a regulation on the opening of a tariff quota for new potatoes falling within sub-heading 07.01 A II of the Common Customs Tariff for 1976, originating in Cyprus (Doc. 210/75).

I put the motion for a resolution to the vote.

The resolution is adopted.¹

5. *Regulations on Community citrus fruit*

President. — The next item is the report drawn up by Mr Kofoed on behalf of the Committee on Agriculture on the proposals from the Commission of the European Communities to the Council for

- I. a regulation amending Regulation (EEC) No 2511/69 laying down special measures for improving the production and marketing of Community citrus fruit
- II. a regulation amending Regulation (EEC) No 2601/69 laying down special measures to encourage the processing of certain varieties of oranges
- III. a regulation amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables
- IV. a regulation amending Regulation (EEC) No 2511/69 laying down special measures for improving the production and marketing of Community citrus fruit

(Doc. 256/75).

I call Mr Kofoed, who has asked to present his report.

Mr Kofoed, rapporteur. — (DK) Mr President, the aim of the proposal we have received is the implementation of measures on which the Council reached agreement in principle in Luxembourg in June 1975.

¹ OJ No C 239 of 20. 10. 1975.

Kofoed

The organization of the market in citrus fruit is based on four main principles. It is based on import control when import prices fall below reference prices for two days. It is based on the price and intervention systems and on control by producer groups, and it is based on control—by stricter measures—of the standard of fruit marketed, in other words, quality control. I would also refer to the report's explanatory statement and the points on which the committee is able to accept the Commission's proposal.

I would like to say a thing or two about the background of these problems. We must admit that the basic principles of the agricultural policy are insufficient in themselves to satisfy trends in incomes in the various countries. We must also admit that the structural problems in the Community's nine countries are so diverse that it is difficult to guarantee producers a reasonable income by way of price mechanisms alone. We must also bear in mind that in the Southern part of the Community, in Italy and France, the problems are not the same as in the North. It is in the light of all this that we must consider the consequences of large-scale policies, for example the Mediterranean policy, for this sector of production. It may be a good thing in principle for the Mediterranean countries to enter into agreement to underpin Community trade—and first and foremost the Community's industries—by providing outlets around the Mediterranean. But it cannot be a good thing if these agreements—which work to the advantage of one section of European industry—are created at the cost of another section. It could for example be hazardous to admit imports—in this case, for instance, of the groups of articles referred to in the proposal—which cause distortion and lower price levels and consequently lower incomes for the very sector of industry covered by the proposal. If, on the other hand, there are major advantages for other sectors of industry, it cannot be right for the farmers in Southern Italy and France to pay for advantages gained by industry.

May I say in conclusion that the market covering the groups of goods is very difficult to manage. As Mr Lardinois was saying only yesterday it is possible to plan industrial production; you have a certain number of machines and therefore a production capacity of so much per hour. But in agriculture it is very difficult to say, for example, that if we now plant so many hectares with orange trees, the yield will be so and so much. The yield can vary enormously depending on the weather and other natural conditions.

I believe that the market control arrangements which the Commission wishes to introduce are the best we can have at the present time. I do not believe that there are other ways of improving the market. It must be remembered, as I said earlier, that a price policy cannot, on its own, solve the incomes problem in this sector. We in this Parliament must recognize the fact that there is a social and structural problem in these areas which cannot be solved by prices alone. The decision taken by the Commission is a useful, provisional step. But the Commission should be called on to think in terms of measures which are effective in the long term, to bring us nearer to the objective of ensuring that producers receive a reasonable remuneration for their work. I recommend this report for your approval.

(Applause)

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, I would first of all like to thank Mr Kofoed on behalf of the Commission for the report he has drawn up for the Committee on Agriculture.

The Commission is of course pleased that Parliament approves the Commission's proposals. The adoption of these proposals is a precondition for an improved mandate in the current negotiations with the Maghreb countries, and therefore the proposals are politically important.

I am deputizing here this morning for the Agricultural Commissioner, Mr Pierre Lardinois, but I think on this particular subject I can claim to have a direct interest by virtue of my own responsibilities within the Commission.

As Mr Kofoed underlined, the agricultural producers concerned are working in some of the poorest and most underprivileged regions of the Community and are conscious that they are more exposed to some of the economic fluctuations of the agricultural market than their more fortunate fellow cultivators in more favoured parts of the Community.

I think, Mr President, that in matters of this kind one is always faced with the difficult problem of balancing within the Community the interests of the producers and the consumers and, in this case, of balancing in addition the interests of the Community in its new and expanding trading relations with the other countries in the Mediterranean area.

Thomson

In view of this difficult complex of problems the proposals that the Commission has put forward strike a fair and reasonable balance between these considerations, and we are grateful to the committee for agreeing to support the Commission in this view.

President. — I call Mr Laban.

Mr Laban. — (NL) Mr President, first of all I would like to thank Mr Kofoed for his report and then make a number of observations, some of which lead on from what he has said, but where he has failed, in my opinion, to draw the proper conclusions.

These proposals have their origin, of course in the agreement in principle concluded by the Council in Luxembourg last June. This was to be the basis for an accord on the protection of a number of sensitive goods produced in the South of the Community, in the framework of the Mediterranean policy.

By this means it should consequently be possible to find the desired contact with the other Mediterranean countries and to conclude at some time in the future the various agreements which are at present on the stocks. We therefore have no objections to the support measures proposed now for citrus fruit from Italy and perhaps also France. Nor do we object to a tightening up of the reference price system exclusively to the advantage of these products. But the amendment of Regulation No 1035/72 for the purpose of strengthening the reference price system even further, even when import prices are fluctuating around the reference price, is too much for me to accept. It applies not only to citrus fruit, but—if I have understood correctly—to all products in the fruit and vegetable sector, and it is evident where measures of this kind are going to lead as time goes on. Moreover, this is another typical example of increasing protectionism in the Community, although the Community is supposed to be open to the rest of the world.

Nor do we find it logical to argue that there will be long-term benefits from granting aid in respect of products from the Southern countries, since such aid will only serve to preserve existing poor agricultural structures and the farmers who are granted aid will neither receive a proper income for their efforts in the long term, nor will they supply consumers with the quality which the latter have a right to expect. This is the reason why I have proposed a number of amendments both to the motion for a resolution drawn up by Mr Kofoed, and adopted by a majority of the Committee

on Agriculture, and to the Commission's proposals for regulations; I also believe that this speech will suffice to explain why I have done so, and there will be no need for me to move the amendments separately.

President. — Does anyone else wish to speak? The general debate is closed.

We shall now consider the regulation proposed under No III, on which I have Amendment No 4 tabled by Mr Laban, which aims at deleting Articles 2 and 3 of this regulation.

Mr Laban has already moved his amendment.

What is the rapporteur's position?

Mr Kofoed, rapporteur. — (DK) Mr President, I must reject the amendment tabled by Mr Laban. I am broadly in agreement with his view, and I am surprised and gratified at his very liberal attitude. I must say, however, that it is impossible to introduce the liberal system which he has in mind until the social side has been put in order. As long as the social side is not in order in those countries, Mr Laban's ideas will result in greater problems for farmers; where can they go to find another job at such short notice in order to obtain a reasonable standard of living? I can well understand Mr Laban's intentions, but if he is conversant with the conditions in this case, he must realize that his intentions are unrealistic.

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — The Commission asks Parliament to reject this amendment, and the reason is, I think, a very simple one. The proposal for the change in the way the reference price operates is to enable the producers concerned here—and indeed more than the producers—to be protected against an open abuse of a monopoly position by those exporting both citrus fruits and other fruits and vegetables into the Community. In the past those in a monopoly position with regard to exports have been able to arrange fluctuations in the price from one day to the next and, on the basis of the liberal trading philosophy underlying Mr Laban's amendment, such an abusive monopoly position should not enjoy his support.

I can, in fact, add, Mr President, that I entirely agreed with his view that what is important here is to make the right sort of long-term structural changes in the agricultural industry concerned, and although there have been delays in this, the structural changes proposed by the

Thomson

Community, in both the Italian and French citrus industry are now, I think, substantially under way. The Italian law making the necessary funds available was approved by the Italian Parliament about 14 months ago, and these funds are now available for the various regions concerned. The basic nursery work of grafting and replanting is under way. In the case of France, the implementation of the structural plans there went ahead in Corsica last summer, and the double grafting included in the plan should begin at the end of the 1975-76 marketing year and will be completed in 1976. So the structural changes are already under way.

President. — I call Mr Laban.

Mr Laban. — (NL) Mr President, now that I have been so readily adopted by the Liberal cause and been pushed into their camp by the Commissioner, I would like to add a few words by way of further explanation.

I have already stated quite unambiguously that I consider it necessary for all vegetable and fruit growers in the Community to be protected, and that I therefore fully agree with the first proposals to tighten up the reference system. But with regard to the last proposal, and the prospect of import prices fluctuating at about the same level as the reference price, it is important to close all the gaps. Of course structural measures are effective in the long term, but if the possibility is not retained—in the interests of consumers, too—of allowing good products to enter the market at lower prices, we shall simply be perpetuating the old structures. There will then be no incentive to make use of the opportunities offered by the regulations and the Treaty. I am therefore in favour of protection in accordance with the provisions of the Treaty. But the system should not be hermetically sealed so that nothing else can get in. The structural policy is already having difficulty getting off the ground, especially in the Southern countries. Is everything to continue as it was? This cannot be the intention of either the Socialists or the Liberals.

President. — I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

We now come to 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 Laban and worded as follows:

This paragraph to read as follows:

'1. Approves the Commission's proposals with the following reservations;'

I call Mr Laban to move this amendment.

Mr Laban. — As my first amendment was adopted, I have nothing to add because this amendment follows on logically from the first.

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

Amendment No 1 is adopted.

I put paragraph 1 so amended to the vote.

Paragraph 1 so amended is adopted.

I put paragraphs 2 to 4 to the vote.

Paragraphs 2 to 4 are adopted.

I now have Amendment No 2 tabled by Mr Laban and worded as follows:

Insert the following new paragraph:

'5. Is of the opinion, however, that the proposed introduction of countervailing charges when entry prices fluctuate around the reference price constitutes an unwarranted step which neither takes account of the real structural problems in the southern parts of the Community nor of the interests of Community consumers;'

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I now have Amendment No 3 tabled by Mr Laban and worded as follows:

Insert the following new paragraph:

'6. Asks the Commission to adopt the following amendment in accordance with Article 149 (2) of the EEC Treaty.'

This amendment is the necessary formal complement to Amendment No 4, which Parliament has already adopted. There is no need to vote separately on Amendment No 3, which is accordingly adopted.

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

The resolution so amended is adopted.¹

6. Regulation on production subsidies for cereals in the United Kingdom

President. — The next item is the report drawn up by Mr Kofoed on behalf of the Committee

¹ OJ No C 239 of 20. 10. 1975.

President

on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation on the production subsidies which the United Kingdom is authorized to retain in respect of cereals (Doc. 257/75). I call Mr Kofoed, who has asked to present his report.

Mr Kofoed, rapporteur. — (DK) Mr President, the proposal from the Commission to the Council is to be seen first and foremost as a political decision which is presumably linked with the price negotiations in February and the referendum which took place in the United Kingdom in the early summer.

Looking now at the Commission's proposal which is based on the assumption that the United Kingdom does not need to introduce an intervention price for cereals, but prefers to maintain the guarantee system even though this may be lower than the intervention price system, the Committee on Agriculture feels that after such a long time there hardly seems to be any good reason for the explanation put forward by the British Government, that producers must not be allowed to receive too much for cereals.

The Committee on Agriculture recalls that at the time the Treaty of Accession proposed that the British system of price guarantees should lapse when intervention prices reached the same level as guarantee prices. This has indeed happened, and the Committee on Agriculture therefore believes that it is simply a question of implementing the provisions of the Treaty of Accession and of introducing intervention prices in the United Kingdom and abolishing the system of guaranteed prices.

The conclusion is, therefore, that the Committee on Agriculture does not recommend the Commission's proposal.

President. — I call Mr Hughes.

Mr Hughes. — I wish to indicate that I will be voting against this report and that I accept entirely that in real terms there is no advantage to be gained by the British farmer from the implementation of the recommendations from the Commission and Council which the Committee on Agriculture declined to support.

Both intervention prices and guarantee prices are currently considerably lower than market prices, and there is very little prospect that market prices will in the ensuing harvest year fall to the point where either intervention or guarantee prices will be needed.

There is, however, a long-standing tradition in Britain of the 'belt and braces' technique of agricultural support. The desire was to maintain at least the form of belt and braces even though the reality of the stomach that was holding up the trousers was such that now neither belt nor braces were required.

It is a gesture to the British farming community that one does not easily, wantonly and readily abandon a tried system of supporting incomes because of the risk that, having abandoned it, there would be no possibility, within the terms of the Treaty of Accession and the period of transition, of reintroducing guaranteed prices if these proved necessary at a future date.

Therefore, not wishing to delay this House, I would ask the Commission to look again at this, not to accept the decision of the Committee on Agriculture, but to deal with this area which, at least in internal British politics, is a matter of high sensitivity.

Let no one believe that, because a referendum vote went a particular way in June, guaranteed prices are a form of support for agriculture that have a validity in their own right. That was not what was voted about on 6 June, and the outcome of the referendum does not mean the unquestioning acceptance that intervention must always and in every case be the proper means of support for cereals or other agricultural products.

I therefore wish, Mr President, to indicate my intention and desire to vote against this proposal.

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, first of all I would like to state the Commission's attitude in the light of the committee's report.

If the report is in fact adopted by Parliament, the Commission will wish to consider the new situation which will have been created by that fact, and will wish then to consider whether it ought to withdraw this particular proposal or not. A new situation will have been created, first of all, by the 5% devaluation of the green pound in the summer and secondly, by the decision of Parliament.

I think all I would like to say to my friend Mr Hughes on this, is that it is not simply a question of wishing to have both belt and braces. The fact is that the Community belt proves to be a good deal more effective than the old British national braces. And the intervention

Thomson

price guarantee is in fact a better guarantee to the British farmer than the traditional production subsidy. Communication of these matters to any section of a community tends to be slow and these guarantees were given earlier this year, and therefore what one faces in terms of the United Kingdom is a certain psychological situation. But the reality is that the Community system, which Britain in any case agreed to apply fully from the end of 1977, has proved before the end of the transition period that its guarantees are working rather more effectively than the previous national guarantees.

President. — Does anyone else wish to speak? The general debate is closed.

I put the motion for a resolution to the vote.

The motion for a resolution is rejected and will therefore be referred back to the committee responsible.

7. Regulations on quotas for Port, Madeira and Setubal muscatel wines

President. — The next item is the report drawn up by Mr Klepsch on behalf of the Committee on External Economic Relations on the proposals from the Commission of the European Communities to the Council for

- I. a regulation opening, allocating and providing for the administration of Community tariff quotas for port wines falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Portugal (1976)
- II. a regulation opening, allocating and providing for the administration of Community tariff quotas for Madeira wines, falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Portugal (1976)
- III. a regulation opening, allocating and providing for the administration of a Community tariff quota for Setubal muscatel wines falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Portugal (1976)

(Doc. 261/75).

I call Mr Klepsch, who has asked to present his report.

Mr Klepsch, rapporteur. — (D) Mr President, ladies and gentlemen, I believe I can keep my presentation very brief. This proposal simply concerns the continuation of the practice

hitherto adopted, and since this House recently expressed the urgent need for measures to assist Portugal, I feel that no one will have any doubt about agreeing to this straightforward extension of measures which we advocated last year.

The Committee on Agriculture—I should like to make it clear—has had a number of discussions on developments in, above all, the heavy wine sector. But I feel that we do not need to go into that in greater detail in the context of this decision.

I would therefore recommend the House to adopt the motion for a resolution.

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — I thank Mr Klepsch for his report and I hope Parliament will adopt it.

President. — I call Mr Della Briotta, to present the opinion of the Committee on Agriculture.

Mr Della Briotta. — (I) Mr President, the Committee on Agriculture did not examine the tariff aspect of the regulation opening tariff quotas for the import of certain wines from Portugal and Spain because that was the concern of the committee responsible.

In its opinion the Committee on Agriculture developed some views on the commercial and production aspects, taking as its point of departure the situation now obtaining in the Community wine-growing sector, undergoing as it is a grave crisis of surpluses of which we are all aware and which we debated extensively yesterday.

The legal basis here is constituted by the agreement whereby the Community promotes the entry to its markets of these dessert wines under a scheme of tariff quotas which are opened and regulated from year to year. We are in no way opposed to such a formula. Nevertheless, the Commission has provided scant indication as to the relative amounts of these imported wines, which side by side with the Community's output of dessert wines—considerable both in quality and quantity—will come on to a consumer market which is certainly not expanding. In 1970 and in 1972, when these agreements were coming into force, the market situation was very different, and there could be no serious objection to the entry of Portuguese and Spanish wines. Today, we may legitimately be concerned as to the disturbance which might result on a market already in crisis.

Della Briotta

Reference is made in the opinion to the Sicilian Marsala wine which—produced in the amount of 700 000 hectolitres—is experiencing strong competition, particularly from Spanish wines. Hence our renewed request to the Commission to inform us as soon as possible of the effects of these imports on the Community market.

The Committee on Agriculture is by no means bent on protecting the privileged position of Community output, assuming that privileged positions are possible today. What the committee is concerned with, is the possible existence of variations in costs and in wine producing methods and practices which both in Spain and Portugal are less strictly controlled. In the absence of information on these three problems—the effect of imports on the market, production costs and quality guarantees—it is reasonable to express some doubt and some reservations.

We certainly ought to bear in mind the importance that these exports have for the originating countries, especially for Portugal. Data on this are included in the opinion. If we remember that on the biggest dessert wine market, that is the British market, the increase in consumption has been considerably smaller than that for low-quality wines, it is not difficult to see the dangers inherent in such a trend.

These are the observations that the Committee on Agriculture wished to record in drawing up its favourable opinion. These should be taken into consideration along with other comments, of a different colour.

You would not expect a Socialist to wish to create difficulties for the new Portugal. As for Spain, I hope that in future the opening of new tariff quotas can be negotiated with new interlocutors. But, at all events, the need to redefine the overall Mediterranean policy is a problem of general urgency and interest, not solely for the countries geographically located in that area. *(Applause)*

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

8. Regulations on quotas for Jerez, Malaga, Jumilla, Priorato, Rioja and Valdepeñas wines

President. — The next item is the report drawn up by Mr Boano on behalf of the Committee on

External Economic Relations on the proposals from the Commission of the European Communities to the Council for

- I. a regulation opening, allocating and providing for the administration of Community tariff quotas for Jerez wines falling within sub-heading ex 22.05 of the Common Customs tariff, originating in Spain (1976)
- II. a regulation opening, allocating and providing for the administration of a Community tariff quota for Malaga wines falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Spain (1976)
- III. a regulation opening, allocating and providing for the administration of a Community tariff quota for wines from Jumilla, Priorato, Rioja and Valdepeñas falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Spain (1976)

(Doc. 262/75).

I call Mr Klepsch, deputizing for Mr Boano, rapporteur.

Mr Klepsch, deputy rapporteur. — *(D)* Mr President, Mr Della Briotta has kindly commented on the two reports, mine and that drawn up by Mr Boano. This makes it easy for me to point out that to all intents and purposes we are dealing with one extension here, the object being to maintain interim arrangements since the negotiations with Spain have not yet been concluded. I would draw the attention of the House to this fact.

Otherwise, I can merely stress what Mr Della Briotta has already said. In both cases we are awaiting the statistics promised by the Commission to allow future decisions. Nevertheless, we also approve these proposals.

President. — Does anyone else wish to speak? I put the motion for a resolution to the vote.

The resolution is adopted.¹

9. Regulation on a quota for dried grapes

President. — The next item is the report drawn up by Mr Kaspereit on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation on the opening, allocation and administration of a 1976 Community tariff quota for dried grapes falling within sub-heading 08.04 B I of the Common

¹ OJ No C 239 of 20. 10. 1975.

¹ OJ No C 239 of 20. 10. 1975.

President

Customs Tariff in immediate containers of a net capacity of 15 kg or less (Doc 263/75).

I call Mr Klepsch, deputizing for Mr Kaspereit, rapporteur.

Mr Klepsch, deputy rapporteur. — (D) Mr President, here we have a very similar subject, and again an interim arrangement is to be continued. The Committee on Agriculture, which has looked into this question carefully, has given its approval, and the Committee on External Economic Relations therefore recommends the House unanimously to adopt this motion for a resolution, although I should like to point out that the quotas for dried figs and dried grapes concerned here are, of course, limited.

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

The resolution is adopted.¹

10. Regulation on colza and rape seed

President. — The next item is the report drawn up by Mr De Koning on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 657/75 on the standard quality for colza and rape seed (Doc. 259/75).

I call Mr Martens, deputizing for Mr De Koning, rapporteur.

Mr Martens, deputy rapporteur. — (NL) Mr President, ladies and gentlemen, as always Mr De Koning has drawn up an excellent report, and my remarks can be confined to a very brief introduction. So-called scientific research has given rise to the assumption that long-chain fatty acids may be harmful to health. In anticipation of the final results of this research the Commission now believes that it has to propose a directive fixing the maximum level of erucic acid in fats and oils and margarine used as foodstuffs.

Of course the Committee on Public Health and the Environment is the committee responsible for reporting on the matter; however, the Committee on Agriculture is also involved, albeit indirectly. It has been consulted on the basis of the Commission's decision to lower the standard quality—that is, the oil content—of colza and rape seed for intervention. The reason

for the lowering of the standard quality is to be found in the fact that new colza varieties with a low erucic acid content also contain less oil than the varieties usually cultivated hitherto. In order to encourage the growth of these new crops the intervention conditions have to be modified whilst, in the same connection, raising the amount of aid somewhat in order to ensure equal revenue for producers at the intervention stage.

It is clear that these measures will only have the desired effect if no extra increase in aid is accorded to colza with a higher oil content, namely in excess of 40%.

I have three observations to make on this proposal. The first is that the European Parliament is only concerned very indirectly in this matter. The change in intervention terms, fixing the maximum oil content at 40%, came into force last July under the Management Committee procedure. Consultation of this Parliament is only necessary in respect of the modified aid amount as a component of agricultural prices as a whole. Consequently, Parliament was not given the opportunity to register its objections to modification of intervention conditions at a time immediately preceding colza sowing for the 1975/1976 marketing year. It is hardly reasonable to expect growers to change to new varieties if a modification of this kind is made at such a late date. Moreover, there has not yet been enough experience with these varieties in Northern parts of the Community, a fact which is reflected by the non-inclusion as yet of varieties with low erucic acid levels in the European list of varieties.

The Commission shows little knowledge of what goes on on the farm if it believes that provisions adopted at such a late date can still have a beneficial effect.

My second point is that one could say that the proposed amendment is of little practical significance for the producer since only very small amounts of colza, if any at all, are sold to intervention agencies. But the very existence of the intervention facility gives a certain measure of support to the market and a reduction of this support for crops with high erucic acid levels could also have a bad effect on price formation. Consequently, the Committee on Agriculture urges the Commission to include colza seed with an erucic acid content of 15% or more when determining intervention conditions for the coming marketing year, provided that a guarantee is given that the oil obtained from such seed will not be used for food. It could be claimed that this represents a certain risk for the intervention agencies. But this risk is slight

¹ OJ No C 239 of 20. 10. 1975.

Martens

since oil with a high erucic acid content is required, for example, by the soap industry. However, an element of risk remains, borne totally by the grower, who will probably not be able to adjust his sowing programme to the desired conditions.

Thirdly, on the assumption that Parliament will deliver a favourable opinion on the proposal for a directive fixing the maximum level of erucic acid in fats and oils and margarine intended for human consumption, it should be noted that the Commission appears to have little confidence in the effect of this directive. In the communication from the Commission to the Council concerning the problems presented by the presence of erucic acid in colza seeds, which is attached to the Commission's proposal, paragraph 3 states that 'the directive does not seem in itself a sufficient factor to bring about a general conversion of producers to the new varieties.' This is why the Commission props up its proposal with an amendment of the intervention conditions. The Commission seems to me to be using a most inappropriate expedient to implement a directive which is not in itself sufficiently convincing.

I would like to hear Commissioner Thomson's opinion on this. For me this is yet another reason for urging flexible application of the intervention conditions in the coming marketing year to exclude where possible the likelihood of a loss for the producer, without any disadvantage to the consumer.

It is subject to this condition that the Committee on Agriculture has given its approval, and the Christian-Democratic Group will give its approval, to this proposal.

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, the Commission thanks Mr De Koning for his report, and I thank Mr Martens for the very careful and thoughtful way he has developed the anxieties of the parliamentary committee.

Perhaps I could give him a little information in answer to the points that he has been making. The Commission decided in August of this year to limit intervention from 1976 to colza having a maximum erucic acid content of 15% because the new varieties of seed should be encouraged and because of the limited market for oil with a high erucic acid content.

At the time of this decision the Commission undertook to examine closely any problems that might subsequently arise, and I shall therefore

convey to my colleague, Mr Lardinois, the various points that have been made on behalf of the committee so that they can be looked at closely.

Our present information is that the change that is being made is working out perfectly well in all countries of the Communities except Denmark.

Mr Martens referred to the criticism that the Commission took its decision in August of this year without consulting Parliament. The reason for this was that the measure had to be taken rapidly, before the autumn, in order that the producers of old varieties of colza should be aware that there would be no guaranteed price. Finally, Mr Martens made some reference to the problems relating to human consumption of oils with an erucic acid content in the higher ranges. I think this is a matter that does need to be examined rather carefully, and the Committee on Public Health and the Environment it so prepare a report on the subject, which I think we ought to wait for.

I hope that Parliament will feel able to accept the recommendation that Mr Martens has made.

President. — I call Lord Walston.

Lord Walston. — I support Mr Martens in what he has said on this and, in spite of the very fine explanation which the Commissioner has given, I still feel that his colleague and those responsible for agricultural matters in the Commission have shown, to put it mildly, a certain lack of realism and understanding of the agricultural scene. I am disappointed in this because I have always felt they realized some of the true facts of farming life.

They say they made the announcement in August so that it would be in good time for farmers to alter their plans. This is technically possible because most of the colza and rape seed is not sown until late August or early September.

However, it takes some time for these new directives to reach the farmers, and there is no doubt that a great deal of this crop would already have been sown before any farmers knew about the alteration in the intervention price.

Secondly, the Commission shows a lack of understanding in respect of the availability of seed. It is all very well for a farmer to come along to his seed merchant and say he wants to change his variety of seed; but where is that seed to come from? It has to be grown, and it has to be grown during the previous year.

Lord Walston

There are undoubtedly indications that certain farmers would wish to grow the new low erucic acid variety of seed but have been unable to obtain it.

The third complaint that I have is that no adequate information exists on what sort of diseases the new varieties of seed are prone to. There are indications in Northern France and in parts of Germany that the new low erucic acid seeds are more susceptible to certain diseases than others, and that their yield is lower.

In other words, Mr President, I suggest to the Commission that it ought to think far more seriously about the practical implications of some of these directives which issue from Brussels and put itself in closer touch with those who are really concerned with growing the food.

There are certain occasions when emergency action has to be taken. Had it been discovered that the high erucic acid content rape seeds were undoubtedly dangerous to human health, then I would have no objection at all. But this is not the case. What is more, we have already heard that a very large part of the high erucic acid rape oil is in fact used for soap making and for other chemical purposes. Thus, so far as I can make out, there is in fact no suggestion that growing the older varieties of high erucic acid rape seed is in any way dangerous. I am not opposing this proposal, but I urge the Commission—and I urge Mr Thomson to say this very frankly to Mr Lardinois—to ensure that far more attention is paid to the practical needs of the farmers so that the farming community can maintain its confidence in the Commission in Brussels.

(Applause)

President. — I call Mr Thomson

Mr Thomson, member of the Commission. — Mr President, perhaps I might answer Lord Walston by saying first of all that I fully take the point he makes about the reply I gave on the timing of this and that. It seems unlikely that in the pubs of Cambridgeshire and in the cafés of Languedoc they discuss little else in August but amending Regulation (EEC) No 657/75 on the standard quality of colza and rape seed. I think we ought to take some account of that point.

The only other thing I can say to Lord Walston is that since I have exhausted my resources of scholarship on this subject, all I can undertake to do is to convey to the Agricultural Commis-

sioner the points that have been made on this matter by both himself and by Mr Martens.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

11. Regulations on the markets in cereals and rice

President. — The next item is the report drawn up by Mr De Koning on behalf of the Committee on Agriculture on the proposals from the Commission of the European Communities to the Council for

- I. a regulation amending Regulation No 120/67/EEC on the common organization of the market in cereals
- II. a regulation amending Regulation No 359/67/EEC on the common organization of the market in rice

(Doc. 260/75).

I call Mr Martens, deputizing for Mr De Koning, rapporteur.

Mr Martens, deputy rapporteur. — (NL) Mr President, ladies and gentlemen, the proposal we now have before us deals with the reintroduction of possible production refunds for maize groats and meal and broken rice used in the brewing of beer.

It is in itself remarkable that the Commission should have come forward with this proposal although the Council had decided to abolish these refunds this year. Insufficient explanation is given in the Commission's explanatory memorandum of this sudden reversal of policy. To assess the proposals properly, I believe more details should be given of the grounds for revoking previous decisions.

I would also like to put the following questions to the Commission:

1. Is it correct to state that the reason for the reintroduction of these production refunds for maize groats and meal and broken rice is to realign the competitive conditions for these products and other starch products used in the brewing of beer?
2. If so, was it not possible to see in spring of this year that the abolition of these refunds would create problems?

¹ OJ No C 239 of 20. 10. 1975.

Martens

3. Can the Commission provide the Committee on Agriculture with a clearer picture of the basic principles of the production refund policy in respect of starch derived from cereals and other allied products?
4. Can the Commission provide information in due course on:
 - a) the general usefulness of these refunds?
 - b) their influence on the competitive position of the processing industries which make use of subsidized products?

President. — I call Mr Frehsee.

Mr Frehsee. — (D) Mr President, this short, but very impressive report by Mr Martens, on which I should like to congratulate him, clearly reveals the major reservations the Committee on Agriculture had about these proposals from the Commission, since it poses such a bundle of very serious questions at the very moment when we are supposed to be adopting this regulation. So the intention is to reintroduce the production refund for maize groats and meal and broken rice for the manufacture of beer, a production refund which was abolished only recently. The abolition of this refund, was one of the compromise decisions on agricultural prices for the year 1975/76. It was discussed here in the spring along with these agricultural price decisions, and we agreed to its abolition. And now it is to be reintroduced.

Mr President, for budgetary reasons alone there is no justification at all for the reintroduction of these production refunds. If it is to be paid, it should be fixed at 10 u.a. per ton of maize, since that is the sum decided by the Council of Ministers for starch. If this rate is applied, the cost will be 4.3m u.a. The Community's tight budgetary position, which has been discussed here this week and which became clear at the Council's meeting at the beginning of this week, and the tight budgetary position of all the Member States does not leave room for this. It only leaves room for the available funds to be used for really necessary purposes. This is not a really necessary purpose. This production refund for maize groats and meal and broken rice for the manufacture of beer is not only superfluous; it is also harmful. The more such substitutes for malt are used in the manufacture of beer, the more difficult it becomes to maintain purity requirements, which many of us strongly defend.

Mr President, the reintroduction of this refund would mean brewing barley remaining at a disadvantage in the organization of the market

in cereals. Brewing barley in the Community is far more important than maize as a raw material for the manufacture of beer. Some Member States even go so far as to use only barley for the manufacture of beer. But no refund is granted for barley. When maize is used, the refund is, of course, reflected in the calculation of production costs; a distortion of competition arises. We cannot accept a distortion of competition caused by the reduction of the price of maize groats and meal for the manufacture of beer in comparison with the price of brewing barley.

The Commission feels that the refund must be reintroduced because a production refund is also granted on starch and that therefore the same basis should be provided in both cases. It is true to say that starch can also be used for the manufacture of beer. But according to experts—and beer drinkers are convinced of this, Mr President—beer made from starch does not, and I am choosing my words, have the same quality as beer made from hops and malt. Brewers who are interested in the quality of their beer will not therefore substitute starch for maize groats and meal without limit. They will, however, use maize groats and meal if it is far cheaper than brewing barley.

Mr President, any distortions of competition between maize groats and meal and starch that may arise as a result of the elimination of the refund for maize groats and meal will have to be removed by means of a levy on starch for the manufacture of beer or by other controlled procedures. The procedure proposed here, however, which aims at the reintroduction of the production refund for maize groats and meal and broken rice, is not a suitable means of doing this.

I find myself unable to agree to this proposal put forward by the Committee on Agriculture, and I would ask all my friends who, like myself, are in favour of thrifty budgeting and the protection of barley malt as a raw material for beer, to vote against the committee's proposal.

President. — I call Mr Laban.

Mr Laban. — (NL) Mr President, several members of our group have objected to the reintroduction of support for certain kinds of starch. As there would be no saving at present for the Community's exchequer, and as the Committee on Agriculture has asked the Commission to study this matter in detail, we feel that we should support this proposal this time. The Commission must consider granting such aid not only to these starch-containing products

Laban

but to all starch products. We must be able to discuss this matter in our committee and if necessary here in Parliament. I understand that our German friends have no use for the products in question, given the purity of the beer drunk in Germany. But they do use them in exported beer, however, since we do not receive the purely light beer.

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, I thank Mr Martens for what he has said, and I immediately admit on behalf of the Commission that I think it really is difficult to deny the point made in paragraph 14 of the report that the explanatory memorandum of the Commission attached to the proposals concerned is incomplete. I therefore would like to try and amplify, and to seek to explain here why the Commission now proposes to introduce again a production refund on maize groats after it had decided first of all to suppress them.

Suppressing the production refund on maize groats and broken rice used for brewing while maintaining it on maize starch would in fact seriously damage the competitive position of the former industries. There is little technical difficulty in substituting starch from maize groats or broken rice in the brewing process and since starch would continue to receive a refund, the attractions of such a substitution would in fact prove irresistible. There would thus be a real danger of serious damage and a real danger of unemployment in the industries concerned. Given the present state of recession in the Community as a whole, anything that avoids the creation of further unemployment constitutes a powerful argument. Furthermore, Mr President, it is extremely doubtful whether there would in fact be any real savings to the EAGGF, since starch production and thus expenditure on the refund would in all probability increase.

I would also like to say straight away that the Commission is quite ready to respond to the request for a report in the motion for a resolution. I might perhaps just remind Parliament of some of the history of this. Even before the introduction of the common organization of the market in cereals, all the Member States, with the exception of France, had special arrangements for the domestic starch processing industries, either through complete exemption or substantial reduction of levies on the imported raw materials. The decision by the European Community to grant production refunds was taken with this existing situation in mind and was also influenced by two other important factors.

The first was the existence of a substantial potato starch industry in the Netherlands, France and Germany. These industries are essential in certain regions of the Community to ensure a fair standard of living for the agricultural community, and it was for this reason that they received national subventions. Maize starch and potato starch being competitive in many areas, the Community, in fixing a production refund, had to attempt to ensure the continuance of that fair standard of living for these potato producers and at the same time try to establish a competitive balance between the maize and the potato starch industries.

The second basic reason for the granting of the refund has been the increasing competition between starches and starch derivatives on the one hand, and synthetic products on the other. The existence of the production refund has enabled the Community starch industries to maintain their competitiveness.

Mr President, against that background and in the light of the discussion, I think it is very clear that there is a good deal of room for more information on this subject and for a greater degree of consensus being created about the issues raised. It is against that background that the Commission, while hoping that Parliament will approve the Commission's proposals, as recommended by the Committee on Agriculture, is ready to agree to draw up the report asked for.

President. — I call Mr Frehsee.

Mr Frehsee. — (D) Mr President, I should just like to make two brief comments and not keep the House any longer.

I leave it to each Member of this House to decide how appropriate it is in this context to argue that unemployment will result if the production refund for maize groats and meal is not reintroduced.

Secondly, Mr President, Mr Laban has said that this matter concerns only the Germans and only the beer drinkers. But I should like to point out that it also concerns a quite considerable number of agricultural producers in the Community, mainly the producers of brewing barley, who have a substantial part to play and who will face difficulties if this regulation is adopted.

President. — I call Mr Martens.

Mr Martens, deputy rapporteur. — (NL) Mr President, I would like to say a few words in answer to Mr Frehsee on the budgetary

Martens

implications of the proposal. I think the implications are zero, as already stated by Mr Laban. If no subsidies are given for meal and broken rice, more proteins of other kinds, namely starch and maize, will be used. I do not believe that that has any budgetary implications. The only effect might be on the quality of the beer, as beer made with maize groats has every advantage over beer made from other starches.

We must not exaggerate the competition problem. The basic materials used for beer bear little relationship, as we all know, to the final price of the beer. In this case I believe that excise duties and the like play a much greater role than the basic materials used in production. Approximately 99% is water and the other raw materials are, in my opinion, somewhat incidental. I would like to point out that abolition of production refunds for broken rice and maize groats would put pressure on a large number of mills. There is no disputing that. For that reason I believe that we can approve the proposal on condition, of course, that we are given the information requested. Either production refunds should be abolished for all starch products, or they should be kept at the same level. But by abolishing some and retaining others we shall create many difficulties.

President. — Does anyone else wish to speak? I put the motion for a resolution to the vote.

The motion for a resolution is rejected and will therefore be referred back to the committee responsible.

12. Filing of a petition

President. — At the sitting of 9 July 1975 I informed the House that I had received a petition from Mr V. Barel concerning the treatment of titanium dioxide waste.

This petition had been entered under No 1/75 in the register and referred to the Legal Affairs Committee for consideration.

By letter of 24 September 1975 the Legal Affairs Committee informed me of its decision to file this petition without further action.

13. Date of the next part-session

President. — There are no other items on the agenda.

I thank the representatives of the Council and the Commission for their contribution to our work.

The enlarged Bureau proposes that our next sittings be held from 13 to 17 October 1975 in Strasbourg.

Are there any objections?

That is agreed.

14. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

15. 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 10.50 a.m.)

