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INTRODUCTION

Next year voters throughout the European Community will be electing their representatives to the European Parliament for the first time. The draft political programme has been prepared by the Liberal and Democratic Parties of the Community as a common platform for these direct elections to the European Parliament in 1978.

In March 1976 Liberal and Democratic Parties, drawn from eight member countries of the Community, met in Stuttgart and agreed to form the Federation of Liberal and Democratic Parties of the European Community (FLIDEPEC) - on March 26th the meeting unanimously approved the Stuttgart Declaration which outlined their proposals for the future political development of the Community. A series of working groups were then set up to develop common policies in specific areas and to report to the Founding Congress of the Federation held at The Hague in November 1976.

This Congress agreed the texts of the reports, set up further working groups and formed a drafting committee to prepare the political programme.

This draft political programme has been circulated to all members of FLIDEPEC who are entitled to submit amendments by September 30th. The second Congress of FLIDEPEC, to be held in November 1977 will debate proposed amendments and formally approve the political programme as a common basis for fighting next year's direct elections.

The draft political programme consists of a Preamble and 11 sections dealing with key questions for the future of the Community.

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PREAMBLE

1. The basis of the Liberal attitude, and hence of this programme, is a belief in the importance of the individual. He or she must be both free and responsible and allowed a fully creative role in modern society. Liberals recognise the increasing diversities in our society and believe our approach is the best way of achieving unity whilst retaining diversity and freedom for all individuals.

The importance we attach to individual freedom and responsibility reflects our belief in the essential dignity of men and women being able to think and decide for themselves. Freedom of thought and speech are equally fundamental, and no individual should necessarily be isolated from, or be in conflict with, society. Our belief in individual self-reliance does not imply a negative or neutral attitude by society, nor does social responsibility imply a negative or apathetic attitude in any individual. Free and responsible individuals should account for their actions both to themselves and to their fellow men. Unity of purpose must develop from individual responsibility and cannot be imposed from above since this can damage, or even destroy, individual creativity. Individual and social responsibility is the best way of ensuring equal opportunities for all and righting injustices - both are essential in a free society. Without these our world will become overcentralised and threatened by both heavy concentrations of power and growing alienation. This increasing sense of alienation emphasises the need for liberal democracy which can develop unity whilst permitting diversity of opinions and attitudes. Indeed Liberals recognise the need for a continuing discussion, involving everyone, of attitudes, ideas and proposals, provided this is done freely, with mutual tolerance, and under the rule of law. Peaceful resolution of differences is the cornerstone of any modern civilised community. The only attitude we cannot tolerate is intolerance.

2. Any Liberal democracy must continue to apply its basic principles in a changing world. We reject policies based on party dogma or opportunism.

We believe that we must examine all problems in depth and, through free debate, look for real solutions which match the changing needs of life. We therefore reject any dogmatic approach since doctrinaire answers to human problems are both unworkable and useless. Attempts to apply them inevitably lead to authoritarian government, dictatorships and disaster.

We re-emphasise the above principles and believe they can be used to give new solutions to modern problems. This is infinitely preferable to the ad hoc, opportunistic approach.

3. It is in this spirit that the parties to the Stuttgart Declaration, resolved to protect and to promote the rights and freedoms of the individual and, desiring to make a decent life in a free society possible for all citizens of Europe, have based their Federation on five major objectives : 1) The supreme task of the European Union must be to guarantee human, civil and political rights on the European level ; 2) The European Union needs a free democratic constitution based on the principles of division of powers, majority voting and the protection of minorities ; 3) The European Union must assure steady and balanced economic growth and create a social framework which protects all citizens : this can no longer be done on a national level alone ; 4) The European Union needs a common foreign policy covering both the external relations of the European Community and Political Co-operation within Europe. This should be designed to protect the freedom and security of Europe and maintain peace in the world, side by side with our partners in the Atlantic Alliance, notably the United States, and in the United Nations; 5) The European Union must be founded on the common conviction that the freedom of the individual equal opportunities for all and the free competition of ideas and parties are indispensable elements of a democratic society.

Each one of those objectives was outlined in the Declaration of Stuttgart and is further elaborated in the detailed programme that follows this preamble.

4. We recognise that many forces in the contemporary world can operate against the interests of the creative individual and against freedom. It is our task to control these forces and to develop their positive aspects for the future.

The growth of population and expansion of technology have led to more controls, more bureaucracy and stricter planning. Increasing expectations of equality and social benefits make greater demands on resources whilst also restricting the privacy of men, women and their families. The growth of nuclear power for peaceful uses, the proliferation of nuclear weapons and more sophisticated armaments have all led to tighter political controls at home and abroad as well as making heavy demands on national economies. Under these circumstances the contribution of coherent liberal democratic thought and actions is more essential than ever if we are to ensure the proper balance between authority and liberty, between national and international responsibilities, between central control and decentralisation and between the community and the individual.

5. Recent developments increase the need for a socially responsive, modern free market economy based on liberal democratic principles.

We support a modern socially responsive free market economy not only because it is more productive but because it is a necessary condition of freedom. The need is greater because the life, welfare and progress of our countries all depend on world trade in competition with the industrial giants in America and Asia. This is underlined by the steep increase in the price of oil, which has led to an era of relative scarcity and high prices for other raw materials and food. We also have to deal with worsening terms of trade, and the demands of a growing population for higher standards of living, better social services and for more equal distribution of wealth; with demands for new technologies and new investment; with the need for aid and cooperation with the developing countries and the need to ensure peace based on economic strength, sufficient to ensure equilibrium.

For all these things we need both the driving force of free enterprise and the democratic management of the whole economy.

6. Steady and balanced economic growth in conditions of freedom and peace requires both the driving force of free enterprise and the overall democratic management of the economy through flexible planning including guidelines on prices and wages.

The aim of democratic management of the economy is to ensure the proper balance between private enterprise and public intervention; between personal spending-power and social services ; between current expenditure and investment ; between the needs of our individual nations, those of the European Community as a whole and those of developing countries. It must also ensure that differences between social groups, nations and groups of nations do not deteriorate into bitter conflicts but are harnessed as the driving force for international progress in peace and freedom.

This is the basis for liberal democratic flexible planning. We believe in the need to develop better understanding between social groups and to establish a social agreement ; to reconcile the providers of capital, management and workers through participation; to bring Trades Unions and employers' organisations within the checks and balances of a liberal democratic system. These objectives can only be realised within the framework of a liberal-democratic state to which they also give substance and strength.

7. Liberal democracy is primarily a political approach. It does not see political and social institutions or the economic system as ends in themselves but as instruments which ensure freedom and counter alienation.

It is for this reason we recognise the importance of the family, education, savings and private property, private and public

enterprise - as well as political and social institutions, such as Parliament; an independent judiciary; freedom of speech in all forms and freedom of association in both political and economic activities. Unlike the conservatives we are not committed to defend the traditional forms of those institutions. All must be re-examined to ensure that they meet the needs of a changing world. Authoritarian and Marxist regimes, although they pretend to develop a more just society, with ultimate total and perpetual freedom, in practice condemn men and women to increasing control and alienation. In contrast liberal democracy seeks to, and can, make each individual as self-reliant as possible in all fields of human endeavour.

8. Liberal democracy has a unique capacity for bringing together individuals and nations.

Because of our principles, liberal democracy provides the best means for bringing together individuals and nations in order to overcome the barriers of nationalism, religion, race and class without stifling the variety of cultural heritages. They also allow our civilisation to make a special contribution to the development of better understanding in the world, peaceful coexistence and cooperation so as to work for the betterment of mankind.

9. Liberal democrats lead the fight for European Union.

For many years we have led the fight for European Union in order to realise our aims. Individual states are now too small for their responsibilities towards people at home and in the rest of the world. The European contribution is not just cultural, it is also economic and political. A substantial home market is needed to maintain competition and freedom of choice. To ensure stability, peace and freedom we need to be strong at home and abroad. We also need significant moral and material resources if we are to help developing countries advance, and guarantee permanent peace in a continent which has twice this century been devastated by civil war.

The achievement of full European Union will therefore be a decisive step towards a better and more secure life for all our citizens. It will also create new internal tensions between the Community and its component states. Community, national and regional planning will have to be coordinated, as will fiscal systems, social security and the main lines of labour policy and company legislation. A strong liberal democratic force is needed to keep the balance, to make sure that the European society and the European market-place are neither left to themselves in a state

of unhappy bureaucratic anarchy nor stifled by excessive concentration of power.

10. The task of the new directly elected European Parliament is to bring the principles of liberty and democracy to bear on the problems of the Community and to prepare and propose, in the spirit of the Treaty of Rome, appropriate measures leading to the necessary development of the institutions of the Community towards a European Union.

Parliament is a typically liberal and democratic institution. It is through parliament that our countries have moved from feudalism to free democracy. It is in parliament that the interests of the people as a whole can prevail over the interests and prejudices of groups and classes ; that majorities can govern and minorities can check them. The task of the new European Parliament ; elected by universal and direct suffrage, is to bring these principles to bear on the problems of the Community : to gather sufficient moral and political strength to move forward from being a consultative body to an effective force; to articulate and propose in the spirit of the Treaty of Rome measures which lead to the development of the institutions of the Community towards a European Union. Our aim is to create a Community able to speak with one strong voice in world affairs, whilst not trying to abolish the individual characteristics of our nations and regions. What we need -to return to our initial statement- is unity in diversity. As the Community grows more complex and larger- and we hope that other democratic countries may join us in the near future- so do these needs grow. It is an ideal task for liberals and democrats.

HUMAN AND CIVIL RIGHTS

1. Liberal democracy is based on the belief that every individual citizen has fundamental rights and that the supreme task of government must be to recognise and guarantee the rights and freedoms of the individual and to promote their full enjoyment.
 - a. The rights and freedoms of the individual include not only the "traditional" human rights and basic liberties as defined in the European Convention passed by the Council of Europe in 1950. Liberals also believe firmly in the necessity to guarantee and defend the rights to have personal property subject to using it in a socially responsible way, to have access to education and to participate in free elections (vd. additional protocol of 1952).
 - b. Moreover every individual is entitled to adequate protection against misuse of political or economic power and against social deprivation.
 - c. All these human, civil, economic and social rights ought to be the philosophical and legal foundation common to the Member States of the European Union.
2. The future European Union and its Member States are therefore called upon
 - to strive together with the other members of the family of democratic countries, for the implementation of human and civil rights, throughout the world.
 - to safeguard the full respect of human and civil rights in all legislative and administrative actions of the European Union,
 - to guarantee, protect and promote human and civil rights within Member States by their own measures and, if necessary, by joint action.
 - a. The fundamental rights of the individual should be safeguarded and promoted within the European Union and its Member States as well as by the foreign policy of the Union. International action of the Union in favour of human rights will be limited by its commitment to peaceful means.
 - b. It is, however, essential that any Member State of the Union and any country applying for membership base their internal order on the full acceptance of liberal and democratic values.

- c. At the same time, the European Union itself, in its relations with all individual citizens, must respect and apply the same values.
3. The liberal and democratic parties in the European Community call for the first directly elected European Parliament to draw up immediately a Declaration of the Union on Human and Civil Rights to be ratified by the Member States.
- a. This declaration should be based on the European Convention on Human Rights of 1950 and its additional protocol. It should also contain guidelines to protect citizens against misuse of power and against social deprivation, and should define these special rights which all citizens of Member States should enjoy throughout the European Union, such as participation in local elections.
- b. The Declaration should serve as a basis for decisions of the European Union's institutions and as a guideline for Member States. The European Union will have to develop and agree sanctions to be taken against Member States which seriously and repeatedly violate the Declaration.
4. Every citizen and resident of the European Union's Member States should have the right to seek remedy before the European Court of Luxembourg against any legislative or administrative act of the European Union's institutions violating individual rights as set down in the Declaration of the Union on Human and Civil Rights.
- a. At present, the European Court in Luxembourg established by the EEC Treaty (Articles 164 - 188) is not empowered to decide upon possible violations of human and civil rights by the authorities of the European Community. Such violations can only be dealt with at national level.
- b. In future, the European Community must itself safeguard its citizens and all other residents against any legislative or administrative act of its bodies which could infringe upon their basic rights and liberties. Therefore not only is a Declaration of Human and Civil Rights urgently needed but the powers of the European Court will have to be extended.
5. All Member States of the European Union are urged to ratify and implement the Council of Europe Convention on Human Rights in its entirety, to take steps in order to further improve the Convention and to accept the European Social Charter.

- a. All Member States should accept a mandatory right of individual petition against legislative or administrative action of authorities within Member States to the European Human Rights Commission and the ultimate jurisdiction in such cases of the European Court of Human Rights. In order to make it easier for individuals to secure this right procedures will have to be simplified and legal aid made available to any petitioner. A commission of experts should be established by the Council of Europe to develop specific proposals.
 - b. This commission should also examine possible measures to increase protection of generally accepted human rights which are at present not adequately safeguarded by the Convention.
 - c. The European Social Charter should be accepted by all member governments in order to establish common minimum standards for their social policy.
6. At the same time, the European Union should accede to the same Convention and thereby accept the ultimate jurisdiction of the European Human Rights Commission and of the European Court of Human Rights at Strasbourg.
- a. In the field of human rights, as elsewhere, the European Union should cooperate as closely as possible with the Council of Europe. This should allow all member countries of the Council of Europe and of the European Union itself to develop a common approach to these matters.
 - b. The best way of achieving this objective will be to establish the two bodies safeguarding individual rights and civil liberties throughout Western Europe, namely the Human Rights Commission and the Human Rights Court at Strasbourg, as the ultimate authority to which every citizen may appeal in cases not only against individual Member States of the Council of Europe but also against the European Union. Full protection will then be given to any European citizen regardless of which authority, national or European, threatens or violates his rights.
 - c. Responsibility for these initiatives rests clearly with the first directly elected European Parliament based on the mandate given to it by voters throughout the Community.

EUROPEAN INSTITUTIONS

1. The European Institutions must be given enough authority to enable them to perform their Community tasks successfully and to provide a more effective framework for the growing unity between our countries. They must be democratic so that they can serve the citizens of Europe and stimulate further development in accordance with the wishes of all its peoples.
 - a. In the Europe of today, the nation state alone is no longer able to guarantee the freedom, security and well-being of its citizens. Only by joining together can this be achieved. In so doing, our nations and peoples will create a United Europe through which our political, economic, social and cultural life can be revitalized.
 - b. The European Community was set up for the purpose of starting and encouraging the development of this process. If it is to succeed, its institutions need to have adequate powers and be prepared to use them. We must end the practice of delaying or paralysing decision-making within institutions while simultaneously reproaching the Community for not solving our problems.
 - c. In the liberal view, the European Community must safeguard its existing diversity of nations, particularly in the field of government and administration. We wish to preserve the cultural and national diversity which is a characteristic of our European civilisation. Neither do we want to be governed by a European bureaucracy or technocracy - the institutions must grow and function democratically. The European citizens, whose interests the Community is designed to serve, must feel involved in its existence and actually be involved in it, not only indirectly through their national parliaments and governments, but also directly as free citizens of the Community.
 - d. Since we do not want Europe to develop into a super-state governed by an all-powerful centralized bureaucracy, we liberals do not advocate a single European 'capital' in which all the administrative authorities of the Community must be concentrated. We find it salutary and in accordance with the nature of our European society that Community bodies should be established in many Member States. But this must not go so far that the functioning of the European Institutions suffers - those which are closely and permanently

involved in the political decision-making process need to be established close enough together to be able to function properly.

2. The Community's existing institutional structure is a good starting point for further development. The important thing is to define the responsibilities of the various institutions in such a way as to achieve the correct balance while strengthening the inner driving force needed to maintain the impetus towards integration. This must be done in such a way that new areas of policy not so far covered by the Treaties, can be gradually brought into the sphere of Community competence.
 - a. At present the powers of the European Community are shared by four institutions, each representing a different function. There is an independent body whose task it is both to be the motive force behind the integration process and the guardian of Treaty obligations : the Commission. The Governments of the Member States as such work together in the Council of Ministers. The representatives of the peoples of the states brought together in the Community form the European Parliament. The correct application of Community law is ensured through the European Court of Justice.
 - b. Liberals accept this division of functions. As we said earlier, a united Europe cannot be a super-state based on the predominance of specific countries, population groups or ideologies. Real unity cannot be achieved through submission or domination - it can only be realised in harmony and balance. Such a balance must also exist between the various institutions. No institution should be absolutely dominant since each represents a vital element in the integration process. A system of 'checks and balances' is needed to ensure that all institutions play their rightful part in the Community decision-making process. At the same time we must strengthen the inner driving force without which the decision-making process becomes paralysed.
 - c. In recent years, the Member States have started cooperating outside the areas covered by the Treaties, particularly in the field of foreign policy. We welcome this as a step in the right direction. We would like to see areas of policy not yet covered by the Treaties gradually brought within the Community's competence so as to become part eventually of the general competence of the European Union we seek to develop.

3. The present distribution of powers between the various institutions is out of balance - the Council has become too dominant. What is needed is the correct application of the Treaties with a strengthening of the roles of the Commission and of Parliament.

- a. Under the Treaties, the Council occupies a very powerful position - it has the last word on most of the important decisions. But the Treaties also contain elements of balance, particularly between the Commission and the Council. For example, the Council can, in a number of specific cases, take a majority vote and it can modify Commission proposals only under certain circumstances.
- b. In practice, these opportunities are virtually never used. Decisions are not taken unless unanimity is reached in the Council and the Commission is expected to keep on modifying, adapting, and watering down its proposals until they stand a chance of being adopted unanimously by the Council.
- c. We have also seen, the beginning of periodic consultation between governments of the Member States at the highest level : the "European Council". Together with the development of consultation in fields outside the Treaties, such as foreign policy, this shows how great is the need for European Union. However, such consultations should not hamper the normal decision-making process within the Community. The proper role of the European Council is to meet when necessary in order to provide for joint action in fields currently outside the Treaties, and to give fresh impetus towards European Union.
- d. We Liberals want the decision-making process to be improved with a better balance of powers to be established between the different institutions. The first requirement here is for the Treaties to be applied correctly :
 - in those cases provided for in the Treaties, the Council should take its decisions on the basis of a majority vote ;
 - the Commission should use to the full its independence as established in the Treaties, seeking where necessary the Parliament's prior support for its proposals, and not allowing itself to be treated as a subsidiary body of the Council.
- e. At the same time, further steps must be taken to strengthen Parliament and therefore the Commission, which is politically responsible to Parliament and does not depend exclusively on the Council :

- Parliament should be given a real say in the appointment of Commissioners so as to emphasize clearly the political nature of the Commission and its independence of the Member States ;
 - Parliament's budgetary powers must be further increased eventually to include the whole Community budget ;
 - Parliament should be given powers of ratification for Treaties concluded between the Community as such and third countries ;
 - in accordance with the intention formulated at the Conference of heads of state or government in Paris in 1974, Parliament should be given powers of co-decision in matters relating to Community legislation, including the "de jure" right of initiative.
- f. Finally we welcome the decision to set up a European Court of Auditors since strict control needs to be exercised over the management of Community finances. At the moment, Parliament is only consulted on the appointment of the members of the Court of Auditors. We want Parliament to have a more effective say in the matter.

4. The forthcoming elections are a milestone in the further development of Community institutions. For the first time, its citizens are to be directly involved in the process of European integration. The greater weight and authority deriving from direct elections should spur the new Parliament to claim its rightful place with greater force.

These first elections will still be organized on a national basis. It will be the task of the newly-elected Parliament to devise a genuinely European electoral system which will guarantee fair representation to each of the political forces in the countries of the Community. In this respect, the adoption of a system based on proportional representation is indispensable.

- a. Since the Community was created the peoples of the Member States have been held, as it were, in quarantine. They have only been able to bring their influence to bear indirectly through their national governments and parliaments. That has now changed. The citizens of Europe have 'come of age' and will directly elect those who will speak for them in the European Parliament. The Parliament will thus be able to fight even more vigorously for a better distribution of powers between the institutions of the Community and for a rightful position for the peoples' elected representatives. This in itself is a compelling reason for participation in the elections. A massive turnout of voters will prove that they have understood their rights as European citizens and wish to demonstrate their emancipation.

b. In the liberal view, the first elected Parliament will, in addition to the functions carried out under the Treaties by the earlier Parliament, have a number of tasks of its own to accomplish over the five years of its mandate, including :

- the devising of a European electoral system based on the principle of proportional representation ;
- continuing the struggle for a better and fairer distribution of powers between the Council, the Commission and Parliament ;
- to insist on rational decisions concerning the location of Community institutions and services so that they can function more effectively ;
- the drawing up of a Declaration of Human and Civil Rights of the European citizen, to be respected both by the institutions of the Community and by the authorities of Member States ;
- the drawing up of a draft Treaty setting up a European Union, in itself a task of historic importance to liberals and democrats.

5. We Liberals want a European Union of free citizens, a Union within which national, regional and local powers of decision-making are placed in the context of the new European dimension and thereby are given added significance. Its internal task will be to complete the process of integration and unification, on the twin foundations of liberal democracy and human rights. In the world at large, it must stand for the principles on which it itself is founded - peace, freedom, individual responsibility and social justice. In this way, it will be able to play a role in the world of which every European citizen may be proud.

- a. Liberals believe that, in a democratic society, decisions should be taken at the appropriate level. The extremes of excessive centralization and too great a dispersal of authority should both be avoided. We want to see this principle applied to Europe. The European Union must only deal with questions which it is in the interests of us all should be its concern.
- b. There are a number of matters where this is obviously the case, such as foreign relations and security, development cooperation, respect for human rights, the achievement of economic and monetary union, the fight against unemployment and inflation, the develop-

ment of trade, industry and transport, agriculture and food supplies, energy supplies, social policy, environmental protection, and certain Community aspects of educational policy. All these questions are dealt with in other sections of this programme.

- c. As far as possible European Union policy should be implemented through the intermediary of the Member States. With policy aspects

that do not, or not yet, lend themselves to common action, the Union will have a coordinating function, particularly directed towards avoiding conflict or duplication in the activities of the Member States.

- d. Healthy regional development is of great importance for the European Union. To this end, regional bodies must be strengthened where necessary and, at the same time, given the opportunity to play their part in formulating those aspects of Union policy which are of direct concern to them.

6. The institutions of the Union should be the logical continuation and conclusion of the development that we advocate. Capacity to reach decisions has to go hand in hand with plurality, fair distribution of powers and 'checks and balances'.

We must not look upon the Union as the reincarnation of the nation state on a European scale. The bringing together of our nations in a European Union is a unique event and this will be reflected in the original, undogmatic nature of its institutional structure, which we see, in outline, as follows :

- The legislative and budgetary powers in the Union shall be exercised in close collaboration by a directly-elected Parliament and a Council of States, in which the Member States as such are represented. They shall deliberate on the basis of proposals from the European Government, or on their own initiative. Where there is disagreement between the Parliament and the Council of States, there will have to be a conciliation procedure between the Government, Parliament and the Council of States to prepare compromise proposals to be submitted to Parliament and Council.
- The members of the European Government shall be proposed by the Council and their appointment ratified by Parliament. The term of office of the Government shall be the same as that of the Parliament.

- The European Court of Justice shall supervise the correct application of Community law including citizens' fundamental rights. Its members shall be appointed by the European Government by a joint proposal from Parliament and Council.
- The European Court of Auditors shall ensure the legitimate and careful management of Union expenditure. Its members shall be appointed by the European Government by a joint proposal from Parliament and Council.
- The Economic and Social Committee shall remain, as hitherto, the organ whereby the major economic and social organizations are officially associated with the decision-making process within the Union. Its powers will only be advisory since it must not encroach upon the responsibility of the Government, Parliament, and the Council.

This is our view of the kind of European Union we want and the institutions with which it should be provided. It will be the great task of the elected Parliament to draw up a Treaty to this effect and to press for its speedy ratification by all Member States.

AGRICULTURAL POLICY

1. An agricultural policy providing for sufficient food production fulfills one of mankind's basic needs. In doing so a liberal agricultural policy will at the same time ensure humane conditions of working and living in the country. It is therefore not only concerned with the technical and commercial problems of agricultural production, but has to be seen in the context of social, environmental and regional policy. It is part of an overall policy combining all these aspects into one.
 - a. Without adequate food man cannot enjoy freedom. The importance of food means that there must be a clear policy for agriculture. This policy should ensure at least a basic supply from Europe's own farmers. Liberals, however, emphasize this policy in the context of others, especially social, environmental and regional policies, because of the importance of the resultant overall policy for the conditions of working and living in the country and hence for good production itself.
 - b. In the long run a guaranteed supply of a large range of quality farming products at reasonable prices can only be assured if living and working conditions in agriculture progressively improve. Therefore structural policy is an essential part of the overall CAP strategy. It must be used to help farmers modernise their farms. Other policies also have a part in ensuring the well-being of the European farming community. For example regional policy should be aimed at creating jobs and social policy must be used to eliminate hardship and ease occupational change and promote new careers for those leaving farming.
 - c. European Liberals believe that to protect rural areas a sensible and sensitive use of these policies should enable farmers to live on smaller and less efficient units. The promotion of tourism and other activities suitable for the country should be part of a programme to enable them and other countrydwellers to earn a livelihood in their home area. Policies must also take account of the need to maintain certain types of agriculture on environmental grounds.
2. The Liberals are in favour of an integrated Common Agricultural Policy replacing national policies. They believe such a policy to be an essential element of the future European Union. The smooth functioning of this policy depends critically on economic and monetary stability.

- a. A well integrated Common Agricultural Policy is the best way of securing food supplies for Western Europe. This integration must be much more than a mere combination of the national agricultural economies. The natural consequence of this policy will be increasing specialisation within the Community.
 - b. The functioning of this policy depends critically on economic and monetary stability. The lack of coordination in these areas is endangering the very basis of the CAP. Currency movements and floating exchange rates, which reflects the instability and disharmony of national economic policies in Europe, have made it necessary for agricultural policy itself to fill the gap in order to maintain the principle of the unity of the market and common pricing.
 - c. The lack of European monetary policy has made it necessary to develop a system of monetary compensation payments on cross border farm trade. Accepting that this system will remain necessary in the short term European Liberals insist that these payments should be phased out to enable agriculture to adjust steadily to changing economic patterns. Seen in the long run the present system of monetary compensation goes far beyond agricultural policy. It is being used as a way of re-distributing resources between Member States and should be tackled more in the context of economic and monetary policy. This would enable agricultural policy to devote all its energy to farm and food problems.
3. The Common Agricultural Policy must bring advantages to both consumers and farmers without loading unnecessary burdens on the European taxpayer.
- a. The European Liberals reject the idea that the true interests of consumers and producers are in conflict. Agriculture and food policy should be aimed to help farmers to provide reasonably priced food for consumers. It should be directed towards eliminating the disparity between the rewards enjoyed by those who work in agriculture and those who work in other industries.
 - b. The main aim of farm price policy, should be to maintain secure food supplies at reasonable prices. European Liberals believe that the policy must be operated in a flexible way in order to bring about these objectives at lowest cost to consumer and the taxpayer. The support system must be geared to encourage individual and cooperative efficiency in marketing.

- c. Secure food supplies depend partly on a sensible stocking policy. European Liberals support the idea of programmed stocks of basic food products - coordinated, if possible, on an international scale. These will reinforce the security of good food supplies and enable the Community to fulfill food aid responsibilities to other countries.
 - d. But European Liberals are fully aware of the difference between controlled food stocks and structural surpluses in specific sections of agriculture. Such surpluses must be reduced by measures aimed at relating supply to demand. They accept temporary producer sharing of the costs in these sectors until market balance is restored.
 - e. Harmonisation of food quality standards should not be pressed beyond the need of protecting the consumer and ensuring equitable marketing conditions within the Community.
4. The basic principles of the CAP are right. They have enabled the policy to bring stability to the agricultural economy and have avoided the inflationary effects of sharp food price rises. But the application of these principles to agricultural problems must be improved. In particular vigorous action is needed to eliminate persistent structural surplus.
- a. The Liberals want to maintain the principles of CAP. Efficient farmers using modern methods must be allowed to make their living out of the market. Support prices should be fixed at levels that make this possible, taking due account of conditions of supply and demand. The other basic principles of the policy - free trade between all Member States, preference in the community market to the Community's own procedures and common financing of the policy costs - are all essential to enable the common market to work efficiently.
 - b. Pricing policy is a decisive element not only for the income of farmers but also for developing supplies to match demand and for encouraging a wide range of quality products. The system practised up to now is too rigid and has therefore lead to surpluses and rising expenditures, and must be made more flexible, by introducing a mechanism for short term price changes. Obligatory intervention must be replaced, especially if it is necessary to avoid a structural surplus.

5. Agricultural policy must be developed in a way that demonstrates a responsible attitude to food supplies and production in the rest of the world. Ill-considered policy changes in one country or group of countries, can have a destabilising effect on agriculture over a wide area, European Liberals believe that the brutal fluctuations that have characterised some world markets in recent years must be avoided.
- a. International trade arrangements can play an important role in this context and European Liberals fully support the present negotiations for new multilateral trade agreements. Bilateral long-term agreements may also provide an extra stabilising factor. The European Liberals reject the idea that agricultural trade should be directed towards securing short term advantages without any regard to longer term objectives.
 - b. Another important role of agriculture policy is to enable food to be made available to alleviate famine anywhere else in the world. Apart from such short term crises, Liberals believe that food supplies in the less-developed countries are best augmented by longterm programmes of technical and educational assistance and by the progressive opening of world markets to their products.
6. While other food production has been covered by the existing CAP, fishing presents new and different problems and tasks to the Community. A continued and assured supply of fish depends on conservation and the correct management of fish stocks. Therefore the Community must have a common fishing policy, within the context of wider responsibilities for conservation of the resources of the seas, including measures against pollution.
- a. Traditionally, fishing has been based on the practice of hunting and on this basis fishermen have made a great contribution to our supply of food. But depletion of stocks - threatening extinction of certain species - and improvements in fishing techniques have made it necessary to take a different attitude towards the food resources of the sea. These resources should continue to be an important, and perhaps a growing, part of our food supply, especially in view of their contribution of protein to our diet. But fish move without regard to any man made boundaries and therefore a common policy is urgently necessary.
 - b. Fishing is a key part of the economy of many coastal areas of the Community, although the type of fishing involved varies greatly. The common fishing policy must take account of the needs of those areas, and where changes in international fishing

rules have taken traditional grounds from them, the Community should provide special measures of assistance.

- c. The common fishing policy should
- develop research into fishing ;
 - monitor stocks of all endangered species ;
 - fix areas of prohibited fishing for specific species, permanently or on a seasonal basis ;
 - restrict and license fishing boats and trawlers entitled to fish in Community waters.
- d. We welcome the Community's responsibility for agreements to allow third countries access to Community waters, which should only be agreed on a reciprocal basis.
- e. Measures against pollution by noxious chemicals and oil spillage should be vigorously pursued.
- f. The Community should develop the means for common supervision of its fishing policies.

ECONOMIC AND MONETARY UNION

Liberal and monetary policies : their principles and the attainment of Economic and Monetary Union (EMU).

1. The main objective of our modern economic and monetary policies is to ensure steady and balanced growth, with due accent on the quality of life and not only on quantitative figures, thus creating the conditions for effective social protection of all citizens in the vicissitudes of life. The achievement of this objective is now made more difficult for the industrialised free world by the growing shortages and high cost of energy raw materials and by increasing conflicts between minorities, social groups and regions. These factors lead to increased injustice and dependence, greater privilege and poverty and distort the working of a free and modern market economy thereby endangering the maintenance of an open and pluralistic society. To counter these dangers Liberals and Democrats believe we have to rely on both the dynamism of private enterprise and the overall democratic management of the economy through flexible planning including guidelines on prices and wages.

Liberals do not consider growth as an end in itself or just as means for some to grow rich. They believe that growth, not only in quality but in quantity is currently necessary in order to meet widespread and justified demands for better standards of living, and social security with improved public services ; to respond to the pace of technological development and the need for new productive investment ; to take account of changes in the age structure of the population which means that a higher proportion will be dependent on resources produced by others ; to meet developments associated with the need for a distribution of wealth ; to protect the environment.

Both the dynamism of private enterprise and the overall guidance of the economy by government, including guidelines on prices and wages, are necessary to ensure economic growth. Liberals see private property, freedom of enterprise, and profit within the framework of a modern and socially responsive market economy as the main means for maximum production. This is in the interest of all citizens (especially those in need) if the community is to save sufficient resources and direct some of it towards a better distribution of wealth. Free competition in a free market economy must be developed and safeguarded against monopolies, cartels and excessive influence of public enterprises ; private enterprises must be given sufficient freedom to play their role in democracy and progress. Public intervention in the economy (including fiscal policy) is needed to ensure fair competition and to take adequate account

of social and economic circumstances. The shortage and higher price of energy and of many raw materials and foods, which has led to worse terms of trade for the industrial free world, means we must concentrate more on conservation measures and technological research and development. We must also try and prevent any resultant social pressures from distorting the relationship between the costs of production and selling price in the open market. Overall guidance of the economy through flexible planning must recognise the interplay between short, medium and longer term economic and social needs.

With savage deflation and mass unemployment unacceptable as instruments for economic control, we must use guidelines on prices and wages, often formalised in a "social agreement". Resistance to these guidelines reflects the obsolete mentality of class-warfare and an out-of-date commitment to laissez-faire attitudes which we cannot support. Equally, however, liberals cannot accept the other extreme of a detailed and rigid plan imposed on the economy and the people by political means. We oppose such authoritarian practices whether they come from the left or right.

For this reason liberals and democrats attach considerable importance to regular consultation between the European government, trade unions and employers' organisations. These consultations should take place both directly and within existing or new Economic and Social Councils. Final responsibility must rest squarely on Parliament as the political centre which seeks to balance national interests as well as the interests of the consumers, of weaker groups and regions.

This is how liberals and democrats seek to lead those who are concerned with the general interest in contrast to those who are the prey of class interests, be they nationalists or conservatives on the right or marxists on the left.

2. Our aim is the redistribution of wealth in Europe.

The demands for the redistribution of wealth develop from a growing impatience with excessive differences not just between individuals but also in levels of income and in the economic and social circumstances in different parts of Europe and in the Community as a whole. Satisfying these demands must not endanger the working of a pluralistic economy and society. Nonetheless, within these limits, the meeting of these demands is a real moral and political objective as well as a necessary condition for balanced growth.

3. We also aim to redistribute wealth in the world.

Redistribution of wealth must also apply throughout the world, and needs a balanced and coherent development policy. We must recognise the needs of the less developed countries and the real capacity of both the industrialised and the oil-producing countries. The massive and sudden increases in oil prices and present and probable rises for other raw materials and food have drastically altered the terms of trade between the two groups of countries. An even greater change has taken place in the economic relations between oil-producing and the poorer less-developed areas. Growth is needed everywhere to allow different members of the world community to adapt to such changes without excessive sacrifices or dislocations which could lead to social unrest or threaten world peace.

4. The aims of economic and social policy in Europe can no longer be achieved at national level : political and economic unification are complementary.

The problems faced by the nations of Europe in adapting to the growing needs and the changing conditions of their peoples and in the world are too great for them to meet these tasks on their own. This is equally true of other major issues starting with international relations, security and the need to make a major contribution to balanced and peaceful world development. This is why there is a fundamental relation between developments in political and economic union. Liberals believe that the one is not possible without the other.

5. We therefore need an Economic and Monetary Union - EMU.

In present circumstances, steady and balanced economic growth is possible only in an area much larger than any individual country of Europe, i.e. in the European Community as at present constituted and with any welcome accession of other democratic nations. A Common market for goods, services and capital, with a population of over 250 million allows economies of scale, the rationalisation of production and economic allocation of resources which is not possible with smaller areas. We can only take full advantage of this large area if we can establish a common currency throughout the Community. This also requires a close integration of national, budgetary, economic and social policies. Without this integration the stresses caused by grossly differing rates of expansion or inflation, of stagnation, recession or deflation, of employment and unemployment, and hence of the monetary and fiscal policies applied by different member states, would make the creation and maintenance of a common currency unrealistic. Beyond certain limits

even the continuation of the great achievement of establishing a free market within the Community would be in jeopardy, EMU is therefore essential to achieve our objectives.

Without EMU, Europeans could not look forward to producing the resources needed to provide a more equal distribution of wealth at both national and European levels as well as in the world. Failure to achieve EMU in the medium and longer term would therefore have disastrous consequences. Liberals emphasize that this is a central fact in the contemporary scene.

6. Progress towards EMU is one way of overcoming the present economic and social crisis :. inflation, deflation and recession ; unemployment ; class conflict.

The full achievement of EMU, linked as it must be with political union, will involve a long and difficult struggle. Real or imagined national interests and the resistance of political and social forces, which reflect them, will have to be challenged. We will have to overcome this resistance to a new initiative and will be faced with the delusion that each country can do better for itself by "going it alone" (or almost alone) with traditional policies of independence. Liberals will have to work hard to ensure that the direct elections in 1978 and the European Parliament will work for the creation of EMU.

Progress towards EMU, both now and in the near future, is one of the best ways of combating the present economic, financial and social crisis. Increased harmonisation of policies within the European Community (even though this falls short of full integration) is essential if we are to defeat inflation and the related danger of recession; to balance our accounts with each other and the rest of the world ; to ensure productive investments of any foreign loans needed to finance balance of payments deficits ; to develop a regional policy for Europe and to make an effective contribution to the North-South negotiations; and to resolve the energy crisis - both in terms of relations with the oil-producing countries and to develop alternative sources of energy. We must improve procedures for joint consultation and action, widen the undertaking not to depart from agreed policies without adequate consultation and agreement within the framework of Community Institutions. This is the only way to start working out the guidelines and complementary policies so as to avoid the pitfalls of "beggar-my-neighbour" ; to defeat inflation and pull out of the recession ; to reduce unemployment and class conflict.

The remaining sections consider key aspects of progress towards EMU.

7. Progress towards EMU requires strengthening of the revenue-raising role of the Community.

Under the Treaty of Rome, an increasing proportion of Community finances will derive from Value Added Tax (VAT) together with agricultural levies and import duties on goods from outside the Community. We seek a uniform basis of assessment for VAT with a harmonisation of coverage and rates whilst keeping VAT on staple foods as low as possible. This will eliminate what are, in effect, tax barriers to internal trade and the need for customs posts within the Community. At the same time, the number of different rates of VAT should be progressively reduced.

8. Progress towards EMU requires strengthening of the role of the Community in sharing revenues.

The main objective must be the progressive reduction of economic differences between nations and regions. Although certain institutions for sharing revenue already exist (the Regional Fund, the Social Fund, the European Investment Bank and the Agricultural Guidance Fund) they must be strengthened and expanded and take full account of the needs and demands of regional and local government. In their different ways, all these institutions must contribute in a more coherent way to the redistribution of wealth within the Community and among its constituent parts.

9. Progress towards EMU means that the Community must increase its responsibilities towards the Third World.

We must consider strengthening the European Development Fund, or the alternative of setting up of an agency (similar to those just mentioned) to develop a joint Community policy towards the less developed countries. Any policy must have external direction and be consistent with national policies. We think it most important to develop formal cooperation with a large number of underdeveloped countries under the Lomé Convention and to develop an all-embracing approach to non-member countries in the Mediterranean.

10. Progress towards EMU requires new initiatives and new ways of developing Community policy and expenditure in other areas where there is a clear need for the Community budget and Parliament.

We believe there is a case for developing new ways of policy making and joint action eg. in environmental protection, especially pollution, and increased use of joint research projects. Policies for industry, transport and agriculture should be coordinated with regional policy. We need a more detailed structure for continual medium-term

planning in order to integrate Community expenditure programmes and harness them to the task of reducing national and regional inequalities. However, the creation of new development programmes and the expansion of existing ones means major changes to the Community budget. This must be linked with a corresponding increase in the influence and powers of the European Parliament.

11. Progress towards EMU requires new arrangements in monetary affairs :
1) The creation of limits for the exchange rate for each national currency ; 2) the pooling of currency reserves ; 3) An increase in reciprocal credits conditional on greater cooperation ; 4) The introduction of a European currency in parallel with national currencies - the Florin.

A common European currency is not possible until full economic integration (including effective regional and social policies) is achieved together with full political union. We must not attempt to set it up in advance in the hope that it could take the place of integration since this would certainly end in disaster. Similarly the lack of a world monetary order increases the danger. Much needs to be done in the meantime and we propose four steps:

- 1) Limits on the exchange rates for each national currency.

The Community should agree to establish, for each country, limits within which each country would try and keep the rate of exchange for its national currency. If economic and social forces made the limits unworkable countries would be free to change them. But changes should be kept to a minimum and not be made without previous consultation with the rest of the Community. Agreed limits on exchange rates would allow greater flexibility than fixed, though adjustable, exchange rates and make consultation easier.

- 2) Pooling of currency reserves.

Community members should agree to pool part of their currency reserves. The pool should be held by the proposed European Monetary Fund, working closely with the Community and the central banks of Community countries. This would form the nucleus of an exchange stabilisation fund and could eventually develop into a fully independent central monetary authority responsible for the control of money supply throughout the Community.

3) Reciprocal credits

The present system of mutual short, medium, and long-term credits, between the countries of the Community should be expanded but continue to be conditional on close cooperation in the economic, financial and monetary field. Coordination of budgets, of economic policies, of monetary, employment and anti-inflation policies cannot be divorced from one another or from moves for setting-up of community monetary institutions. Guidelines in matters of social policy and their relation to productivity, working conditions and the participation of workers in the running of enterprises, must also be included.

4) The introduction of a European currency in parallel with national currencies (a "parallel currency").

We support the proposal to establish a "parallel currency" in the Community, which must be called a florin. One florin should correspond to one unit of account based on an agreed basket of Community currencies as defined in the Lomé Convention. This would protect it from major and sudden changes in value in any individual currencies. The general use of the florin would not be compulsory. In the beginning it would be used in the settlement of accounts between the Community and the Member States, for the Community budget, for contributions to the Third World and in related activities. Later on, it could be issued in large denominations for use between central banks, large commercial banks, financial organisations and intra-european enterprises. The issue would take place under the control of the European Monetary Fund, either as a counterpart to the reserves pooled in the E.M.F. (and in this case the florin would represent a kind of European "drawing rights") or against national currencies, such as the US-dollar or the Yen. If, as is likely, the market responded favourably to the initiative, the use of the florin could be gradually extended to smaller transactions, to the payment of taxes, the issue of bonds, the settlement of commercial debts etc. within Europe or between Europe and other parts of the world. The balance between the holding of florins and of national currencies would be assured by the interest differentials which would naturally arise between deposits or loans in florins and those in stronger or weaker currencies. Without replacing national currencies, the "parallel currency" would in time accustom the European and international markets to the practical use of a common European currency. Each national government within the Community would be encouraged, for reasons of prestige and level of national interest rates, to work for stability between its own currency and the florin. This would represent considerable progress towards harmonisation and eventual integration of economic, financial and monetary policies leading to a common currency and full EMU.

12. The Community should "speak with one voice" to the world in economic and monetary affairs.

Once the goal of full political and economic union is reached, the Community would act as one in its external economic relations. Even before this is achieved much can be done towards "speaking with one voice". Great efforts must be taken to coordinate national attitudes in the Community on world economic and monetary affairs. Success in this will depend on the progress made towards harmonisation of policies within the Community and will itself assist further harmonisation. We have already stressed the importance of the Lomé Convention, the united approach in the Mediterranean and the North-South dialogue. Much must also be done in East-West relations and in the crucial fields of cooperation with the International Monetary Fund, the World Bank, the United States and the other major industrialised free countries, on trade, development and world monetary policies.

13. Further progress and achievement of full EMU are essential if we are to protect the existing achievements of the Community.

Further progress towards EMU is essential : - it means increased harmonisation of national policies in economic, financial and monetary matters. Without this progress the potential conflicts which already exist, and are reflected by balance of payments difficulties between Member States, could lead countries to adopt nationalist and protectionist policies which would be a setback to the liberalisation of capital movements -; to the customs union and a common external tariff and trade policy ; to the continuation and development of the CAP and towards coordination of foreign policies and united action in key areas of world policy eg. relations with Eastern Europe and the Third World.

14. The creation of EMU indicates the concept of a modern free market economy.

This description of Liberal and democratic proposals for progress towards full EMU illustrates how our policies would meet the economic and social needs of today and tomorrow. There is no other way to restrain the growth of monopolies, to counter the trade cycle, to maximise production and minimise class conflict and to ensure a more equal distribution of wealth in Europe and the rest of the world. Our policies will ensure that private enterprise is harnessed to social development whilst public intervention is restrained from becoming bureaucratic and a law unto itself. This is the only way that we can freely resolve the problems posed by new technologies, the demands of a consumer society, an adverse shift in the terms of trade against the West and potential conflict between different social groups and diverging interests.

.. REGIONAL POLICY

1. We consider an effective regional policy to be an essential part of the European Union we are seeking to create. But we recognise the complexity of needs and aspirations which characterise the many different regions of Europe.

- a) The European Community is not just composed of nine (or in future more) Member-States and of hundreds of millions of European people. Within it there are areas of people with a common consciousness or common problems, which are designated by the term regions. The European Community will become fully meaningful to all its people and develop the unity and strength which lead to full political Union, if its institutions take account of the reality of these regions and Community policies offer them real benefits.
- b) We are acutely conscious of the variety of Europe's regions. Indeed the very term "region" covers many different situations some of which are found together but none of which are found in every region - the area with a distinctive culture, even a consciousness of a separate national identity; the national minority with cultural links across a frontier; the area suffering from over-dependence on declining agricultural employment; or the area which is too reliant on a particular industry; the peripheral zones of larger countries; the special cases of islands and mountain areas; and natural geographical regions which are bisected by a historic frontier : in setting out a liberal view of regional policy in this programme, we are conscious of the dangers inherent in generalising about the variety of these circumstances.
- c) Responsiveness to this variety and complexity is past and parcel of the correct approach to Europe's regions. If our concept of a European Union is to succeed, it must not merely cater for, but offer positive advantages to regions in all these various senses.

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2. Decentralisation of political power is a fundamental principle of the structure of government and of regional policy.

Liberals believe that, as long as it is compatible with an effective and democratic structure of government, decisions should be taken as close to people as possible. This both maximises opportunities for people to participate in the decision-making process, and ensures that it is the citizens resident in each area who have the opportunity to adjust local policies to their local conditions. Where Member States already have a democratic regional level of government, we believe that the Community's regional policy should take due account of it. In other countries, if such a democratic regional level of government is desired, the sort of European Union that we envisage will make this easier to achieve.

3. Europe's cultural diversity is its true character and its strength.

We treasure and respect the historic development of many different languages, of regional variations in the main languages, of local patterns of life and of culture? There are trends in modern society towards bigness and uniformity which threaten this heritage. We recognise that the demand for an improved standard of living cannot be refused in the name of preservation of the past.

Nonetheless, we believe that there should be a common concern to maintain this richness of our cultural heritage; we hope to see a growing European consciousness that this very diversity is a precious and essential element of being European. All Community policies - political, economic and cultural - should take account of this objective.

4. European Union offers a new chance to many regions in Europe.

The historical framework for European governments and society was that of the nation-state. At the time each had a real role to play, but it has proved to be a strait - jacket for many regions. Some regions with a distinctive culture have been obliged by the rigidity of the nation-state either to conform to the national culture of that state or to set up an opposition which becomes national as well as cultural and which ultimately implies separation. There are also areas where people with a common history and culture or economic links have become

separated by artificial political boundaries; and, once again, the remedy which the nation-state has historically comprehended is the extreme one of redrawing the boundary. The joining together of nation-states in the Community has reduced some of these problems. Our concept of a European Union will allow all these regions to find a fulfillment which is compatible with belonging to a larger grouping.

5. Within a European Union all areas must have true equality of opportunity - this should be a high priority.

Genuine union, and true freedom of movement of people, is not possible unless people have a similar opportunity to acquire employment and to earn the same level of income throughout the area of the Union. However existing differences between the richest and the poorest regions of the Community are not only substantial; they have been increasing over the last few years. This is fundamentally unjust. It also leads to other problems, such as the migration from deprived areas - from economic necessity rather than a genuine desire of people to move - with the consequent congestion of some urban centres. In addition such massive inequalities are a major obstacle to the monetary union which must be a key element in political union.

6. We recognise the particular problems of those regions which are peripheral/in the area of the European Community.

In several of the member countries, there is already a growing problem of the disparity of wealth and opportunities between the main metropolitan core area and the main peripheral regions. Many of these regions are over-dependent on primary production or on older manufacturing industries or on both; employment in all these sectors is declining. Modernisation of the economy has stimulated the growth of the service sector. All too often the benefits of this modernisation have been heavily concentrated in the metropolitan areas, while the peripheral ones have paid a price in outward migration, poorer public facilities and lower wage-levels.

There is justified fear that European integration will produce a similar problem in the whole economical area of the Community. Monetary union in particular, which is desirable on other grounds, could well make the situation worse. We must not allow the benefits of integration to be unduly concentrated in the central areas of the Community.

The Community's peripheral regions have a common interest in policies which will promote a fairer sharing of these benefits. The Federation of Liberal and Democratic Parties will take the lead in promoting such policies and representing the interests of the peripheral regions. We do not see this as being in opposition to the true interests of the central areas, but rather an essential part of the integration which should bring benefits to every part of the Community.

7. Present Community regional policy is unsatisfactory - the Community must have the means to advance regional policies throughout the Community.

- a) The present European Regional Development Fund (ERDF) has very limited financial resources. The Community must acquire sufficient means, and sufficient freedom of action, to give the Regional Fund real powers to assist less well-endowed regions.
- b) Community assistance to regional development should not be limited to the ERDF. The Community should examine the general balance between regions and the regional distribution of investments. This general balanced approach should be pursued by the coordination of policies in all sectors.
Individual policies should not include objectives which contradict the principal objective of the development of peripheral and other needy regions.

c) All policies of the Community which involve expenditure should be accompanied by an estimate of their regional effects, indicating the extent to which they promote equality of opportunities. This will allow us to judge how far decisions in fields other than regional policy are promoting or removing regional inequalities and to take corrective action where possible.

8. Regional authorities should have direct access to all Community institutions for the exchange of information and mutual consultation.

There must be direct communications between the Commission and regional authorities to exchange information and ensure adequate consultation.

In any future development of the European institutions there must be appropriate channels for representation of regional interests.

9. The Community should have a special concern for cooperation between frontier regions.

- a) Cross-frontier associations should be encouraged and allowed to have an organised access to Community institutions;
- b) Community decisions, regulations and directives should take account of cross-frontier problems;
- c) Procedures for organising hearings on both sides of the Community's internal frontiers must be introduced where local planning projects affect people living on both sides. Projects which present a hazard to the environment should only be permitted by a common accord of the states concerned.

FOREIGN AND SECURITY POLICY

1. The European Union needs a common foreign policy. Europe, which for some time has only been an object of world politics, must again become a positive force.
 - a) In an era of world power politics, no individual European country can afford to act on its own, since political forces and economic factors now interact on a world scale and affect everyone. Europe must "speak with one voice" in the world and to the world.
 - b) The crisis caused by sharp and sudden rise of oil prices and uncertainty about future supplies of raw materials emphasises the need for acting together.
 - c) The European can play a role in world affairs, whose importance will be greater than the sum of the individual parts.

2. A liberal foreign policy must be based on the ideals of united action and the rule of law. In the world at large, Europe should stand for the maintenance of peace, the respect of human rights, the principles of freedom, democracy and self-determination and the right of all mankind to individual liberty, social justice and equality of opportunity.
 - a) The creation of the Community has already had a significant effect on world security since it is now impossible to imagine member-states in armed conflict with each other.
 - b) By its nature and structure as well as its geographical position and the historical backgrounds of its member countries, the European Union could not possibly act as an aggressor or troublemaker in the political relations with the rest of the world. For this reason European Union has exceptional opportunities for contributing to the peace and stability of the world.
 - c) Effective action must be taken to protect human rights throughout the world and to combat all forms of racism. These principles are not mere abstractions but common guidelines, which should result in a clear condemnation of all forms of discrimination and racism, as well as readiness to define human rights and to fight against oppression irrespective of where-and from where-this occurs.
 - d) Unfortunately we live in a world, where-inspite of the United Nations Charters-many people do not enjoy a democratic system of government. This we deeply regret, but the Community must not abandon its prin-

ciples in its foreign policy. Liberals will always and everywhere fight for these rights and give support to all attempts to increase understanding and tolerance, especially in connection with free movement of people, information and ideas across frontiers.

3. In its foreign policy the European Union must choose its priorities realistically. Cooperation within the Atlantic Alliance, détente between Eastern and Western Europe, and the North-South dialogue are the most urgent and important tasks. The Community should follow a good neighbour policy towards adjacent regions. In particular cooperation with the countries of the Mediterranean basin and of the Middle East should be our special concern.

a) The geographical position of Europe and the historical background of the member countries condition its foreign policy. The Atlantic Alliance is fundamental to our freedom and independence. Without freedom and independence there can be no European contribution to peace and prosperity in the rest of the world.

b) The European Union is, more than any other body concerned with the relationship with Eastern European countries. Our historical background offers the possibilities for closer human contacts, greater economic cooperation and better political relations. This is also true of the relationship between industrialised and developing countries, as well as of the Mediterranean and the Middle East countries.

4. Foreign, security and defence policy are closely linked and must be coordinated in order to preserve peace. Our society will only be able to develop in freedom if it is protected against aggression and threats of aggression. For this reason the European Union must take security into account in developing a coherent policy. The European Union as a peacekeeping institution, must contribute to strengthen the Atlantic Alliance as well as its role within it.

a) European foreign policy not underestimates its own responsibility for security but should openly develop and practice a common security and defence policy. This is the only way in which the Community can act as a mediator and unifying force in a world of political and military blocs.

b) The European Union, the USA and Canada share a close concern for the maintenance of democracy, respect of human rights and world peace. They have common interests in external trade, monetary affairs and in an economic world order that assures greater stability and justice.

This is why we have a special relationship with the USA and Canada. In this context the Community should seek to coordinate the security policy of the Member States within the Atlantic Alliance.

- c) Growing European integration, in connection with industrial, scientific and political issues, leads to a new level of partnership and equality within the Atlantic Alliance.

5. The European Union can and should play an important role in the difficult but necessary process of détente between East and West, and especially throughout Europe.

Increased cooperation, broader contacts and growing exchanges between countries and individuals all over Europe are essential elements of peace and stability. The European Union should constantly work for the lowering of barriers to the free movement of people, information and ideas.

The process of détente is a vital element of the foreign policy of the Community. Success should be judged by the way in which barriers are effectively removed and the present level of military confrontation in Europe is mutually reduced. The Rome Treaties also require joint action to be taken on economic questions. On the basis of a common attitude in questions of security and foreign policy, efforts should be made to encourage broader contacts and normal relations with the Soviet Union and the Eastern European states.

6. Europe, together with the non-European industrialised countries, should help the countries of the Third World, especially the poorest among them to free themselves from oppression, hunger and poverty, and to develop favourable conditions of life for their citizens.

- a) A thorough reform of the world economic order is a pressing need. The answer lies not in confrontation but in cooperation and developing common interests. This reform must therefore be based on the free exchange of goods, services, foreign currency and capital among all countries as the best means to guarantee economic growth and an efficient fight against inflation. At the same time, and under suitable conditions, it must provide for greater transfer of financial resources and of technology towards the less developed countries.
- b) Production and distribution of energy and raw material will have to be geared towards a more responsible use of world-wide resources. The European Union's economic weight gives it a special responsibility towards the Third World. European Development policy, designed in

particular to benefit the developing countries without raw materials, which at present find themselves below subsistence level, is therefore of the utmost importance. The Lomé Convention with 46 developing countries is a suitable starting point for this and, through its system of stabilising export earnings from raw materials, shows the advantage offered by development policy pursued at European rather than national level.

7. The European Union must make persistent efforts to facilitate peaceful development in the countries bordering the Mediterranean, and in the Middle East, thus helping to remove the causes of chronic tension and to improve the political, economic and social situation in that area.

- a) Because of its geographical and historical links with the Mediterranean area, the European Union has a natural concern for the political and economic development of that area. Peace and stability in the Middle East will partly depend on the extent to which economic cooperation between Europe and the whole area is established.
- b) A division of this area into two spheres of interest between the two super powers carries in itself a risk of new conflicts. Close economic collaboration with Europe can make it easier to overcome the old antagonisms in the area.

8. The pressing problems of our times can only be solved in close cooperation with other countries. We wish to unite Europe not in order to dominate others, but to make a real contribution to stability and world peace. We know that many people outside Europe are urging us to play this role. However it will take time and patience to develop unity throughout Europe.

A common foreign policy should develop out of a common procedure, whether the issues concerned are entirely or partly within the framework of the Treaties. Existing cooperation between the Ministries of Foreign Affairs should not only continue but also be extended. Joint representation of the Community should gradually be created in international organisations and in the rest of the world.

9. Enlargement of the Community should be seen above all as a political question. All free and democratic countries in Europe should be welcome to join the Union if they so wish and provided they fulfil the obligations of membership, in particular by the organisation of free and representative elections for the European Parliament. There may be economic difficulties but an effort should be made to solve these by special arrangements.

At the same time enlargement should not be detrimental to the continuing cohesion and the effective functioning of the European Union.

Integration should be pursued to make enlargement easier.

ENVIRONMENTAL POLICY

1. It is essential to have a Community policy for the environment to ensure that it develops in accord with liberal principles and enables citizens of Member States to enjoy the highest possible quality of life.

The main objective of liberal and democratic policy is to create and maintain an environment in which men and women can live with dignity and pleasure, fulfill their potential, exercise their responsibilities and satisfy their basic needs. The policy must also guarantee future generations the best possible quality of life and we must not allow today's decisions to restrict the future freedom of choice that is essential to existence.

2. One of the great riches of the Community is the diversity of Europe's natural, historical, architectural and cultural heritage.

- a. The historical evolution of our civilisation has created numerous towns and city centres with styles of living which must be protected. Historic districts must be restored or preserved and protected from uncontrolled urban development which can lead to wholesale clearance and creation of new commercial districts.

Protection should be given by preparing and agreeing a code of practice for historic towns and city centres.

- b. Liberal and democratic policy also seeks to reconcile the protection of our cultural heritage with economic pressures and the need for growth.
- c. Under no circumstances can the demand for higher standards of living be used as justification for developing a uniform culture, lifestyle or organisation of work, or the monotony that such uniformity implies.

3. Thinking about our economic future should incorporate social and ecological factors. Growth cannot be an end in itself. Technology must remain the means and not the end.

- a. We support Community efforts to develop common solutions to our problems. Liberals and democrats are convinced that the god of rapid and irrational economic growth must be rejected. Massive centralisation, because it always leads to an impersonal approach, is a major obstacle to maintaining the essential spirit of the peoples of the Community.

- b. The liberal and democratic approach to environmental problems is designed to improve the living conditions of every citizen, since we are always concerned to protect the rights of the individual. This approach is better placed than others to meet the real needs of the citizen.
4. The lack of a real policy for developing energy resources in the past has meant that today we have to rely more and more on nuclear power, and this presents a real danger to humanity. We must find an answer without resorting to extreme solutions that are usually determined by passion instead of reason.

We give priority to the more efficient use of conventional energy sources, strict economy in the use of energy and much greater efforts to find new sources of energy, as well as continuing research into nuclear fusion - the use of which would overcome many of the disadvantages in the design of present nuclear power plants. We accept that we have to use nuclear energy but only when there is no possible alternative. We repeat our view that present and future generations should have adequate protection against the risks associated with present nuclear power plants. It is essential that the institutions of the Community should arrange for detailed consultation on the siting of future nuclear power plants, where it is proposed to build nuclear power plants near the borders of Member States, the relevant local authorities of neighbouring countries should take part in these consultations.

5. Farming methods are the main influence on the natural environment and we must recognise and encourage those methods which retain an ecological balance - if necessary by financial incentives. Community forestry policy must also recognise this objective.

The role of agriculture is explained elsewhere. In order to establish farming and forestry methods which retain an ecological balance, a Community budget must be prepared and coordinated with action by Member States and at regional level.

6. Every citizen must be allowed his say in determining the quality of life, and to do this he should be kept fully informed. Each generation must recognise its responsibility in laying the foundations for the quality of life for succeeding generations.

In order to keep everyone fully informed, all the data needed for the evaluation of the environment, together with statistical and economic data, should be collected and made available. This will help plan the future and ensure that consumers are consulted at all levels.

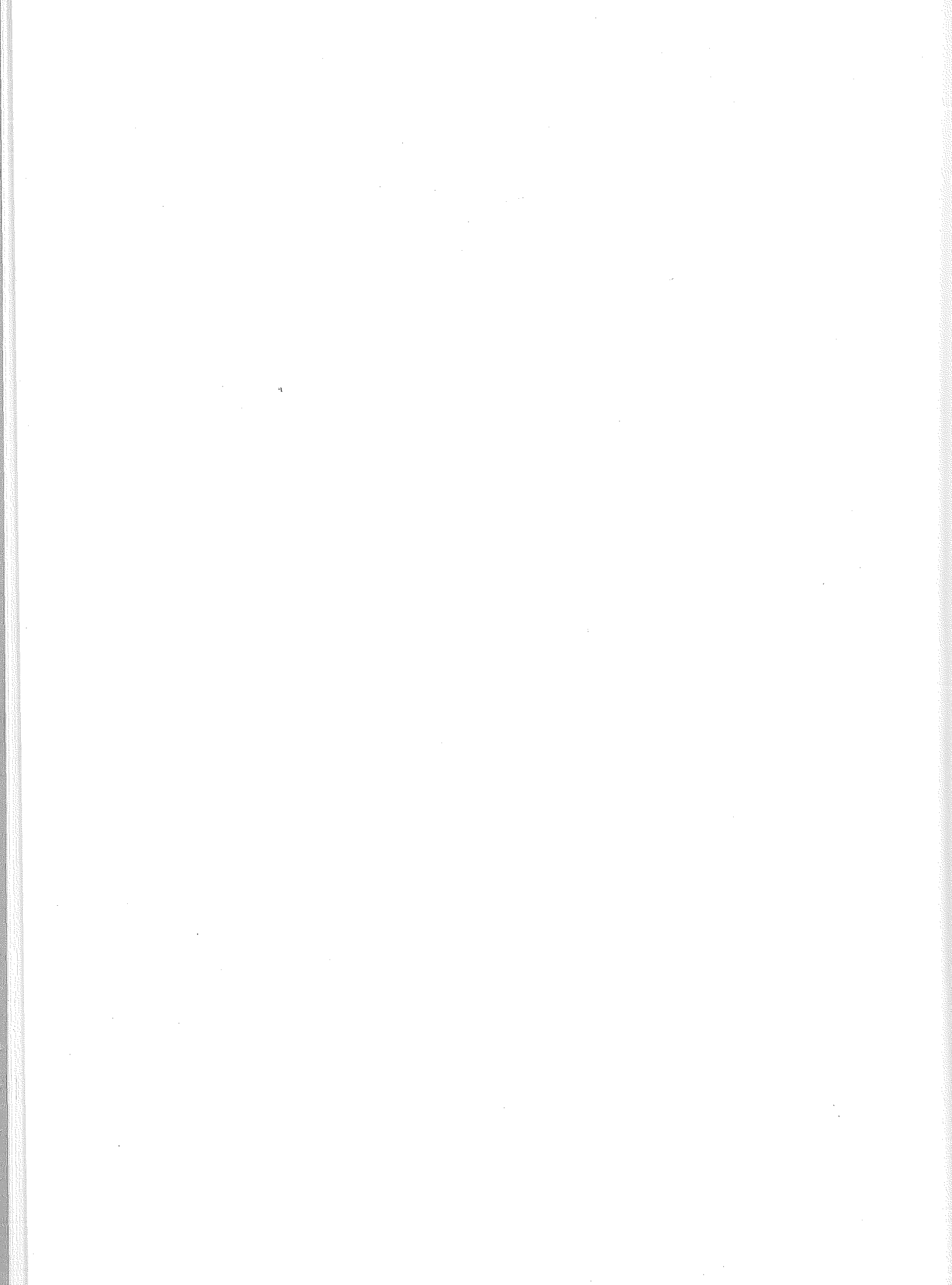
7. A Community environment policy must include the power to intervene in cases of potential danger. In these circumstances the Community must be able to activate the powers of various bodies set up to intervene politically, administratively and financially. We need joint European procedures for approving infrastructure projects and regional planning proposals which concern several Member States. The Community should also formulate Community-wide minimum standards of quality.
- a. Technological developments can lead to the introduction of industrial processes which can cause hazards to citizens of other Member States.
 - b. Pollution knows no frontiers. The Community must formulate measures to combat pollution and these will only become fully effective if they are incorporated into national legislation in the spirit of the Treaty of Rome.
 - c. Increasingly, major development and infrastructure projects can have important repercussions on the environment and living conditions in neighbouring Member States. It is essential that all communities whose future and living conditions are directly affected by such projects should participate fully in the approval procedures.
 - d. The Community should draw up joint legislation to protect citizens who are exposed to cross-frontier pollution.
8. Worldwide cooperation is needed to develop universal protection of the environment.

Recent discussions on the "Limits to growth" has shown how much the long-term survival of mankind depends on maintaining the right ecological balance and developing world-wide cooperation. The Community must take the lead in this, and in the search for solutions which could improve the quality of life in the Third World, since human dignity requires that all people are guaranteed minimum living standards.

9. Worldwide cooperation must be in the form of an international code for the environment binding on everyone. Developing countries must be encouraged to work out their own growth strategy within this code.

Our civilised society has been achieved through sustained effort, sacrifices and investment. There have been mistakes along the way often due to an inadequate appreciation of the effects of technology. It would be wrong for developing countries to follow the same path. We

must provide a balanced research and development effort matched to their resources. It is essential as they develop that they respect minimum environmental requirements and do not upset agreements which have, in some cases, been established through considerable effort. The Community should take the lead among industrialised countries in proposing and drawing up an international environmental code that takes full account of the needs of developing countries and the development needs of the rest of the world.



SMALL AND MEDIUM-SIZED BUSINESSES

1. Small and medium-sized businesses are a key element of the economic system in democratic industrial countries both in terms of productive capacity and of employment levels.

Despite the growth of multi-national companies and financial conglomerates, large enterprises are only part of the economy. Companies of all sizes are a characteristic of advanced industrial nations with small and medium-sized businesses most active in developing new industries.

In addition to playing a key role in manufacturing industry, small and medium-sized businesses play a vital role in the service including, retailing, finance, credit, professional consultancy, transport and other general services. In some sectors the small and medium-sized company is dominant. In these fields, as in manufacturing, the strength of the small and medium-sized businesses is their speed of reaction and flexibility which allows them to adapt more rapidly to market forces and adopt technological innovations as well as, within certain limits, quickly changing their organisation and levels of production. In short, this gives them the opportunity to have the edge over the big corporations in the continuously creative process essential to a highly developed society.

Beyond a certain level, industrial concentration can be counter-productive. This is the reason why some large holding companies are organised with central finance but with production in smaller, flexible, units.

2. We are deeply convinced of the need to promote the development of small and medium-sized businesses for both political and economic reasons. They guarantee an active market, economic pluralism and the presence of independent economic forces : they are free from the bureaucratic practices of state-owned industries and the general tendency to bureaucracy of large companies. Small and medium-sized businesses produce trained people in management and skilled people for the workforce ; in fighting unemployment they develop better human relationships ; they are essential for the spread of economic power which is linked with the spread of political power. They are an essential element of the social free market economy which is the basic aim of the Federation of Liberal and Democratic Parties of the E.C.

Medium-sized companies are more exposed to the market, more flexible and more efficient. Whilst maintaining a free market they also guarantee the survival of the efficient and their independence of the state - a basic aim of liberals and democrats. For this reason we resolutely oppose deals between large multinational companies and governments. These have two adverse consequences. The first is economic - it allows the largest companies to obtain benefits at the expense of the community. The second is political - if economic power is combined with political and executive power this has dangerous consequences which are a threat to democracy. In service areas we prefer the small, independent private company instead of increased public services.

3. Liberals and democrats demand the creation of a programme to aid small and medium-sized businesses in the Community. The main points of the programme should be :

- a. coordination of national policies ;
 - b. development of Economic and Monetary Union ;
 - c. proper application of the rules of competition ;
 - d. harmonized, more flexible and simplified taxation policy ;
 - e. greater use of credit policy ;
 - f. adjustment of certain aspects of social policy to reflect the economic situation of small and medium-sized companies ;
 - g. promotion of training and protection of entrepreneurs ;
 - h. easier access to research ; encouragement of joint research by small and medium-sized firms ;
 - i. harmonization and development of appropriate company law ;
 - j. promotion of exports by small and medium-sized firms both within and outside the community.
-
- a. We favour full exchange of information and experience of measures taken by Member States to help smaller businesses. Coordination of information will indicate possible initiatives that can be taken to help small and medium-sized businesses. To assist inter-governmental cooperation, the Commission should extend the terms of reference and increase the staff of the " Small and medium-sized enterprises and craftsmen's business" division of its Directorate-General for Industrial and Technological Affairs.
 - b. Differences between national economic plans can lead to clear distortions in competition (national measures to help industry are often only just within the provisions of the Treaty of Rome). The Commission should harmonise these plans and seek the integration of national policies. As part of its economic proposals the

Commission should put forward clear options which reflect the needs of small and medium-sized businesses.

Monetary stability is essential for the survival of smaller businesses. The Commission should work for EMU in close cooperation with Member States (see chapter EMU) since smaller businesses can no longer sustain the financial losses resulting from successive fluctuations in exchange rates.

- c. As guardian of the Treaty, the Commission must ensure that the rules of competition pursuant to Articles 85 and 86 of the Treaty of Rome (EEC) are applied. The Commission must inform small and medium-sized businesses of the types of cooperation which it allows. The Commission should also increase the exchange of information on national competition policies so as to encourage greater coordination and eventual harmonisation.
- d. National arrangements for value added tax, profits taxes, income taxes, industrial taxation and death duties must be harmonized to make them more flexible, to encourage enterprise and new businesses.

The Commission should also propose a simplified system of tax collection.

- e. Information and experience of national practices, which provide finance for smaller businesses, should be brought together as the first step towards harmonisation of credit policies at Community level.

Community financial intervention through the European Agricultural Guidance and Guarantee Fund, the European Social Fund, the European Regional Development Fund, financial aid from the European Coal and Steel Community and the European Investment Bank must be coordinated and strengthened. Large enterprise have proved that they can easily gain access to these Community sources of finance, but the same does not apply to the smaller businesses. Information about these sources of finance should be made more widely available so that it reaches small and medium-sized companies as well as the larger production units. The Commission should make concrete proposals for the rationalization of financial aid and preferential treatment for smaller businesses.

- f. More than any other type of enterprise, small and medium-sized businesses guarantee stability of employment. However, while providing stability during recession they also have to carry steadily increasing costs for social security. The Commission must

take account of this in the implementation of the Social Action programme and should ask the Member States to carry out selective policies in their financing of social security costs.

- g. Management of small and medium-sized businesses requires a variety of skills. Legislation should provide for professional training for those who run small and medium-sized businesses and make such training easily available, in similar ways as has long been provided for employees. The Commission should give the self-employed access to the European Social Fund and provide specific opportunities through the European Centre for Vocational Training.
- h. Small and medium-sized businesses have limited funds for research, and frequently company budgets cannot allow capital to be tied up in research. Some Member States have awarded 'research contracts' to assist innovation in smaller businesses. Small and medium-sized businesses should be encouraged to make agreements for jointly supported research so that they can benefit from industrial innovation. This must be encouraged. Community financing institutions should make access to research facilities easier and encourage joint research agreements for smaller business.
- i. The legal framework for business activity varies very considerably from one member country to another. If this situation continues it risks penalizing the businesses of one member country compared with the Community as a whole. There must be greater exchange of experience between member countries and standard conditions for the operation of businesses must be developed.
- j. Common commercial policy should serve the interests of small and medium-sized businesses by giving them easier access to markets and providing adequate cover for the risks involved in major export operations.

ENERGY POLICY

1. The energy policy of the European Community can determine the nature of society in which we and future generations will live. It should not only guarantee greater independence with respect to our energy supplies but also contain guarantees for the present and future generations about how we use nuclear energy. Our scientific knowledge about nuclear energy will have to be broadened and more research into alternative sources of energy is needed.

Liberals and democrats believe the Community has a key role to play in this area. We intend to secure the Community's energy supplies in order to enable it to face challenges of the future.

- a) The EEC has to import approximately 60 per cent of its energy, mostly oil and natural gas. Dependence on imports of these basic raw materials could lead to economic and political dependence as well. Europe may be forced to pay a higher price for energy and spend a larger part of its income on energy supplies.
- b) It is an illusion to believe that Europe will ever achieve independence in the field of energy - at least not in the foreseeable future. Indeed the Community has only limited reserves of oil and natural gas, in particular in offshore areas where there are considerable production difficulties. Coal production even if stimulated, and even if it should again become profitable as a result of further increases of the price of oil cannot by itself constitute a solution for our energy problems. Coal can only be expected to be a useful supplementary source of energy.
- c) Nuclear power plants could provide a certain degree of independence to Europe but doubts remain about their effect on the environment as well as about the future availability of fissionable material.
- d) Possible new sources of energy are still in the research and development stage and they may not be able to meet increased demand in the coming decades. Nonetheless, research efforts into these new sources must be encouraged.
- e) It seems important to have a clear idea of the size of available oil and natural gas reserves. The United States is already discovering the inconvenience of natural gas shortages and American consumers may become serious competitors for the remaining natural gas supplies in the world.

2. The sudden and sharp increase of the prices of energy and the likely future price increases constitute a threat to our prosperity and our well-being. We should strive to provide energy at the best price for all consumers. Competition is an essential element in this.
 - a) There is a direct link between rising energy prices and the rate of inflation.
 - b) Rising energy prices threaten the competitive position of all European countries depending on large imports of energy with resulting effects on the level of employment, the balance of payments, and so on.
 - c) Rising standards of living of the people of the European Community has depended on a rise in energy consumption, and we must recognise that this will continue in the foreseeable future.
 - d) It is essential to have a realistic price for energy which takes account of the full environmental costs of production or generation, maintains industrial competitiveness and permits a fair choice between different forms of energy.
3. Liberals and democrats feel that too great a concentration of power over energy supplies, whether in public or private hands, is dangerous, because of economic, bureaucratic and political implications. Competition must be maintained between the various sources of energy supplies.
 - a) We believe it is in the interest of the people of the Community to allow private industry to play an important part as competitors in the field of energy, because of the considerable investment of risk-capital required to secure future supplies, because of the world-wide nature of this activity and because of the need to maintain plurality of access to the sources of energy. The interest of the citizen will often be better served in this way.
 - b) Public authorities can play an active role in the field of energy by promoting the search for new energy supplies and in general, by operating an energy policy compatible with the interests of private industry as well as of the individual citizen. The objective must be at all times to secure access to sufficient energy supplies.
4. Liberals and democrats are concerned about the consequences of the energy crisis for the present generation. The energy requirement of future generations could be in jeopardy unless agreement is reached at once on measures to secure continued supplies.

- a) Energy consumption during the last century, but particularly during the last decades, has increased steadily. There has been a growing demand for oil and natural gas, two sources of energy for which a danger of rapid exhaustion of reserves is a distinct possibility.
 - b) National governments and the Community should formulate and apply a policy providing for the most effective and rational use of existing sources of energy.
 - c) Natural gas and oil are very valuable raw materials for the future development of the petrochemical and other industries. Any waste of these hydrocarbons could deprive later generations of possibilities for economic growth. Use of natural gas and oil as fuel should therefore be discouraged.
5. Joint action in the field of energy is essential, within the Community as well as with democratic countries outside it. Harmonious relations must be established and maintained with third countries, whether consumers or producers, taking into account the world-wide political and economic implications of energy problems.
- a) Permanent coordination between the European Union and other major energy consumers, such as the United States and Japan, is essential because of the risk of fierce competition between the industrialised countries for the remaining sources of energy, which could endanger the very foundations of democracy.
 - b) We can no longer rely on cheap energy especially as demand will tend to increase and available resources will become scarcer. On this basis we should reformulate the Community's economic policy without delay.
 - c) The sudden increase in the price of energy constitutes a serious threat to the economies of Third World countries not fortunate enough to have their own energy resources. Europe should extend assistance to these countries.
 - d) During negotiations with developing nations aimed at reaching a settlement on the raw material problem, Europe should propose ways of developing alternative sources of energy to countries where these are real possibilities.

6. Community energy policy should strive for the most rational use of existing resources. The main objective must be to reduce Europe's dependence on outside supplies. An important contribution is the war on waste, which yields savings that will not affect the standard of living.
- a) Because of growing world demand, energy like other raw materials, is becoming a very valuable commodity and the price increase is simply a normal market economy development. So far, higher prices have had a limited influence on levels of consumption. Nevertheless pricing policy must be an element of energy conservation policy. The economy must adjust itself still further and reduce its energy requirements in order to preserve energy supplies. It is essential that we achieve a better use of energy supplies through improved insulation, by encouraging energy saving techniques and so on.
 - b) We can reduce dependence on overseas energy suppliers by increasing Community production of oil, natural gas and coal. For coal we need a long-term programme aiming at greater profitability of the mining industry through the development of new techniques. Taking account of the environmental effects, imports and consumption of coal should be encouraged in order to reduce our dependence on oil.
 - c) Prospecting for oil and natural gas in the North Sea and other parts of the European continental shelf should be encouraged by the Community in particular by stimulating the development of new research and production techniques.
 - d) Maintaining the present standard of living will require growing quantities of energy. Since we want all regions of the Community to share in the growth of prosperity our energy needs will remain considerable in the future. The emphasis on raising the quality of life is not likely to reduce energy demand to any large extent.
7. Liberals and democrats believe energy from nuclear fission can provide a necessary, but temporary answer to the growing demand for energy. They are fully aware of the dangers inherent in the use of this source of energy. Therefore they consider it indispensable to give the fullest attention to the search and development of other, alternative sources of energy, including clean forms of nuclear energy.
- a) New sources of energy may be unable to meet the increased demand for energy before the turn of the century. Future economic growth

will be matched by increased energy consumption, in spite of possible savings of energy. The further development of nuclear energy seems inevitable, in order to prevent too rapid a decline of oil and gas reserves.

- b) We cannot ignore the reaction of public opinion to proposals to construct new nuclear power stations. Greater openness and more information to the public about the Community's energy policy is essential. Ecological and environmental factors must be taken into account when planning new nuclear power stations, as well as the possibility to dispose of nuclear waste material in acceptable conditions.
- c) The building of new nuclear power stations in the Community requires prior consultation and agreement among all member states in order to eliminate the dangers resulting from an over-concentration of these installations in specific areas, in particular in adjacent areas of the respective member countries. Agreements among Community members can contribute to a more equal distribution of nuclear power stations. The Community must set standards for security, location and other key matters.
- d) Liberals and democrats realise that the introduction of nuclear energy, even on a modest scale, brings serious political and security problems with it and could constitute a threat to our democratic principles and institutions.

SOCIAL POLICY

1. Liberals believe in individual responsibility and social solidarity.

Society should provide work for all its citizens and extend facilities for further education and training to all those, who can benefit from it, irrespective of class, means, sex or other backgrounds. Appropriate forms of participation and industrial democracy must provide a further basis for exercising social responsibility, enabling people to shape their own lives and provide for their dependants. Self-reliance on the part of the individual, however, does not mean a neutral or negative attitude on the part of society : collectively it must take care of those who are unable, or no longer able, to play their part in the economic process.

2. Liberal social security policy guarantees freedom and security, and safeguards individual rights, by providing the means of living that individuals cannot provide for themselves.

Liberals, who have contributed so much to the introduction and development of social security, believe in a collective responsibility for the well-being of all members of society. Normally, it should be possible for those of working age and available for work to make provision for themselves and their dependants. Social security should therefore be primarily concerned with those who are not in a position to do that.

Help and guarantee of a reasonable income for those who are unemployed, or disabled, for the sick or the elderly, as well as for certain minority groups with special needs, is fundamental to a liberal social security policy.

However, over-ambitious plans and the construction of a top-heavy bureaucratic and expensive social security systems have endangered these very goals. Individual participation and responsibility should be stressed in the methods by which the social security system is financed and any further extension should be linked to economic growth. This is particularly important since current economic conditions have caused extensive structural unemployment, which makes a growing demand on the social security system. We must give the highest priority to the fight against rising unemployment.

For this reason the costs of social security must be recognised as burdens both to private and collective budgets. If the burdens are

too great they may have anti-social effects in preventing new investment or economic initiatives and thereby further aggravate unemployment.

Social security policy, as such, or the management of its funds, should not be used as an instrument to transfer too much power from the individual to either governments or trade-unions.

In general we should keep a balance between necessary social security measures and the costs thereof, as well as between the power of those who dispense such funds and those who administer them.

3. In a liberal and democratic society the individual will be defended against any abuse of great social, economic or political power. This must include the protection of those without collectively organised power and assist those who do have this power against unfair results of free bargaining. Parliament has particular responsibility to defend this common interest of all citizens.

In a democratic society neither social and economic groups nor political authorities should occupy such dominant positions as to endanger individual freedom. Governments should seek to protect individuals against the wide-ranging powers of trade-unions and employers. Both the trade-unions by their enormous collective bargaining strength and the employers organisations exercise great power without the check of public accountability.

The development towards wages- and industrial settlements through tripartite conferences (employees-employers-government) may help to avoid open conflicts, though the last word should be left to parliament. The Social and Economic Committee should remain the most important advisory institution as far as European social and economic policy is concerned.

The European Parliament should acquire co-decision-making powers on legislation in this field, in order to guarantee that the common interest as well as the views of social partners are taken into account and are given fair consideration.

4. Equality of opportunity for all individuals to develop themselves to the maximum of their abilities is essential to a Liberal and Democratic society, as opposed to societies who deny that equality in the name of egalitarianism.

We adhere to the principle that all human beings are equal. This means equal chances and possibilities to the best of one's abilities, not an equal end result.

From a liberal point of view a social policy need not envisage a centralized social structure, but a pluralist society in which people enjoy in their various communities all the social rights they choose as best for themselves.

5. We fight for the right of employees to participate responsibility in the running, stability and development of the enterprise in which they work and to acquire a financial interest therein.

In a free society every employee has to be given the opportunity to participate in decisions about and the development of his working place.

The establishment of works councils and similar mechanisms as instruments for representation, cooperation and the development of employees' rights and responsibilities should be promoted.

Equally employers and management should acknowledge the rights of employees as well as shareholders to participate in the main policy decisions which may influence the future of their enterprise.

Boards of companies should be established in such a way that employees' interests are fully represented. European company law should be based on this principle. Representation of the managerial staff, who have a different form of responsibility, should also be considered.

6. The European measures of social security developed at Community level are more than a simple addition to national systems. They should develop a distinctive role of their own, especially in the structural field. We believe, however, that social policy should never become an exclusive Community policy since the major task of the Community is better harmonization of the different social security systems within it.

We approve of the Commission's policy of combining the agricultural, regional and social funds as a coordinated instrument of structural change.

Greater harmonization in order to diminish differences between social systems should be pursued, taking full account of local, regional and national circumstances, and recognising the existence of a pluralistic society. Migrant workers and others should be able to move within the Community without losing their original benefits and certain that they will be able to receive welfare or sickness payments wherever they settle.

Health policy is closely linked with housing- and working-conditions, and the achievements of the Community social fund in this field should be pursued and extended. Common policy aims in this area do not require the establishment of a uniform system all over Europe, but national systems can be helped enormously on the European level if agreement could be reached not to take any measures which increase existing differences between Member States.

Experts should work together in an effort to establish guidelines for the development of social security systems in all Member States.

7. The Community should assure throughout its area the freedom of movement and settlement of its citizens, whatever their occupation. It must have a special care and responsibility for those who are working outside their own country, for both citizens of Community countries and migrant workers who come to work from outside the Community.

- a. Although it is possible for every citizen of the European Community to move freely within it, there are still many practical impediments to free settlement and the free exercise of professional activities everywhere, such as non-recognition of qualifications and work permits.
- b. Migrant workers, either from one of the Community countries, or from elsewhere are often at a disadvantage by comparison with those who life and work in their country of origin. This is especially the case as far as social security is concerned. Apart from this migrant workers often do not have a vote, have less job security and suffer from a continuous handicap because of language and other cultural background factors. Special provision should be made for education of those from other than the European background. This should be geared to practical knowledge useful in our society in case they want to return to their country of origin.

Moreover the possibility of moving from one national social security system to another within the Community without losing one's original rights is nowadays virtually impossible particularly for those who are not Community citizens.

EDUCATION AND YOUTH

1. The right to education is one of the most basic rights, Liberals have pioneered and always fought for it.

We regard the right to education as essential to enable individuals to develop themselves to the best of their abilities. Access to education must not be limited by class, sex, means, local environment or other social backgrounds. Tolerance and respect for cultural identity should be encouraged through education.

A key idea of our educational policy is that education is not only for the school years, but should be a permanent process. Through life-long education everybody, especially those who did not have the means or were not sufficiently motivated to learn when they were young, can be given further possibilities to acquire new skills and develop their personalities. This principle should be the guidance of the European Community's role in education.

2. A Community educational policy should stimulate citizens' appreciation of and interest in, their fellow European cultures.

- a. Educational policy should remain under the control of national and/or regional authorities. We want a European educational policy to support and stimulate the activities of these authorities, not only in order to preserve a diversity of cultural identities, but also in order to promote a better understanding among European citizens of the various cultures in Europe.
- b. Throughout the Community, minority languages and cultural diversities must be respected ; we are in favour of a multilingual Community. We wish to see widespread study of European cultures and languages at university and at school, as well as greater facilities for international cooperation and exchange. Television and radio broadcasts should be an important means of cultural exchange between European countries.
- c. Universities should not only be an important centre for the protection and study of the particular culture of the region in which they are situated, but also provide a stimulus for local development.

3. A European educational policy should encourage greater association between the various educational systems.

We favour a far greater mobility between the existing national and/or regional educational systems, so that students and scholars are given more possibilities to spend some time studying in another European country. In this context, equivalence of certificates and diplomas must be pursued. Moreover, it is essential to introduce consistent policy towards the recognition of professional and educational qualifications.

4. To stimulate the commitment of young people to the creation of a European Union, a Community youth policy is of major importance. It must aim at helping young people find their proper place in our society.

The Europe we stand for must be close to its people. Europe must be a living reality, especially to young people, for they are the ones on whom further development of the process of European integration will depend. The institutions of the Community therefore have to elaborate a comprehensive youth policy, and should allow young people to let their voice be heard in the decision-making process. To this end, we should encourage not only international cooperation between youth organisations, but also the activities of already existing international youth organisations. The Community should develop facilities for exchange programmes between the Member States.

Growing unemployment among young people at present creates serious problems for the development of our societies. We regard this as a serious threat to our basic purpose, that of providing all individuals with maximum facilities to develop their personalities to the full.

A Community policy to curb youth unemployment is of vital importance to establish the commitment of young people to the creation of a European Union.

