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IN THE CHAIR: MR DANKERT

*Vice-President**(The sitting was opened at 5 p.m.)*1. *Resumption of the session*

President. — I declare resumed the session of European Parliament which was adjourned on 22 January 1982.¹

I call Mrs Moreau.

Mrs Moreau. — (FR) Mr President, I have asked to speak to express my astonishment at the statements which you made yesterday evening, in your capacity as President of the European Assembly, to the Grand Jury programme on RTL. I have the text of your statements in front of me and I see that a journalist put the following question to you: 'You said that Simone Veil was handicapped by a peculiarly French concept of authority: what did you mean by that?' And this was your reply which did not surprise me coming from Mr

Dankert, since we know you very well, but did cause me surprise coming from the President of the European Assembly since it was in that capacity that you were being interviewed; you answered: 'I meant that in the Anglo-Saxon countries a parliament is not the same thing as a parliament in Italy or France. A parliament in The Netherlands or in Germany tries to be in direct touch with its electorate on the basis of its representativity. In the Latin countries, parliaments play a different role. They are almost automatically obliged to support the government; it is the Minister or his close collaborators who count in that political system.'

I am astonished that the President of the European Assembly should have thought fit to criticize the way parliaments work in France and Italy. The journalist went on to say: 'You criticize Simone Veil for being too much of a Giscardien' and you replied very frankly, as you always do: 'There is something in that.'

I am very surprised because I have known you as a very courteous person and I wonder . . .

President. — Mrs Moreau, that is regrettable but the President cannot enter into a discussion in plenary sitting. I can only do that from a seat other than this one. Furthermore, you will have noticed that I expressed criticism. I should not like to have to repeat it on my own behalf. To be more precise, I was making an analysis but I think that the only way to solve this problem is to submit written questions to the President.

¹ *Approval of Minutes — Membership of Parliament: see Minutes.*

President

I call Mr Pannella.

Mr Pannella. — *(IT)* Mr President, as you know I admire your ability at directing this Assembly but when you preside over it in your own language — as you are entitled to do — you speak too quickly and do not give the interpreters time to fully convey your thoughts. For example, when you ask whether there are any objections we have not even heard your question from the interpreters before you have passed on to another matter.

I want to put a request to you: when you use your own language please speak less quickly if possible or turn on occasion to a different language.

President. — I call Mr Bangemann.

Mr Bangemann. — *(DE)* Mr President, it is obviously your duty to direct the proceedings. But if questions of this kind are put to you in your capacity as President, I think it is your duty to answer. My group and I personally are extremely surprised but what you said and I would ask you to indicate your position since we have the impression that your personal opinion does not correspond to the words spoken by you when you took your leave of your predecessor. This is unacceptable from you in your capacity as President and it is unacceptable to our group of which your predecessor is a member. I want to add a word to Mrs Moreau's remarks. When you were asked: 'Do you criticize Simone Veil for being too Giscardien?' you answered 'There is something in that.' Mr President, the whole House knows that you personally stated that in the two and a half years for which Simone Veil was the President of this House her conduct in office was not marred by the slightest shadow of partisan behaviour.

(Applause)

The previous President came from my group just as you come from the Socialist Group. We call upon you to be President of the whole House. You are not the President of the Socialist Group just as Simone Veil was not the President of a Giscardian Group.

(Applause)

President. — Mr Bangemann, I have not the slightest problem in this respect. I wholeheartedly maintain my statement in January concerning my predecessor. I merely note that Parliamentary traditions differ from one country to another. That was all I said yesterday. There was no intention to state a point of view connected with Party policy, but merely to point out that Parliamentary traditions in our countries are sometimes different. That is the interesting thing about this Parliament where not only different ideologies but also political cultures differing substantially from one

country to another are able to co-exist. This makes our work in this Parliament extremely impressive and interesting. I regret, therefore, that remarks have been made distorting what I have said.¹

I call Mr Schall.

Mr Schall. — *(DE)* Mr President, on your own initiative you personally gave instructions to cancel a French language course which was scheduled for early January and for which a number of Members had duly enrolled. I wish to point out that the instructions were given by you without the authorization of the Bureau and quaestors in a matter which had already been initiated before you became President. The fact of the matter is that the Members who had enrolled for this language course had already made advance payments to book their hotel rooms. There is also no justification for the possible claim that you were saving the Parliament money since, as we all know, the cost to Parliament in arranging language courses is confined to a small daily amount which bears no relation to the hotel bills defrayed by Members.

I would like you to explain the reasons for this, as I see it, cavalier conduct. I cannot accept such a conduct on the part of a President who is the President of all the Members of this House and was elected by us as the *primus inter pares* — even if, as I quite frankly admit, you did not have my own vote . . .

(Laughter)

Although you are still entitled to the loyalty of all the Members of this House. In my view, and I hope you will answer, you could have no grounds for acting in this way except perhaps to draw attention to yourself in public, a motive which I am sure does not guide your actions. I would therefore ask you to cancel your instructions immediately after this sitting.

President. — Mr Schall, I would ask you to make a written application to the President, pursuant to Rule 25 of the Rules of Procedure.

I call Mr Rogers.

Mr Rogers. — Mr President, for the second time since I have been in this Chamber, I have heard people say that you have been elected as President of the whole House. This disturbs me somewhat, and I hope that your first full part-session as President of this Parliament is not going to be disturbed by very churlish remarks on the part of some people.

¹ *Referral to Committee — Petitions — Documents received — texts of Treaties forwarded by the Council — Membership of Committees: see Minutes.*

Rogers

Having said that, Mr President, I must admit that I would like to ask you a question which may be some criticism. It is in relation to the order of the agenda, so I do not know whether you are prepared to take it now or a little later.

President. — I shall take it when I have read out the proposals concerning the agenda.

Mr Rogers, I still consider myself the President of the whole House, even if everybody does not agree with me.

(Applause)

2. Order of business

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

At its meeting of 28 January 1982 the enlarged Bureau drew up the draft agenda, which was distributed (PE 76.650).

During the meeting between the President and the chairmen of the political groups, which took place this morning pursuant to Rule 55 (1), it was agreed to propose the following amendments to the draft agenda:

At the request of the Committee on Agriculture the Costanzo report on special aid in the tobacco sector following the earthquake in Italy, of November 1980, which has been entered for Thursday as Item No 380, will be taken as the first item on today's agenda. The reason is simple: the Council is to decide upon it tomorrow and therefore a debate on Thursday would make no sense.

Wednesday, 17 February: Since the Council can give an answer to the oral question by Mr Linkohr, which will be included in the joint debate on the Walz and Lizin reports (Items Nos 375 and 376), drawn up on behalf of the Committee on Energy and Research, these reports will be taken before the joint debate on Items Nos 373 and 374, namely the Rogalla and Rinsche reports, also drawn up on behalf of the Committee on Energy and Research. So this is merely a switching round of two pairs of reports.

Thursday, 18 February: Since the following reports have not been adopted by the parliamentary committees, they have been withdrawn from the agenda:

Second report by Mr Tolman, on behalf of the Committee on Agriculture, on the protection of laying hens kept in battery cages (Item No 379).

The report by Mrs Krouwel-Vlam, drawn up on behalf of the Committee on Environment, Public Health and Consumer Protection, on inter-Community trade in fresh meat (Item No 384).

I call Mr Bangemann.

Mr Bangemann. — *(DE)* Mr President, on behalf of the Rapporteur, I would ask for Mrs Scrivener's report to be moved from Thursday — where it is the second to last item — to Friday following the report by Mr Aigner, because for personal reasons Mrs Scrivener cannot be here until Friday.

President. — We went into this matter thoroughly in the enlarged Bureau. We kept the Scrivener report back precisely in order to underline this possibility. It seems to me that with the agenda as it now stands there is a strong likelihood that the report will be taken on Friday and that we shall therefore not need to amend the agenda.

I call Sir Henry Plumb.

Sir Henry Plumb. — Mr President, when considering the order of business today and in particular items 358, 359 and 360 — the reports by Mr Faure, Mr Pöttering and Mr Delmotte — my group considered that since they were all related to regional policy and regional planning, although some of them concern Mediterranean and some structures on other areas, there was some similarity between these reports and therefore felt, knowing that they could support basically all three, that it would create a much better debate if we could incorporate those three, rather than have three separate debates. I therefore put this forward as a proposal, Mr President.

(Parliament approved this request)

President. — I call Mr Rogers.

Mr Rogers. — Mr President, I do not know what has evolved since my group meeting last week, but I am very concerned that urgent debates seemingly have now been moved from a Thursday evening to Thursday morning. The decision to put urgent debates on Thursday night came about as a result of a motion for a resolution tabled, I think, by Mr Forth and others. This resolution was, I understand, adopted by the House. Now, in this instance is it possible for group chairmen, or the Bureau, the enlarged Bureau or whoever to take a decision to move urgent debates from Thursday night back to Thursday morning? I certainly recognize that there has been a change in that there is initial screening of urgency resolutions so

Rogers

that we are not likely to get the same ridiculous situation that we had before. But I am rather disturbed at the possibility that we could get all sorts of issues coming up on a Thursday morning and then, because items are carried over from Thursday night part of Thursday's agenda gets pushed back to Friday again. As the Council mentioned in the Bureau meeting in November, this Community is in grave danger of creating a legal void because it is not concentrating on the matters that belong to it but instead is considering urgent topics which relate to all sorts of events are no business of the European Economic Community.

Now I wonder if you could explain to me, Mr President, how, why and by whose decision urgency has been removed from Thursday evening from 9 to 12 to the first item on the agenda on Thursday morning.

President. — I certainly can, Mr Rogers. The Forth proposal in fact, as far as I recall, meant that the plenary would fix its agenda session by session. In that context we put the urgency debate on Thursday.

There was a decision by the enlarged Bureau to shift urgent debate from the Thursday night to the Thursday morning, for two reasons. The first reason is that it would enable the Commission to participate far more in the debate by its responsible Commissioners than happens so far on Thursday night.

The second is that there were numerous complaints by the press concerning the placing of the urgency debate. Taking these elements into account, the decision was to try to do it on Thursday morning.

Of course the Plenary is fully entitled to move it to whatever place in the week plenary wants. But this is the proposal, and if it is accepted we will have the urgent debate on Thursday morning.

Mr Rogers. — Mr President, am I then to understand that there will still be 3 hours of urgent debate on Thursday? If that is the case — just simply to test the wishes of the House — I would formally move that we only allow 2 hours for urgent debate on Thursday.

(Parliament rejected this request)

President. — I call Mr Forth.

Mr Forth. — Mr President, since my name has now been mentioned several times, could I just clarify the position on this?

The reason why the urgent and topical debates were scheduled between 9 p.m. and midnight on Thursday was that about a year ago I originally moved an agenda change, under what is now Rule 56. The House accepted my proposal and since then each

session the urgent debates have been held on Thursday night. The enlarged Bureau has now moved these debates to Thursday morning, as it is entitled to do. If any colleagues felt strongly about this they should really have used Rule 56 and got a proposed change to the agenda, and I would urge them to consider doing that in the future. Because whilst I accept, Mr President, your reasons for moving the debate forward to Thursday morning, I have the same misgivings that Mr Rogers does. I believe that it is going to be abused as it was before and I think this is probably a retrograde step. But let's try it. Let us put our trust in the group chairmen to make sense of this, to propose only two or three subjects for debate and not 15 or 20, and let's try to make sense of the urgency period. If it goes wrong then, Mr Rogers, I suggest that you and I come back to the House in another session or two and put it back to midnight where it probably belongs.

President. — I think there is some guarantee as far as that is concerned that the Thursday morning sitting will only last from 10 a.m. to 1 p.m. so that debate will only last 3 hours.

I call Mr Nyborg.

Mr Nyborg. — *(DA)* Mr President, what I am concerned about is not so much whether these debates will be held on Thursday morning or Thursday evening. This House has just voted almost unanimously for a three hour debate, which, as I am sure you realize, means that all business has to be concluded within three hours. The groups can therefore be allocated no more than 2 or 2½ hours speaking time, to leave room for the Commission and Council, and any minor over-running of speaking time. Business will have to be concluded within the time specified, if we are not to return to the situation in the evening sittings in the past when, after three hours, some matters had still not been debated because the groups had been allowed to exceed their speaking time or because the Commission or the Council had spoken for longer than expected.

I would therefore urge you, Mr President, and everyone else involved in drawing up our agenda, to bear this in mind.

President. — Yes, I think that the problem is simple, Mr Nyborg: we have three hours of debate, we are voting one urgency after another. It is reasonable that the Commission and Council take part in this debate whenever they feel there are good reasons for doing so. Thus, if they intervene at that moment, the number of urgencies may diminish according to the amount of speaking allotted. But as far as the structure of the debate is concerned, there are no problems.

I call Mr Woltjer.

Mr Woltjer. — (NL) Mr President, I strongly object to the repeated removal of the Tolman report from the agenda. Two months ago Parliament practically completed its consideration of this report in a lengthy debate and vote only to refer it back afterwards to the Committee on Agriculture. The matter is now becoming serious. By constantly postponing this report Parliament is giving the impression that it is unwilling to deal with the political issues at stake here. I therefore ask you, Mr President, to discuss in the Bureau whether this report could not be dealt with at the next meeting of the Committee on Agriculture since in the interests both of public opinion and of the consultation directed to us, it is urgently necessary to place this report on the agenda again.

President. — I am certainly prepared to discuss in the enlarged Bureau a deadline by which this report should go onto the agenda in this part-session.

The report by Mr Irmer, drawn up on behalf of the Committee on Budgetary Control which was on the draft agenda for Friday, on the action taken on the resolution of 18 June 1981 on the discharge for 1979 (Item No 390) was removed from the agenda because it has not been approved by the relevant parliamentary committee.

Furthermore, I have received the following requests for amendments on which Parliament has to decide. Mr Collins, chairman of the Committee on the Environment, Public Health and Consumer Protection, would like the report by Mrs Weber on the environmental effects of certain private and public projects, entered for Thursday as item No 381, to be taken on Tuesday.

I would like to mention two things here: the report by Mrs Weber will in any case come earlier on the agenda for Thursday because the Costanzo report is being taken today and because the Tolman report has been removed from agenda. It is thus highly probable that the vote on the Weber report can still take place on Thursday at 6 p.m. I think you will be satisfied with this, but I will gladly hear your views on the matter.

I call Mr Collins.

Mr Collins. — The reason for my request, Mr President, was quite simply that this had been taken off the agenda in November because inadequate time had been given and because inadequate time was possibly being given to the vote as well. If I can be assured that this vote will take place at 6 p.m. on Thursday and that the debate will therefore take place on Thursday afternoon, then I am satisfied and I can withdraw my request.

President. — Mr Collins, I can never give any firm commitments in the House because it depends not on

me but on the behaviour of the House, but as far as we can forecast at the moment it is a fairly firm commitment.

The Committee on Youth, Culture, Education, Information and Sport has requested the inclusion in the agenda of its oral question with debate No 099/81 to the Commission on the recognition of diplomas. The meeting of the President and group chairmen proposed this morning that this item should not be included in the agenda since there is no debate in which the question can be reasonably incorporated.

Sir Fred Catherwood has requested the inclusion in the agenda of oral question No 097/81 by Mr Welsh, on behalf of the Committee on External Economic Relations on the Multifibre Arrangement. Since this oral question has not been tabled within the time limit laid down by the Rules of Procedure, and in view of the large number of items already included in this week's agenda, the enlarged Bureau will tomorrow consider the possibility of entering the question on the draft agenda for the March part-session. I take it that you have no procedural objections to his.¹

Mr Pannella has requested, on behalf of his group, the inclusion in today's agenda, immediately after the statement by the Commission on the action taken on the opinions of Parliament, the following item: the inaction of the Commission on Parliament's resolution in Doc. No 1-375/81 on the contributions by the Member States and the Community to the combating of hunger in the world, in particular by drawing up an emergency programme within 30 days following 8 October 1981, as indicated in the resolution adopted by Parliament.

I call Mr Pannella.

Mr Pannella. — (FR) Mr President, this is a serious matter and it is to the credit of this Parliament that for once it has taken up a position which has gained the approval of broad sectors of world public opinion and enhanced the prestige of this House.

Mr President, I think it is our duty to tell the Commission that its attitude is absolutely intolerable, quite apart from the fact that it is injurious to this Parliament.

On 8 October, Parliament called upon the Commission to present outline projects for intervention to the Council within thirty days. Even if Parliament has drawn repeated attention to this request and even if Commissioner Pisani has stated on several occasions that he would act, six months have now passed without any action being taken and in the meantime some 15 million persons have no doubt died of starva-

¹ Urgent procedure: see Minutes

Pannella

tion and the Commission has not even been prepared to draw up a text for the Council. That attitude is, I repeat, absolutely intolerable.

Mr President, I therefore hope that the Assembly will enter this item on its agenda. I think this will give the Commission an opportunity to say why it has acted in this way and whether it intends to change its approach.

(Parliament rejected the request and adopted the order of business thus amended)¹

3. Speaking time

President. — I propose that speaking time for the deliberations during this part-session be allocated in the way set out in the Bulletin.

Are there any objections?

That is agreed.

I call Mr Pannella.

Mr Pannella. — *(FR)* Mr President, may I remind you that the Rules of Procedure give you this possibility but it must not become an unbreakable rule. The rule to which you refer, Mr President, relates to an exceptional power of the President. If you use it constantly you are infringing the spirit of the Rules of Procedure.

President. — I agree that we should oppose rigid rules which are not good.

4. Action taken by the Commission on the opinions and resolutions of Parliament

President. — The next item is the communication from the Commission of the European Communities on action taken on the opinions and resolutions of Parliament.²

Mr Welsh. — Mr President, in view of Parliament's urgency resolution at its December part-session on the question of the subsidization of natural gas to horticulturalists in Holland, and in view of the fact that the time for an appeal by the Dutch authorities against the Commission decision¹ expires today, would the Commission make a statement on the status of this

particular decision and explain to the House what it proposes to do both about that parliamentary resolution and also about the one that was passed at the same part-session under Rule 49?

Mr Andriessen, Member of the Commission. — *(NL)* Mr President, this topic comes up for regular discussion in Parliament. In answer to the honourable Member's comment I would say this: following the resolution adopted by Parliament, the Commission wrote in December last year to the Dutch government stating precisely what the Commission wanted the Dutch government to do on this matter — namely to confirm in the clearest terms that the price of natural gas would be adjusted to the price of oil for the marketing year 1982/1983. The Dutch government had until mid-January to reply. If I remember rightly, a letter was received from the Dutch government on 14 January disputing in the first place the legal basis of the Commission's action because the contract concerned is, in its view, a matter between two national bodies and not something over which the Dutch government has a controlling influence. Moreover the Dutch government is willing to make every endeavour to arrange for the adjustment of natural gas prices to fuel oil prices at the earliest opportunity but it did not give the undertaking requested by the Commission. That is how the matter stands today.

If I am not mistaken, the subject is due to be discussed shortly by the Council of Ministers of Agriculture. Against the background of the constructive but not altogether satisfactory answer from the Dutch government, the Commission is at present considering what action to take and as soon as it reaches a decision — as I imagine it will very shortly do — it will not fail to make its decision public and inform the European Parliament.

Mr Welsh. — Mr President, I would say in all sincerity to the Commission that the reason this keeps coming up time and time again is that the Commission absolutely refuses to do anything about the problems. In view of the fact that this has now been going on for two years, in view of the fact that the Commission has issued a decision and in view of the fact that the Dutch Government has indicated that it will not comply with that decision, will the Commission now give an undertaking that it will do its duty and refer the matter to the Court of Justice without any further delay whatever?

Mr Andriessen, Member of the Commission. — *(NL)* Mr President, if the situation remains unchanged, it seems to me, in the light of what the Commission has done up to now, that action will be inevitable. This matter is on the Commission's agenda but, until a decision has been taken, I cannot state formally what the Commission will actually do. I

¹ For deadline for tabling amendments see Minutes.

² See Annex.

Andriessen

consider it perfectly logical, however, for action to be taken if the situation remains unsatisfactory.

Mr Beazley. — May I draw the Commissioner's attention to the urgent debate on this subject which we had in December as well and the points that were made in that debate supported by the House. The problem is not such that the growers can endure such delays and we have strongly reprimanded the Commission for occasioning these delays. The position of northern tomato growers outside Holland is extremely serious and this House passed the resolution that attention must be given to the matter immediately so that this inequality could be corrected before the start of this current growing season. Will the Commissioner please indicate whether he thinks the action he is taking will achieve that end which this House demanded.

Mr Andriessen, Member of the Commission. — (NL) Mr President, the Commission's intentions are perfectly clear. It acted very quickly against the Dutch government, namely in December last year. It asked specifically for the matter to be settled by the next marketing year as Mr Beazley himself wants.

Mr President, the Commission stands by its action and hopes there is no doubt about the fact that it will take energetic steps to bring about satisfactory solutions. I might add that, according to reports which I read in the Dutch press, one of the parties to the contract in The Netherlands has now placed or very shortly intends to place this matter before the Court of Justice. Clearly the legal background to this matter is not as simple as has sometimes been assumed. That is, I believe, one reason why it is preferable to seek a satisfactory solution on the basis of consultation. That is what the Commission naturally intends to do. If we are not successful, Mr President, other action will have to be taken as I have already told you.

Mr Møller. — (DA) For once I feel bound to thank the Commission for the wealth of information we have received and for the follow-up to the resolutions we adopted in January. We are often given no more than the barest information, the implications of which are difficult to fathom. But this time I think that whoever was responsible has really tried in his answers to keep us up to date with the progress of events in the Commission.

Mrs Ewing. — Mr President, could I refer to the question of the transport of radioactive substances and waste and thank the Commission for the surveys they have done to date but also mention the fact that they have not commented on the specific proposal that a special working party, which would report annually, be set up and could I ask whether the Commission does not agree that as a very substantial question of

life and death to areas such as my own is involved, this must override fears of restrictions and delays at internal frontiers.

Mr Andriessen, Member of the Commission. — (NL) Mr President, in answer to that question, I can tell you that the Commission is inviting the Member States to appoint experts to sit on the special working party to which the honourable Member referred. The task of that working party will be to examine recommendations such as those put forward by Parliament and to prepare proposals for Community action. The Commission intends to inform Parliament in more detail of these activities in a written report in 1983.

Mr Pannella. — (FR) Mr President, turning to the resolution on the death sentence passed on 52 Turkish leaders and pending the visit which, if the interviews are correct, you are yourself intending to pay to Turkey, I would ask the Commissioner whether the Commission has taken up a position on this and decided to suspend all financial aid to Turkey; have steps been taken to ascertain whether the European Investment Bank has followed this line and if so from what date?

Mr Haferkamp, Vice-President of the Commission. — (DE) Mr President, the Commission adopted a position on financial aid to Turkey several months ago as we explained to this House in a number of debates. In particular it has not yet put forward a proposal for the extension of the fourth Financial Protocol. As you know, the third Financial Protocol expired at the end of October last year.

In the course of last year, as a result of various decisions taken by the Association Council in July 1980, a series of individual projects were undertaken. These have been carried out, e.g. the unilateral progressive reduction in the agreed agricultural tariffs. The project to improve the situation of the families and, in particular, the children of Turkish workers employed in the Community has also been carried out as agreed by the Association Council. Similarly work has continued on certain specific projects which have already been under way for some time in Turkey, using the 75 million ECU decided on in 1980. Since the summer of last year the Commission has embarked on no new projects.

Mr Pannella. — (FR) Mr President, I must confess that I have not understood this clearly. Our resolution called for the suspension of all financial aid and not simply the suspension of the fourth Financial Protocol. Has action been taken to stop making funds of any kind available to Turkey? I would remind you, Commissioner, that, on 7 November, you asked the Council for some additional amounts to be made

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available to the Turks and the European Investment Bank immediately followed your political indications. I therefore repeat my question: is financial aid no longer being given and if so, since when has it ceased?

Mr Haferkamp, Vice-President of the Commission. — (DE) We have undertaken no new projects whatever and, especially since Parliament's resolution of 22 January 1982, we have proposed no new projects, not even through the Investment Bank.

Mr Sieglerschmidt. — (DE) May I ask Commissioner Andriessen for a further clarification: did I understand you correctly to say that the agenda of the Commission's next meeting will include a decision on measures under Article 169 of the EEC Treaty if The Netherlands has not, as is likely to be the case, decided otherwise in the meantime? May I also assume that, in conformity with its recent practice, the Commission will make use of the procedure for infringement of the Treaty under Article 169 of the EEC Treaty regardless of whether the matter is brought before the Court of Justice on the basis of other treaty provisions?

Mr Andriessen, Member of the Commission. — (NL) Mr President, my answer to the first question is negative. I do not think I said that this matter would be on the agenda of the next meeting. If my memory serves me correctly, I said it would be considered by the Commission in the very near future. I cannot guarantee that the matter will be considered next Wednesday but it will be considered before long given the urgency.

Secondly, if the Commission finds that a satisfactory solution cannot be reached by the procedure I have just outlined to which the Commission gives its preference, it will naturally take whatever steps are necessary and not wait for others to do so first.

Mr Beazley. — I refer to the Parliament's report on the Commission's tenth competition report which was debated in December last. An amendment was made in my group's name regarding the Claes plan and the Belgian textile industry. Will the Commissioner kindly advise me how the Commission regard this amendment and what may have developed on this subject since the debate?

Mr Andriessen, Member of the Commission. — (NL) Mr President, my answer is that the Commission approved the Claes plan in its amended form after lengthy and intensive consultations between the Commission and the Belgian Government. In some sectors which have obvious over-capacity this plan will not become effective. In sectors where the situation is doubtful, the Commission must be notified in advance of proposed application of the plan thus giving it an

opportunity to ascertain whether the plan should be applied in that particular case. In other areas where these circumstances do not arise, the Commission has said that the plan can be implemented. Mr President, I suppose that a detailed account of all these conditions would not be appropriate in the context of this discussion but I am perfectly willing to supply further information in any suitable form.

Mr Fergusson. — I think I am right in saying that the Commission gave an assurance to the Parliament that by the end of February it would report to us on the matter of enlargement and the consequences of the accession of Spain to the Community. I would like to know whether this report is going indeed to be delivered in time and what is going on. I wonder if he can enlighten us on this.

Mr Natali, Vice-President of the Commission. — (IT) Mr President, the Commission has forwarded its report on the progress of work on enlargement to the President of Parliament and to the Chairman of the Political Affairs Committee.

5. Raw tobacco

President. — The next item is the report (Doc. 1-931/81) by Mr Costanzo, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council (Doc. 1-721/81) for a regulation providing for special aid for raw tobacco following the earthquake in Italy in November 1980 and derogating from Article 12 a of Regulation (EEC) No 727/70.

I call the rapporteur.

Mr Costanzo, rapporteur. — (IT) Mr President, as you all know the earthquake of 23 November 1980 devastated a vast area of the Italian Mezzogiorno; this area included land on which tobacco growing is of vital importance.

More than 25 thousand hectares of land are under tobacco each year in this region with an annual production of nearly 700 thousand quintals. Some 40 thousand farm holdings are concerned by this crop, almost all of them small family farms.

The damage suffered by these small tobacco growing holdings has been assessed at 2 600 totally destroyed buildings and 2 300 damaged buildings. I refer to the structures used by the small farmers for storage and initial curing of tobacco. Some cooperative processing centres have also been seriously damaged and are in a dangerous state so that harvesting and initial processing operations have had to be concentrated on

Costanzo

less severely damaged centres which are more remote from the production areas.

The processing concerns which have remained operational have — partly under justified pressure from the local authorities — made available their own plant to the producers, taking the product as it stood often without the curing and maturing cycle having been completed (because of the special seasonal circumstances and the delay in the harvest since the earthquake occurred in the middle of the harvest). Following the earthquake the curing and maturing operations were suspended because, as you will readily understand, the farmers had to deal with more pressing emergencies.

All this naturally jeopardized investment in the subsequent farm year. In the case of the 1981 harvest there was a particularly serious lack of the necessary storage and curing facilities so that many producers built temporary cabins to prevent the social damage caused by the earthquake from being aggravated by equally serious production failures.

The exceptional situation which has been created in this region, especially in the tobacco production sector, justifies the extraordinary measures planned by the Commission in its proposal for a Council regulation of 15 October 1981.

That proposal for a regulation provides for three types of intervention.

The first concerns direct aid to tobacco producers who have suffered damage to their curing and storage buildings for tobacco harvested in 1980, at the rate of one Unit of Account per kilo for those farmers whose processing buildings have been destroyed and 0.7 Units of Account for all other growers.

The second type of intervention concerns an aid of 0.30 Units of Account per kilo for the initial processing undertakings (almost all of them cooperatives) which have purchased or collected tobacco from damaged agricultural holdings.

The third type of intervention concerns the suspension, for 12 months, of the application of Article 12A of Regulation 72/770 in the case of initial processing and conditioning undertakings situated in the Campania region and in the immediate environs.

The aid granted to tobacco growers — as indicated in the proposal for a regulation — has three objectives: to contribute to the maintenance of the earnings of tobacco growers hard hit by the earthquake, to ensure a return to normal conditions of production and curing in the farms and to give tobacco growers — especially small farmers — the possibility of adjusting to the new market requirements.

These objectives can be achieved if the aforementioned aids are made available rapidly to the producers.

The Committee on Agriculture considers the measures set out by the Commission in this proposal for a Council regulation to be legitimate and necessary and therefore calls upon Parliament to deliver a favourable opinion.

(Applause)

President. — One thing ought to be said here: it is tomorrow that the Council will be taking a decision on this matter. In the normal way the vote will only take place on Wednesday. The subject is not a controversial one. I believe we have a fairly broad consensus. Furthermore, there are no amendments. I propose therefore that you vote after the debate so that Parliament has an official position before the Council decides the matter.

(Parliament approved this proposal)

I call the Socialist Group.

Mr Lezzi. — *(IT)* Mr President, may I begin by thanking you for the sensitivity which you have shown in dealing with a matter which has been a source of anguish to my home region as it has been to Mr Costanzo's region: the figures speak for themselves and Mr Costanzo's moving report underlines, in my opinion, the validity of the measures adopted by the Commission. Let me say quite clearly that in the Socialist Group some of my colleagues made observations — to my mind pertinent — about the budget items from which funds for these immediate aids are to be taken. At all events I believe that the Socialist Group, continuing, like the other groups and Parliament as a whole, its action of solidarity with the earthquake stricken zones, will vote in favour of the measures already adopted by the Commission.

President. — I call the non-attached Group.

Mr Pasmazoglou. — *(GR)* Mr President, I wholeheartedly endorse these proposals — the proposal by Mr Costanzo and what Mr Lezzi said in support of it. I do so firstly as a matter of principle, as I should like to point out immediately, and secondly because we are particularly affected by anything relating to the repair of damage by earthquakes, especially where the production of tobacco is concerned. Mr President, you took great interest in the matter, saying that we ought to proceed immediately to adopt the proposal by the Committee on Agriculture; but I should like to propose a more general and immediate approach to the whole subject under discussion today. Of course,

Pesmazoglou

we should proceed to vote without delay as you suggest. However, I believe it would be useful to invite the Commission to propose a more general solution to the subject of repairing damage where it is due to unforeseen events involving heavy loss of life and property. In such cases there should be an immediate expression of reciprocity within the European Community; this would strengthen the feeling of security and confidence among the farming population of Europe.

President. — It is rare for the Commission to be so unanimously applauded.

I call the Commission.

Mr Giolitti, Member of the Commission. — (IT) Since the Parliamentary Committee and its rapporteur, to whom I am grateful, conclude in the motion for a resolution by fully endorsing the Commission's proposal, it remains only for me to thank them.

However, there is one matter on which it is my duty to give further details to Parliament — Mr Lezzi touched on it a moment ago: namely the method of financing. Initially, the financing of these aid measures was to be effected through the EAGGF Guarantee Section but, following the guidelines which emerged from the Council, it is proposed that once the regulation has been approved, a transfer will be effected from the budget chapter for 'Tobacco' to Article 690 of the budget 'Aid to disaster victims in the Community'. When the first amending budget is submitted, Article 691 will be subdivided into two items and the new item will be entitled 'Special aids in the tobacco sector following the Italian earthquake in November 1980'. The amount of 20.3 million ECU initially allocated to Article 690 will be reassigned to that item.

I wanted to make this clear because there has been a strictly technical change in this aspect of the proposal. For the rest there is no problem.

President. — The debate is closed.

(Parliament adopted the various texts)

6. Rural development and regional balances —
Mediterranean plan — Social and economic situation

President. — The next item is a joint debate on:

— the report by Mr Faure, on behalf of the Committee on Regional Policy and Regional Planning, on the contribution of rural development to the re-establishment of regional balances in the Community (Doc. 1-648/81):

— the report by Mr Pöttering, on behalf of the Committee on Regional Policy and Regional Planning, on a 'Mediterranean Plan' for the benefit of Mediterranean countries belonging to the European Community and the applicant countries Portugal and Spain on the basis of a Council regulation (Doc. 1-736/81);

— the report by Mr Delmotte, on behalf of the Committee of Regional Policy and Regional Planning, on the First Periodic Report on the social and economic situation of the regions of the Community (Doc. 1-825/81).

I call Mr Faure.

Mr Faure, rapporteur. — (FR) Mr President, I think it bodes well for your presidency and for the House too that one of the first debates which you are chairing is devoted to this matter on which I am the rapporteur for the Committee on Regional Policy and Planning. I believe that this is probably the most important subject we could be considering: that of the maintenance of a particular type of economy and the safeguarding of a human life style which is generally known as rural life. You might perhaps answer that the subject of peace is equally important but Parliament has justified authority to deal with the subject of our debate today. This problem arises in all the Community countries and the European Parliament can help to solve it through its guidelines although the national governments could not themselves do so; it is often said that this matter concerns the quality of life — a fashionable term. I would go further, the survival of the human race is ultimately at stake. Man must not be cut off from his natural environment. We are all familiar with the serious problems caused by major conurbations, particularly in psychological and moral terms. Quite apart from those big issues there is the strictly economic angle. It cannot be denied that inflation is due in large measure to regional imbalance, to the excess of industrial and urban concentration which creates economies of scale. If we are to arrive at an overall view of a solution to this problem, we must consider both agricultural activities and non-agricultural rural activities. As regards agriculture, the average percentage of persons working on the land must be more or less maintained. We must put an end to the flight from the land because we now have an unemployment problem such that farmers who leave the land will not be able to find employment in industry. We must also maintain an adequate body of engineers specializing in these questions to bring assistance to other countries, particularly the developing countries, to improve their agricultural facilities.

From the standpoint of the farming population it is vital to adopt one measure referred to in this report: the guide price must become a guaranteed price. Farmers and in particular family farmers producing dairy products and breeding animals, must be given

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guarantees resembling, if not equalling, those which for some time now have assured the survival of cereal farmers. The common agricultural policy has been an incredible social benefit. Those critics who attack expenditure which is in fact low in comparison with other forms of expenditure, completely disregard the central social aspect of this problem, and there I am speaking to you as a former Minister of Finance and Economic Affairs. We hear talk of production surpluses and I agree that some measures might be taken to adjust production levels, but, Mr President, we are confronted in this Assembly over which you now preside with an incredible paradox. We hear sentimental debates in which we deplore world hunger and the very next day we cry over small amounts that the government treasurers would prefer to keep for other uses none of which are as valuable. To mention one topical subject we have discussed the situation in Poland. It is not just the developing countries who need our supplies. If we could obtain for the Poles the human rights and freedom which they are demanding we would do so. But if we cannot bring them freedom could we not all the same maintain their material standard of living which, according to Spinoza's definition, is the substance of which freedom is the attribute.

As to non-agricultural rural activities we propose specific measures, particularly the creation of a credit system to equip our Community effectively, through low interest loan arrangements similar to those arranged by agricultural credit banks, to land fresh vigour to its social and human fabric through small undertakings on a human scale, craft activities, commerce, tourism and industries.

Finally we suggest that Parliament should take the decision to set up, according to a procedure to be agreed with the Commission, a youth service which we might ourselves finance enabling a number of young people from rural regions to escape the fate of beginning their lives as unemployed and socially assisted persons.

Mr President, I have finished my intervention. For thousands of years man has made great progress in his creation of tools and in his knowledge of the secrets of nature but human beings have not changed substantially. Not many of them are more than six feet tall or live for more than a hundred years. We must not live like ants in an anthill and since we are not made of concrete and steel we should not live in a world of concrete and steel. Man must preserve his contacts with nature. That should be one of the great missions of this Parliament and I fervently hope that it will be.

(Applause)

President. — I call Mr Pöttering.

Mr Pöttering, rapporteur. — (DE) Mr President, ladies and gentlemen, the European Community is

moving towards its third enlargement. Portugal and Spain will become the 11th and 12th Members of the European Community in which 320 million persons will then be living.

The European Parliament has always lent its emphatic support to the accession of Portugal and Spain. Enlargement holds out prospects not only for the existing Community but also for Portugal and Spain. However, it will also bring great risks to the people of Portugal and Spain and of the other Member States if the necessary economic and political decisions which should accompany accession are not taken. In recent months and years Portugal and Spain have undergone an admirable development; they have overcome decades of dictatorship and, by joining the European Community, wish to promote the development of democracy, the constitutional State, freedom and social development within their frontiers. We in the European Community should support Portugal and Spain in this trend which is important for Europe as a whole.

Let us be quite clear about one point: the accession of Portugal and Spain will change the face of the European Community. The difference between the level of development of the regions will widen dramatically.

While the development gap measured in terms of per capita gross domestic product, between Hamburg and Calabria, the structurally weakest region of Italy, was 5:1, the corresponding ratio between Hamburg and the poorest region of Portugal, Vila Real Bragança, will be 12:1. If we also consider Greece which has been a member of the Community since 1 January 1981, in this context, we find that 56 million persons live in Greece, Portugal and Spain and $\frac{2}{3}$ of them, i.e. some 35 million, live in areas which are comparable with the poorest regions of the old Community of Nine, namely southern Italy and western Ireland.

If accession is to be genuinely successful, we in the Community must at long last recall the preamble to the Treaty of Rome which will soon have been in existence for 25 years. The preamble states that the gap between the richer and less favoured regions must be narrowed. Ladies and gentlemen, why is it that the development of the Mediterranean regions — including some of those in southern Italy — does not equal that of the stronger regions of the north? The reason is that labour productivity is lower in the south. Then there is in some cases a higher percentage of persons active in agriculture, a strong trend towards single crops, pronounced under-employment, a lack of alternative employment possibilities outside agriculture, and excessively small undertakings in agriculture, industry, the craft trades and services sector; qualified labour is in short supply and distances from the potential markets and decision-making centres in the Community are long, while transport and social policy infrastructures are inadequate and economic develop-

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ment is hampered by administrative and fiscal obstacles. Similarly investments are low.

Ladies and gentlemen, let us look at a few specific figures. In the present Community of Ten some 7% of the active population on average works in agriculture as against 20% in the Mediterranean regions and as many as 30% in Greece and Portugal. In the spring of 1981 the average Community unemployment rate was 8% as against up to 20% in the Mediterranean regions. The gross domestic product at current prices — and this is perhaps the most impressive figure — was some USD 9 000 per person on a Community average basis in 1980. The corresponding figure for Portugal was USD 2 070, i.e. not even one quarter, and that for Greece USD 4 060.

The applicant countries Portugal and Spain — and this consideration also applies to Greece — not only have to overcome the structural problems of their structurally weaker regions but also to dismantle their tariffs in order to integrate into the common market. This means that industry, particularly small businesses, will be exposed to strong competition from other Community countries and, in particular, given the high share of agriculture in the economy, jobs will have to be created outside agriculture in the course of restructuring. Here we can, I believe, point the path to be followed depending on whether we create distortions of competition between the Community countries through State subsidies or pursue a reasonable market economic line based on a system of low interest loans as proposed by the Committee on Regional Policy. That committee is working on the assumption that the aim of the European Community — and this is important for the whole Mediterranean — must be to create jobs for people close to their homes.

In particular young persons must be given an opportunity to find a job in the areas where they have grown up and enjoy social links to prevent them from being obliged to migrate to other parts of their home country or even to the north European labour market. We know the problems associated in recent years with the migration of millions of workers from the south of Europe to the north. We know the ghettos and we know the problems of the generations of foreign workers. In my view it is in the interests both of the applicant countries and of the present Member States for us to bring the machines to the men who work them rather than proceeding the other way round. To my mind this is the only possible humane policy on which the Community must base its measures.

The Committee on Regional Policy is therefore proposing a Mediterranean plan for the benefit of Portugal and Spain and also for Greece, the south of Italy and some regions in southern France. We consider it essential for the development of the Mediterranean regions of the Community to be based on development programmes in which priority must be

given to the creation of permanent employment in industry and the craft trades and services sector with the necessary infrastructures and in particular the promotion of small and medium-sized undertakings and works. Structural reform of agriculture is essential as — and this is of particular importance to the young generation — is the improvement of vocational training by setting up vocational training centres and promoting occupational mobility through retraining. This involves the preparation and training of factory and company managers. It also involves an improvement in the efficiency of the administrative apparatus — which could be effected through accompanying measures carried out as a matter of priority by the countries concerned.

The Committee on Regional Policy unanimously felt that the European Investment Bank should be the coordinator and managerial body for such a Mediterranean plan. At present it does not have the instruments to do so but it would be conceivable to set up a special department of the bank. In this connection I would ask the Commission for its views. I have no intention of establishing any form of competition with the existing funds, the Regional or Social Fund. What is necessary is close cooperation between this Mediterranean Fund to be implemented by the European Investment Bank, and the Regional and Social Funds.

We all know that these problems cannot be solved in a matter of years and that a period of 30 years will be necessary to bring about a long-term solution. A fund of this kind must of necessity be based on a low interest loan system, i.e. we would not base its operation on outright grants but on low interest loans. However, these loans would be repayable and it is only if repayment is made possible and encouraged that the investors immediately concerned will take the initiative in investing and paying back this money carefully.

Finally, this should be a revolving fund working on the pattern of the Marshall Plan which proved so successful in western Europe after the Second World War.

Ladies and gentlemen, the necessary money should be made available through the Community budget and also via the international capital market; European Community budgetary funds could be used in particular for high interest rebates which are important to undertakings and small businesses particularly at the present time of high interest rates.

In our motion for a resolution we call upon the Commission to prepare a detailed financial proposal for such a project within three months. I would like to make one observation to the so-called richer countries of the Community: if they object that this fund, this Mediterranean plan needed for the integration of Portugal and Spain into the Community, costs too much money, we would reply that it is the richer

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countries in particular which will benefit from such a plan. They will be at an advantage because more often than not it is they who provide equipment and industrial goods for these countries.

I am convinced that the problems associated with the accession of Greece, Portugal and Spain are soluble. If we look beyond our frontiers at Eastern Europe or other parts of the world, we find that the European Community is still the body which is best able to tackle problems as they arise. Political decisions are now necessary — decisions by the Commission and Council of Ministers to take necessary action.

Lastly, I wish to say a word of thanks to our colleague Mr Hans-August Lückner who has always supported our projects in the most amiable and logical fashion in the Committee on Regional Policy. Thanks are due also to that committee which unanimously adopted this report with the approval of all the political groups. I call upon the European Parliament to give its assent to this report since I am convinced that no country in the European Community can face its future in isolation; on the contrary the future of the Mediterranean regions, of Portugal and Spain, has a direct bearing on the fate of other Community countries such as Germany, France and the United Kingdom.

If we approve this report and the Council goes on to act, this will be done partly in a spirit of solidarity but above all in the interests of our common future in Europe.

(Applause)

President. — It is now time to suspend this debate, which will be resumed tomorrow.

7. Question Time

President. — The next item on the agenda is Question Time (Doc. 1-998/81).

We begin with questions to the Commission.

Question No 1, by Mrs Ewing (H-409/81):

Will the Commission propose, in order to re-emphasize the abhorrence of the Community peoples to apartheid in South Africa, that every passenger flying to a South African airport from an airport in the Member States should pay a levy amounting to 20% of the fare, the proceeds to be devoted by the Commission to supporting international organizations, such as the International Defence and Aid Fund for Southern Africa, which assist the victims of apartheid and arouse international opinion against it?

Mr Haferkamp, Vice-President of the Commission. — *(DE)* The Commission does not intend to propose a special tax on the price of airtickets for flights to South Africa. There is no legal basis for doing so. Moreover a measure of that kind could only be successful if all the European countries played their part in it. Otherwise air traffic would simply move to neighbouring countries which would continue to operate the flights under the old conditions.

IN THE CHAIR: MR ESTGEN

Vice-President

Mrs Ewing. — Is the Commission aware that since this question was put down a fact-finding mission to the frontline States has come up with a report and a resolution calling for much more stringent attitudes towards the apartheid regime? At the recent ACP-EEC meeting this resolution was adopted with no votes against and only 5 abstentions, and in fact our ACP partners gave it their unanimous support. Is the Commission aware that the millions of people represented by the Lomé Convention look to the EEC to do something more than make idle paper statements and, in fact, to take some kind of action? Is the Commission further aware that there are direct flights to South Africa from the capital of every EEC Member State with the exception of Ireland and that this enables all the business links and the links with the multinationals to be maintained just as if we were all supporting the apartheid regime? Will the Commission not look at this matter again? If it does not do so, then I am afraid we shall be failing to honour our obligations as partners to the Lomé Convention.

Mr Haferkamp. — *(DE)* That is quite another matter. The question I answered specifically concerned an additional levy on airtickets. The Commission has naturally been devoting particular attention to the South African problem for a long time. I have in mind the discussions concerning a code of conduct and the measures adopted several years ago. As to the proposals made by our partners in the Lomé Convention, the Commission has given a strong commitment, in particular by making funds available for refugees for many years. It has also participated in many educational projects arranged by the International Labour Office: a total of 18 in Botswana, in Lesotho, Swaziland, Tanzania, Zambia and Zimbabwe. Moreover, the Commission has made funds available for United Nations' programmes of vocational training for refugees, particularly in Namibia. You may rest assured that we are active in this and other areas where the Commission has a legal basis for acting and practical possibilities for doing so. My first answer concerned a special tax on airtickets where we have no possibility of acting. We are taking action in all the other areas.

Mr Boyes. — The Commission will be aware that the United Nations has designated 1982 as the International Year of mobilization for sanctions against South Africa. The Commissioner will also be aware that there is growing support for the world campaign against military and nuclear collaboration with South Africa. Does the Commission support the efforts of the groups that are actively attempting to get embargoes on arms supplies and oil supplies to South Africa and opposing all cooperation on nuclear weapon development as part of a continuing condemnation of the murdering people who run the apartheid regime in South Africa?

Mr Haferkamp. — (DE) The Commission is supporting all the efforts which can be given support within the terms of reference of the Community.

Mr Chambeiron. — (FR) I am not too happy with the Commission's answers. I would like to remind you however — and I think this has already been said — that the Joint Committee adopted in Salisbury a resolution calling for economic sanctions on the apartheid regime in South Africa. The question which I wanted to put quite simply in the hope that the Commissioner will give the clearest possible reply and not escape into generalities which enable him to evade the issue, is as follows: can the Commission tell us what it intends to do — naturally within its area of responsibility, particularly in the trade sector — to ensure that effective sanctions are now taken both by the Community and by the Member States?

Mr Haferkamp. — (DE) There are no agreements with South Africa which might give commercial policy possibilities to the Community institutions. In those areas where we can act — particularly in respect of refugees or measures initiated by the International Labour Office — we are already acting.

Mr Marshall. — Would the Commission not agree that the best way to influence South Africa is by talking to it rather than by ignoring it? This policy has led to a breakdown of racial barriers in sport. Would the Commission not agree also that many ACP countries, while condemning the apartheid regime in South Africa as we do, are very happy to trade with South Africa and that countries such as Kenya and Malawi do, in fact, do a great deal of business with South Africa?

Mr Haferkamp. — (DE) Perhaps this Parliament should one day hold a debate on South Africa. The Commission cannot talk to South Africa or take measures against that country which are not even undertaken by the Member States. You cannot expect the Commission to propose measures or undertake activities in areas where the Community institutions or

the Community as such have no authority. We have concentrated on sectors in which we can do something. We have not passed endless resolutions which are empty words but have done something for the refugees and will continue to do so. For many years there has been a code of conduct in the Community for the activities of Community companies in South Africa. We are active in this context but we cannot do things which lie outside our province.

Mr Beyer de Ryke. — (FR) Could the Commission tell us how many independent African countries denounce South African policies but engage in regular trade with that country?

Mr Haferkamp. — (DE) I do not have the relevant trade statistics to hand.

President. — Question No 2, by Mr Cecovini (H-564/81):

1982 marks the centenary of the death of Giuseppe Garibaldi and committees are being set up in Italy, the United States and the Latin American countries to organize large-scale celebrations. Would the Commission not agree that it would be fitting to promote a European initiative to honour the memory of Giuseppe Garibaldi, who fought for the freedom and unity of the peoples of both Europe and the Americas, and that it would be appropriate, amongst other things, for 1982 to be dedicated to the 'Hero of the Two Worlds' and designated 'Giuseppe Garibaldi Year'?

Mr Natali, Vice-President of the Commission. — (IT) The Commission is well aware of the exalted message of freedom which Giuseppe Garibaldi brought to Europe and the Americas. However it does not have the habit of associating itself with the celebration of political and historical figures who are not closely linked with the more recent phases in the process of European integration.

Mr President, we are willing however to give our aid and support to any initiatives which may be taken by the Italian Government.

Mr Cecovini. — (IT) I am grateful to the Commissioner for that answer which I find satisfactory only in so far as it recognizes the universal appeal of Garibaldi.

I would like to stress that the fame of Garibaldi is not due solely to his military undertakings and to his struggle for the freedom of the peoples of Europe and America but is in part attributable to the fact that he was a forerunner of the European idea.

I wish to give Commissioner Natali two documents which I am pleased to have with me among the vast

Cecovini

number which exist. The first is dated 1860: it is a memorandum signed by Garibaldi in which he evokes his hope for a united European State; the second is a signed letter to Prince von Bismarck in which once again he stresses the need for a closer and stronger European union.

Having said that, does the Commission not feel that it would be appropriate to place a bust of Garibaldi alongside the busts of the great Europeans which adorn the lobby of Parliament?

Do you not think that a communication could be forwarded to the Italian Government which would certainly be honoured to receive it?

Mr Natali. — *(IT)* I do not intend to dwell on the European merits of Giuseppe Garibaldi. I hope I will not disappoint Mr Cecovini when I tell him that I am already familiar with Garibaldi's works, actions and proclamations. As to the placing of a bust here in the European Parliament alongside those of other distinguished Europeans, one might also think of Giuseppe Mazzini. But this is a matter for the European Parliament and the Council of Europe and not for the Commission.

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

Mr Simpson. — Mr President, this is Question Time. It is not an occasion for Members to make long speeches about the merits of eminent compatriots, however eminent they may be, nor is it the time to present documents to the Commission. It is a time to ask short questions. We are just on the second question. We have not very much longer to go, and there are nearly 50 questions on the list. Can you please confine people to asking short questions?

President. — Mr Simpson, you are perfectly right.

I call Mrs Baduel Glorioso.

Mrs Baduel Glorioso. — *(FR)* Mr President, I am sorry if I am rather late but I should like you to enlighten me on one point. You interrupted an essential debate when there were five speakers still on the list. You certainly had good reasons for doing so but when Commissioner Haferkamp said: 'I hope that there will be a debate on South Africa in Parliament', considering that a delegation has travelled to that country and that a resolution was adopted here less than a fortnight ago on Southern Africa and considering further that the Commission continues to affirm that companies with European capital and European branches are bound by a code of conduct — we have never seen any report on the application of that code of conduct — it is only natural that we should question him on this issue.

Mr President, you interrupted the debate before Mrs Ewing's question — and she does not sit on this side of Parliament — received a minimum of attention from the Commission.

President. — Mrs Baduel Glorioso, I suspended the debate on this question because five speakers from the various groups had already spoken. There were still five speakers to follow. In January, as you know, there was no Question Time. There are therefore a great number of questions on the agenda; ten persons cannot be allowed to speak on the same question.

Since the author of the question is absent, Question No 3, by Mr Cluskey, will be answered in writing.¹

Question No 4, by Mr Combe (H-588/81):

As there are no European laws on the dangers to human health posed by cooking receptacles made of enamelled ceramic material or by any crockery normally used in households regardless of its composition, and as certain countries such as the USA already have rules in this field, could the Commission put forward relevant proposals for a directive, a move which would also make it easier to export to countries with such legislation?

Mr Narjes, Member of the Commission. — *(DE)* It is not entirely correct that no European statutory provisions exist on household containers since the latter are consumer objects within the meaning of the Council directive of 23 November 1976 which regulates this whole sector. It lays down the principal of inertia which applies in two respects:

In the first place consumer objects must not release particles into food in a quantity which might endanger human health. Nor may they produce unacceptable changes or organo-electrical deterioration in the foodstuffs concerned. Individual directives are planned for the various types of consumer objects. A first individual directive on vinylchloride monomers was adopted by the Council on 30 January 1978. It stipulates that the residual content of this highly carcinogenic substance in consumer objects must not exceed one milligramme per kilogramme and that there must be no contact with foodstuffs.

Common methods of analysis which enable compliance with these requirements to be monitored were laid down on 8 July 1980 and 29 April 1981 in the shape of Commission directives. On 9 June 1980 the Commission then adopted a directive on the quality symbol which may be apposed on consumer objects complying with the relevant provisions. In addition to this work which has already been completed, three proposals for individual directives are now before the Council in the following areas: ceramics, plastics and

¹ See Annex of 17. 2. 1982.

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cellular glass. The latter proposal has still to be considered by the European Parliament while Parliament has already delivered its opinion on the two other texts.

As regards protection against health risks arising from recipients in domestic use with radioactive substances in their composition, this is covered by the Council directive laying down a basic standard for the health protection of the population and workers against the risks of ionizing radiation. That text was adopted by the Council as long ago as 1959. Article 5 stipulates that the addition of radioactive substances to products intended for use in the household, is subject to prior approval regardless how minimal the risk may be.

Mr Combe. — (FR) Since the directives have been implemented in relation to the European consumer, is the Commissioner aware that the United States in particular cite their regulations to our manufacturers and thus prevent exports of our products? What can the Commission do to prevent these distortions in the export sector?

Mr Narjes. — (DE) The Commission is aware of these risks. It would point out that more stringent European rules are a quality characteristic of European products and ought to facilitate rather than complicate access to the market of health-conscious American consumers. Moreover the Commission is attempting to ensure through negotiations with third countries in which wide differences of this kind exist, that the best and most favourable regulation is adopted in the interests of consumers on both sides.

Mr Moreland. — Surely the Commission must realize that Mr Combe is raising a very valid point here and that European law is by no means complete in this particular field. Can the Commission indicate to us whether its thinking leans towards the proposals from the International Standards Organization, which are in fact very similar to the American or the German-type legislation, and not towards the Scandinavian legislation which I think many people in the ceramics field would reject?

Mr Narjes. — (DE) In this as in other standardization procedures the Commission will always have regard to the ISO standards and ascertain whether, in each individual case, they afford adequate protection to the European consumer or whether further regulations are necessary.

President. — Since the author of the question is absent Question No 5, by Mr Ansquer, will be answered in writing.¹

Since their objects are identical, I call simultaneously Question No 6, by Mr Vandemeulebrouke (H-598/81):

In the absence of a decision by the Belgium Government, the Commission decided of its own accord to draw up the boundaries of the development areas in Belgium. Can the Commission explain why it chose to ignore the objective criteria established by the Flemish Regional Economic Council, thus arbitrarily excluding a large number of potential development areas in Flanders from access to any form of aid?

and Question No 9, by Mr Verroken (H-635/81):

Is not the Commission being careless in its definition of Community development areas, and is its use of the criteria for determining those areas really as consistent as the Commission maintains in paragraph 1.3.2 of its proposal? Is not the Commission proceeding in fact in an obscure and subjective manner?

Without making any study of the situation, it assimilates the districts of Dinant, Philippeville, Verviers South, Huy, Namur and Thuin into the Ardennes-Condroz-Gaume area, thereby making them development areas. At the same time it merges the Oudenaarde district — which has been damaged more than others by depopulation and the slump in the textile sector — with Courtrai, one of the richest districts in Belgium, which belongs moreover to a different province. As a result, Oudenaarde can no longer be considered a development area. In the provinces of Limburg and West Flanders the Commission uses GNP as its criterion, elsewhere it uses GDP. Neither in West Flanders nor in the Ostende and Eeklo districts is the unemployment percentage considered in absolute terms, but only its trend. Elsewhere Community and Belgium indices of comparison are mixed up.

Mr Andriessen, Member of the Commission. — (NL) There is a widespread misconception that the Commission is to determine areas in the Member States which are eligible for regional support measures. The power to do this lies with the Member States and not with the Commission. What the Commission does is to examine proposals submitted by the Member States to ascertain whether they are compatible with the Treaty of Rome; Article 93 requires the Commission to do this.

When the Commission examines Member States' proposals it carries out a social and economic analysis of the relevant regions in order to ascertain whether and to what extent they are eligible for specific regional support measures. Given the sensitivity of this problem it is naturally quite normal for differences to arise between the objective tests applied by the Commission in the Member States and the subjective concepts applied in the Member States to the different regions. It is therefore perfectly understandable that questions arise during the Commission's studies which require further discussion with the Member States.

My second important observation is this: when the Commission opens a procedure as has happened in the

¹ See Annex of 17. 2. 1982.

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Belgian case and in other Member States, this is not the last step. When the Commission opens a procedure it enters into consultations with the Member States and invites them to put forward their arguments against the objections made by the Commission. The decision is not taken until later. That procedure has been followed in other countries and is being followed in Belgium. The matter revolves around the results of the analysis and there can be no question of prejudice on the part of the Commission on the grounds that in Belgium a relatively large number of Flemish regions are not in the Commission's view eligible for support measures.

The Belgian Government has an opportunity to dispute the Commission's views in the light of more recent information and the Commission will then reach its final decision. If the Commission has had to work with data which were not fully up-to-date and if more recent data are now available that may — I do not say will — that may naturally give the Commission reason to review parts of its initial judgment. Whether that is done will depend on the arguments put forward in this case by the Belgian Government.

Mr Vandemeulebroucke. — (NL) If the Commissioner maintains that the Commission has applied objective tests and assessed the results of the social and economic analysis objectively, I would like to know why, in determining development zones in Belgium, the Commission has taken account of parts of the Walloon steel industry region but has taken no account whatever of the equally large problem areas of Flanders where the textile industry is in dire straits. In the case of the textile industry the Commission maintains that this is a sector of dynamic development while the steel industry is in a serious recession. I would like to point out to the Commission that 30 000 jobs have been lost in the textile industry. Is this not a typical example of a policy of two different weights and measures?

Mr Andriessen. — (NL) This is not a policy of two different weights and measures but one which, as I said earlier, is based on an identical system of analysis for all regions which are proposed. I recognize that there are particularly serious difficulties in the textile industry. Earlier today I referred to the Commission's action on the Claes plan. We certainly did not reach our conclusions on the basis of a lack of understanding of the nature of the problems. We reached them through objective analysis of developments and of the question whether in certain regions or areas the structural tendencies differ from the national pattern to such an extent that a special regional policy may be necessary.

May I point out that the plan initially proposed by the Belgian Government would have resulted in a very large part of Belgian territory falling within the prov-

ince of our regional policy; careful plotting on a map of the regions would have shown that no one point would have been more than 15 kilometers away from a development area. It was necessary to comply with the Treaty provisions and attempt genuinely to answer the needs of the genuine problem regions with separate instruments; here the regional policy can help. If as the honourable Member suggests in his question, the Commission should have used different or better data those data should be supplied to it. I repeat there can be no question of prejudice here; we have applied methods of analysis which lend themselves to reasoned discussion.

Mr Verroken. — (NL) I am satisfied with the Commissioner's answer when he says that the Commission's position is not final and that he will take account of possible objections by the Belgian Government. I believe that those objections have now been forwarded and the Commission's answer therefore gives me some grounds for optimism at this stage. We agree that our primary concern must be for the hardest hit areas of Europe and that the richer countries should not be entitled to European funds. The question then remains as to what those countries can do which wish, within their own frontiers, to help particularly disadvantaged regions with their own funds, having regard to Articles 92 and 93 of the Treaty. Parliament's Committee on Regional Policy is at present giving close attention to this point.

Mr Andriessen. — (NL) To avoid any misunderstanding let me make the present position quite clear. On the basis of what it considers to be objective analyses the Commission has initiated the procedure which is now under way and if I remember correctly the Belgian Government must give its answers to the Commission's views by the end of February in the context of the procedure which is in progress. The Commission has not reached a final decision. Whether it changes its decision will depend on the arguments put forward by the Belgian Government and the ball is now in the Belgian court. The Commission will try to treat any new data just as objectively as it dealt with the earlier information.

The honourable Member's second point touches on an extremely important aspect of regional policy. The Treaty recognizes the need for the Member States to attempt to reduce their own regional disparities on their national territory but respecting the Treaty provisions. There can be no doubt about that. On the other hand the Treaty also advocates European convergence and it is a subject of much discussion at present to what extent this autonomous authority of the Member States within their own frontiers and using their own financial resources is compatible with the Community objective of European convergence. I do not think we have heard the last of this matter. I should welcome an opportunity to discuss it further. I do not think that

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can be done in the context of an oral question but I do recognize the problem. I felt it necessary to add this Community aspect to the comments of the honourable Member.

Mrs Van Hemeldonck. — (NL) I would strongly urge the Commission to review this matter. It had objective criteria at its disposal, namely the data compiled by the Flanders Regional Economic Council. The Commission preferred to apply its own criteria but it applied them differently in the case of Flanders and Wallonia. I wonder why the Commission felt it necessary to take a partisan position on the internal party political problems of a Member State.

Mr Andriessen. — (NL) When the Commission reached the decision we are discussing it did not have the data referred to by Mrs Van Hemeldonck. If that information was not available to us we were not to blame, Madam. That is my answer to your first question. I am inclined to disregard your second question after what I have already said. The Commission cannot accept such accusations in this House of bias and party political views.

Mr Nyborg. — (DA) There are two stages to regional policy. The first is the recognition of an area as a regional development area and the second is the granting of aid for individual projects. Regarding the first stage, I should like to know whether the same criteria and surface area units are used in each Member State in determining regional development areas.

Mr Andriessen. — (NL) If I have understood the honourable Member correctly he is asking whether the Commission uses the same objective criteria in the different Member States or whether there are areas in which a specific regional support measure may be used which by definition distorts or may distort the conditions of competition in dealing with the specific problems of the region. If my interpretation of his question is correct, my answer is in the affirmative.

Mr Glinne. — (FR) It is quite true that the determination of Belgian development areas has for too long — since it dates from 1972 — been the subject of an unresolved dispute between the Commission and successive Belgian Governments which have all been at fault regardless of their political composition. I know this because I have been putting fruitless written questions for years to the Commission and the Brussels Government on this point. It is perfectly true that there are areas which deserve assistance in Flanders, for example in Westhoek and Limbourg, but can the Commission state whether it agrees that the application of objective criteria and European definitions to Belgium as a whole can, as things stand at present,

only result in the majority of the development areas being situated in the Walloon region? In particular would it be reasonable to exclude the district of Ath/Tournai and much of the Verviers area from the scope of application of the aid measures?

Mr Andriessen. — (NL) It is perfectly true that the problem of regional aid policy in Belgium has been dealt with very slowly since 1972. Looking at the historical background to this, may I remind you that the fault cannot be laid at the door of the Commission. Despite repeated representations by the Commission, the Belgian Government, for reasons of its own, has been unable for all these years to put forward a valid plan. That plan has now been submitted and, as I have said, it is being carefully studied by the Commission and the Belgian Government has been given every opportunity to make its views known.

I cannot help it if our analyses which are conducted with the utmost objectivity, have revealed that in one part of Belgium, the French speaking part, more areas are eligible for this policy than elsewhere in Belgium. This is not the result of preconceived ideas but the result of an objective analysis and nobody can complain about that.

President. — Question No 7 by Mr Balfe (H-601/81):

Does the Commission accept that the poorer countries of the EEC should be financial beneficiaries and that the richer countries should expect to pay more into the EEC than they receive in return?

Mr Richard, Member of the Commission. — As the Commission has often pointed out, the Community budget reflects only part of the advantages and costs of Community membership for different Member States. This having been said, the Commission is of the opinion that the general budget should play an increasing rôle, in particular through its structural policies, in the reduction of disparities between the regions and Member States and in contributing to economic convergence within the Community.

Mr Balfe. — Is the Commissioner aware that in many of the poorer regions of the Community — and I refer here not only to the United Kingdom — one has the impression that what benefits do come out of the Common Market go to the richer members of the Community? Whether it be the poorer farmers of France or the unemployed workers of Britain and Germany, there is a tendency for this Community to direct its money towards people who already have it. In the reassessment of the Community and the Community budget, can I have the assurance of Mr Richard that he will be pressing for the money of this Community to be directed towards the people who need it, rather than those who have already got it?

Mr Richard. — I would not accept, I think, the comprehensiveness of the honourable Member's criticisms of the present situation. I am perfectly well aware of the fact that there are enormous misconceptions throughout the ten States of the Community as to how the budget is in fact employed. Insofar as Community instruments can be used as mechanisms — indeed that is the intention of them — in order to create a degree of equity within the Community, of course I can give the honourable Member the assurance that is precisely what we will continue to try and do.

Sir Brandon Rhys-Williams. — Is it not really a weakness in the Community budget that it has to operate on an annual basis? Are we not going to continue to have regional infrastructure and social problems until the Community itself can develop a capital account in the same way as the financial authorities in each of the Member States?

Mr Richard. — The honourable gentleman may be right or he may be wrong, but I must say it goes an awfully long way wide of the question I was originally asked. It is an interesting suggestion which has been made from time to time, and I know it is one which inside the Commission has been considered from time to time and I hope the Council of Ministers will also consider it, perhaps with a degree of receptivity and greater urgency in the future than they have shown in the past.

Mr Berkhouwer. — (NL) The term right or wrong used by Commissioner Richard leads me, in view of the historical developments which have caused the once so defiant Albion to consider itself as one of the poorer countries of the Community, to ask the British Member of the Commission whether it is not high time to put an end once and for all to the erroneous concept of a fair return which is quite incompatible with the spirit of the Community and lies at the roots of Mr Balfe's question No 7. I would particularly appreciate it if Mr Richard would use this opportunity to point out once and for all that the notion of a fair return is unacceptable.

Mr Richard. — I am not sure whether the honourable gentleman wants me to answer that question in my capacity as a British Commissioner speaking on behalf of Britain or in my capacity as a Commissioner speaking on behalf of the Commission. All I will say to him is that I have every intention of doing it in the latter rather than in the former capacity. As far as the Commission is concerned our position on the *juste retour* is well known, it is clear, it has been made precise over many years, it is, if I may say so, *acquis communautaire* and is therefore accepted as such by the Commission.

Mr Kirk. — (DA) I should like to ask Mr Richard whether it is not true to say that complete economic convergence is impossible in practice. The most we can do is to strive towards it. If we consider Great Britain, which has been a united kingdom for centuries, nobody would claim that the national budget there has been able to achieve complete economic convergence. To the best of my knowledge there are wide variations between the regions of that country.

Mr Richard. — That is absolutely true — of course it is! But if what is underlying the question is that I should somehow or other deny that the objective of Community financial, regional and social policy is other than to try and create a greater degree of equity among the states of the Community, then I would not be prepared to say that. Of course the object of the exercise is, as we have said, spelt out in specific terms. I quote, if I may, from the mandate of 30 May where the Commission formulated as an objective 'Community financial solidarity should be both more effective and more equally distributed'. That is the object of the exercise and will remain so. I only wish, since I am on my feet and since the object of provocative questions is indeed to provoke, that members of the Council of Ministers in the Member States were able to express these principles with the same degree of precision, accuracy and enthusiasm that the Commission has done in the course of the last 12 months.

Mr Marshall. — Would the Commissioner not agree that these constant wranglings over the Community budget are merely inhibiting the development of the Community and underline the need for a positive and lasting solution to these difficulties? Will our colleagues in the Community, when discussing the problem of the British budgetary contribution, ignore the faint-hearted and narrow nationalism of the leader of the British Labour Party and realize that Britain is in the Community for keeps and she wants to make a success of her membership and a success of the Community?

Mr Richard. — I am much too old a parliamentary hand in this House and indeed in other ones to follow the honourable gentleman down that tortuous path. No doubt he can draw his own conclusions from what has been said by Member States and indeed by leaders of various parties in the various Member States.

President. — Question No 8 by Mr Berkhouwer (H-632/81):

Is the Commission acquainted with the substance of the agreements being concluded by certain Member States with the Soviet Union for the supply of natural gas, and has it made any moves to bring the various bilateral negotiations under Community auspices?

President

I call Mr Berkhouwer.

Mr Berkhouwer. — (NL) Mr President, I am able to announce that we shall certainly be discussing a motion for a resolution with request for urgent debate on the same subject; I shall be tabling that motion on behalf of my group tomorrow. Moreover the Commissioner responsible, Mr Davignon, will be with us on Thursday morning.

I therefore propose that my question should be taken jointly with Mr Lalor's question No 14 in the debate which we shall certainly be holding on Thursday morning.

President. — You withdraw your question?

Mr Berkhouwer. — (NL) Yes, Mr President.

President. — I call simultaneously three questions having the same object:

- Question No 10 by Miss de Valera (H-644/80): In view of the report which the Commission has promised to come forward with before the end of 1981, on the measures taken for the handicapped, will the Commission outline the areas where it now believes new initiatives can be taken for handicapped persons?
- Question No 19 by Mr Howell (H-439/81): To ask the Commission if it will now report on what action it has already taken and what action it proposes to take to improve the well-being of disabled people in the Community during the International Year of the Disabled?
- Question No 50 by Mrs Clwyd (H-688/81): Will the Commission state what action it has taken in response to the report on the Year of the Disabled adopted by Parliament in March 1981?

Mr Richard, Member of the Commission. — The principal action of the Commission in response to the International Year of Disabled People has been the preparation and submission to the Council of a communication on the social integration of disabled people. The framework of activity outlined in this communication was approved by the Council in form of a resolution of the Council and Member States on 9 December last year.

The communication consists of a set of new measures which the Commission plans to undertake over the four-year period 1983-86. The principal action will be the setting up of a Community-wide network of locally based development actions to serve as points of reference and demonstration models for policy

development elsewhere. This action will be complemented by support by the Community for new information systems, for a series of studies and conferences for which policy guidelines can be derived at Community level, and at the same time the present work of the Community network of rehabilitation centres and the programme of pilot projects and housing for the disabled will be further developed and their results disseminated.

May I say that in designing this programme of work the Commission has given careful consideration to the resolution of the European Parliament on the economic, social and vocational integration of disabled people in the Community, adopted on 15 March 1981; also to the opinion of the Economic and Social Committee on the situation and problems of the handicapped, of the 1 and 3 July 1981.

Mrs Clwyd. — The information given by the Commissioner is, of course, already known to me, as the rapporteur on the disabled for this Parliament last year, to members of the Social Affairs Committee and to those who have been watching closely the progress of the recommendations made by the Parliament. However, the Parliament made over 32 recommendations, and unfortunately, although we welcome any progress and any suggestions made by the Commission to promote action on the part of the disabled, our feeling is that the Commission has not taken enough notice of the recommendations made by this Parliament: in fact, very few of those 32 recommendations have been implemented by the Commission.

There was one very important recommendation which we put at the top of our shopping list, and that was that the Commission should produce a workable quota system for the employment of the disabled which could be implemented in all ten Member countries. As yet, I have not had a satisfactory answer from the Commission as to why the Commission could not implement that particular recommendation. In our belief, it would cost not money but it would make a very useful contribution at a time when unemployment amongst the disabled is twice as high as it is among the able bodied; and I would like to ask the Commissioner again what action he proposes to take on producing a workable quota system for the employment of the disabled in the Community.

Mr Richard. — I am sorry the honourable Member thinks that we have been so ungracious as not to pay due attention to her report. I assure her that is not the position.

The key to what we are proposing is a lengthy examination, in the course of which the Commission would be prepared to issue guidelines. The reasons — as she knows, because we have talked about this already — why we are not prepared to talk about quotas at this

Richard

stage are, first, that there is a considerable difference of view among the different handicapped organizations throughout the Community as to whether or not quotas are workable, and, secondly, that this is precisely the sort of information that we hope to be able to discover through our programme. If necessary, as I have already indicated to Parliament, we should be prepared, at an appropriate time, to consider whether or not we should be more specific about quotas and, indeed, precisely how we should do it.

President. — Question No 11 by Mr Cronin (H-645/81):

Will the Commission state to what extent Community support can be provided for various development projects set out in the Irish Midlands regional development strategy study, which was co-financed by the EEC?

Mr Giolitti, Member of the Commission. — (IT) The study of the regional development strategy in the Irish Midlands covers many investment proposals for this region in the context of a long series of projects.

The Commission considers that some of these projects could benefit from a Community financial contribution, in particular from the Regional Development Fund and the Agricultural Fund, but obviously in compliance with the conditions specific to those instruments of intervention.

The Commission will only be able to pronounce on each project on the basis of a specific request from the Irish Government. To sum up, the Commission is prepared to take measures on the basis of this study but can only make a formal examination of specific requests submitted by the Government concerned.

Mr Lalor. — Would the Commissioner first of all agree that the development study in itself was a wonderfully successful presentation and then, having said that, would he accept that the absence of his Director General from a very important symposium on the study itself, sponsored by the Midland regional group, despite a four months' promise he had made to attend, could create the impression that, apart from co-financing the study, his directorate was not seriously interested in helping? Could he indicate as well whether similar studies can be undertaken and similarly financed in other designated areas in Ireland such as the Connaught-Ulster region or the Munster region?

Mr Giolitti. — (IT) The answer which I have given reflected — if I may clarify my observations — a favourable assessment by the Commission of the quality and desirability of the study to which reference has been made.

I do not know the personal reasons which may have prevented the Director General for Regional Policy from attending the meeting to which the honourable Member referred. I am sure that he had good reason for not attending and this certainly did not reflect any reservations about the quality of the study concerned. Obviously other studies of the same kind relating to the same area may be considered within the framework of the budgetary resources available for this purpose.

President. — Question No 12 by Mr Davern (H-646/81):

Will the Commission provide details of financial aid under the EAGGF Guidance scheme which has been provided to the Irish poultry industry since Ireland's accession to the Community, and furthermore, will the Commission give the assurance that Irish poultry projects will continue to be considered for financial assistance under the EAGGF Guidance scheme, 1982 and 1983?

Mr Natali, Vice-President of the Commission. — (IT) Since the accession of Ireland, eleven projects in the poultry sector have benefited from contributions from the guidance section of the EAGGF to a total amount of 1 500 028 Irish Pounds. Other Irish projects in this sector will be eligible for consideration with a view to granting financial aid if they comply with the conditions set out in Regulation No 355, the criteria for choice decided by the Commission and the Irish programme for the processing and marketing of eggs and poultry which was approved by the Commission last year.

Mr Seligman. — Since I believe the Irish poultry market is protected against imports of poultry and eggs from Europe by the policy of slaughter rather than injection, is there any reason at all why the Irish poultry industry should have protection when the British and Danish industries do not have such protection? It does not seem to be fair competition.

Mr Natali. — (IT) We are not talking about protection, we are discussing the possibility of improving conditions in the guidance sector of the EAGGF. Member States are entitled to make use of Regulation No 355.

In my reply to the honourable Member I also said that financial support could be given to projects which meet the conditions laid down in the regulation, the Commission's criteria for choice and the Irish programme for processing and marketing eggs which has been approved by the Commission because it was found to correspond to the specific needs and our general strategy for agricultural production.

President. — Question No 13 by Mr Flanagan (H-647/81):

Will the Commission make known the progress it has made in its consultations with the Irish Government in relation to the drafting of the proposal for a directive for informing and consulting the employees of undertakings with complex structures, in particular transnational undertakings?

Mr Richard, Member of the Commission. — The proposal for a directive for informing and consulting the employees of undertakings with complex structures, in particular transnational undertakings, was submitted to the Council by the Commission in October 1980 — it is now under examination by three committees of the European Parliament. The Commission will review its proposal in the light of the opinion of the Parliament which is expected, as I understand, in about April of this year. This proposal will be implemented in all Member countries only after its adoption by the Council, where all the governments are represented. The Irish Government will be able to give its point of view during those discussions in the Council of Ministers.

Mr Patterson. — I am sorry that Mr Flanagan did not pursue you on the matter of whether you consulted the Irish Government. I should like to know what consultations, if any, have been held with the United Kingdom Government and whether note has been taken of the position of the British Minister, Mr Tebbit, that the legal base for this directive is unsound and that there is no necessity for any directive on these lines at all.

Mr Richard. — I have of course observed what Mr Tebbit has been saying. I naturally pay great attention to what he says in this regard, as indeed, I pay attention to what he says in other regards.

(Interruptions)

As far as formal consultations with the government are concerned, of course not yet: Parliament at the moment is considering it. I have no doubt that if I was at the moment to go and consult Member governments formally, on the basis of a proposal for a directive which the Commission had undertaken to look at again in the light of what Parliament had said, I would be severely criticized, even by those people who now are asking me these very questions.

Mrs Ewing. — Will the Commission reject Mr Patterson's view that this directive does not seem to be something that should be actively pursued with all vigour by the Commission? In view of the disasters that take place, human and economic, when there is a failure to consult has the Commission forward plans, assuming this directive is passed, as to how they will

oversee it? Will they wait until Members like myself draw to their attention instances like the shocking behaviour of British Aluminium in Invergordon, who closed their smelter with the loss of about 1 200 jobs without any consultation whatsoever? Would the Commission agree that the sooner this is done the better, and do they have plans to wait until we draw instances to their attention or to oversee the enforcement of this directive?

Mr Richard. — I think that the honourable Member is slightly confused about the directive as at present drafted. The object of the exercise is not to give the Commission overseeing powers, but to ensure that the workforce in the undertakings is properly informed. If I am asked — as I think I am being asked — whether I approve of the purposes of the directive, the answer to that is 'yes' — so does the Commission, otherwise it would not, no doubt, have passed the proposal and sent it up to Parliament for Parliament to consider.

Mr Balfé. — Has the Commission fully taken on board the feudal attitude towards employees which is demonstrated by the Conservative benches over there and do they not find it surprising that on the first occasion in recent time that a directive is being considered which would confer substantial benefits on workers in industry, the British Government suddenly appears to discover that the Treaty of Rome does not permit it, or does not want to permit it, to go ahead because they are deeply prejudiced against the rights of working people and this has been demonstrated in the latest anti-trade union bill that they have introduced in the House of Commons?

Mr Richard. — The first half of that question: have I noticed the views of the Conservative Group in this House? Indeed I have. Have I noticed the views of the Socialist Group in this House and the Liberal Group in this House? Indeed I have. We would be remiss in our duty if we did not notice the views of all groups as expressed in free and open debate in this Parliament. Do I wish to comment upon the present position of the British Government? No.

Mr Turner. — May I ask the Commissioner if he has anticipated that I am extremely pleased that he is awaiting the opinion of Parliament on these Vredeling proposals before he goes and consults with governments or gives any views of his own other than what he has already given to the three committees concerned?

Mr Richard. — I am grateful that the honourable Member is grateful!

President. — Question No 14 has been withdrawn by its author. I call Question No 15 by Sir David Nicolson (H-715/81):

Mr Ortoli in his reply to my Written Question No 1848/79¹ released on 29 February 1980, stated that the Statistical Office of the European Communities and the United Nations Statistical Office were actively engaged on a project to revise NACE classifications and that proposals regarding the treatment of plant hire industry would be put forward by the Community.

The industry which has been steadily expanding in the European Community is based on the efficiency and plant utilization attainable by specialist firms maintaining, manning and hiring expensive equipment to different contractors for the limited periods of time they actually need it. It is therefore an important service to the Community construction industry and makes for cost saving and greater competitiveness.

This has now been recognized by the British Government in modifications to the Finance (No 2) Bill: Hiring/Leasing which were enacted in the UK Parliament in July 1980, and which exempt short-term leasing or hiring that is normally for a year or less from the adverse provisions on first year capital allowances. This action was of great significance and confirms that this industry should be identified as a sub-group of the construction heading in the NACE system, a proposal which is supported by the British Department of the Environment which sponsors the construction industry in the United Kingdom. It is in no way operating in the same way as traditional leasing firms.

Under the circumstances can the Commission now confirm that it has made appropriate representations and advise on the likely outcome without further delay?

Mr Richard, Member of the Commission. — The Commission has taken note of the considerations put forward in this question. It also recognizes the importance of the activity referred to in the honorable Member's question. In consultation with the United Nations with a view to ensuring correspondence between its activity classifications and that of the Community, there has been a preliminary exchange of views on construction and on service activities. As a result of these initial discussions the Commission proposes to bring forward concrete proposals within the next few months on the sectors in question, including the treatment of plant hire. The modification of NACE must be seen in a global context. It will, of course, have to be discussed with the authorities responsible in all the Member States.

Sir David Nicolson. — I would like to thank the Commissioner for this encouraging news. At the same time I must point out that the question was first raised in May 1975, so that it has taken a long time to get this far. The question may sound a little bit technical in nature, but it goes far deeper than that. This is a

new growth industry which makes for efficiency and competitiveness at a time when we need to encourage in every way we can the stimulation of industry. So I would like to think that the Commission will press home this particular point on this occasion and not let it drag on longer.

Mr Richard. — The honorable Member will recognize — because he knows far more about the subject than I do — that this is an extremely complex matter and does require rather intricate negotiations. I can only repeat what I said in my initial answer that we do propose to bring forward concrete proposals within the next few months on the sectors in question.

President. — Question No 16 by Mr Seligman (H-317/81):

What are the principal lacunae in the energy programmes of Member States?

Mr Haferkamp, Vice-President of the Commission. — (DE) This question concerns shortcomings. I am reminded of the fact that I was entrusted 15 years ago for the first time in the Commission with the task of looking into energy policy problems. Since then many efforts have been made to avoid weak points in our energy supplies. You know what results we have achieved — they are not exactly convincing.

The Commission has not let up in its efforts and will not do so in future. It has recently submitted a whole series of proposals to the Council of Ministers and can only hope that the latter and the governments will draw practical conclusions. Last year we submitted a report on long-term programmes and objectives for 1990; that document contains a detailed analysis of the situation in the Member States and proposals to strengthen energy policy convergence in the Community. One of the main weaknesses is that energy policy in the Community Member States is not sufficiently convergent. On the basis of our report the Council of Ministers formulated conclusions in March 1981 calling upon the Member States to make greater efforts particularly in the following areas: the use of oil in power stations should be replaced more rapidly by solid fuels and an extension of the nuclear energy programmes; savings must be made everywhere in energy consumption i.e. in the private sector, in industry and in transport.

Recently, the Commission submitted further proposals to the Council: a communication on the necessary investments for energy saving, a communication on the development of nuclear energy to be followed shortly by a communication on gas — in particular on the development of grid systems and storage facilities.

I pointed out with regret a moment ago that for many years our efforts did not bring the success which we

¹ OJ C 156, 25. 6. 1980, p. 62.

Haferkamp

should have liked in the Community; we now hope that we shall make substantial progress with the many proposals and programmes which we have submitted to the Council of Ministers in all essential areas of energy policy.

Mr Seligman. — I thank the Commissioner for that answer, and the fact that he once was an energy Commissioner is some compensation for not having the energy Commissioner here this evening. Has the Commission, however, given any thought to a new energy treaty which would replace the European Coal and Steel Treaty and the Euratom Treaty and incorporate the new energies — oil, gas, alternative energies — which were not relevant to that Treaty in 1950 when it was formed? A new energy treaty for Europe might bring a new impulse.

Mr Haferkamp. — (DE) In the first half of the 1960s, on the occasion of the merger of the three Communities, the Council of Ministers and the governments declared their intention of working on a merger of the Treaties. This complex operation was, however, abandoned in the early 1970s.

I agree with the honourable Member that it would certainly be useful if we had a common legal framework for all forms of energy taking into account in particular new trends in the energy sector. But if we now embark on a debate on formal matters and legalistic considerations I am afraid that the urgently necessary work on the substance of energy policy might be delayed. The Commission has therefore concentrated its work on the substance of energy policy and on ways of making further progress. It has no intention at present of working out new treaty provisions.

Mr Moorhouse. — The spokesman for the Commission referred to the communication on gas which is to be made in a few days' time and which will have the aim of trying to achieve greater transparency within the Community. I would put it to him, however, that the subject of gas within the Community deserves far higher consideration than that. To take but one example, contracts are currently being signed by at least three Member States or their agencies to take natural gas from the Soviet Union. This would have the effect of making Europe at least 20 % dependent on Soviet supplies by 1990, if the project goes ahead. Does he not think that the time is overdue to establish a common policy for natural gas within the Community within the framework of a new common energy policy?

Mr Haferkamp. — (DE) It really is high time that we had a common energy policy covering all primary energies, gas, oil and nuclear energy.

Mr Herman. — (FR) Can the Commissioner tell us what the Commission does when it finds that the policy of certain Member States in respect of their energy programmes for 1990 does not correspond at all with the targets set by the Commission and, if it has done anything about this, what has been the reaction of the countries concerned?

Mr Haferkamp. — (DE) I mentioned just now a series of special communications to the Council on energy saving investments, coal, nuclear energy, gas etc. We have undertaken specific measures in these sectors because we believe that a general programme up to the year 1990 or a general appeal to the Council of the kind made in March last year, will not be sufficient; we must now take practical and coherent action in respect of the individual energy sources. That is the purpose of the package which the Commission will shortly be submitting to the Council.

President. — Question No 17 by Mr von Wogau (H-319/81):

What is the Commission's general policy towards the use of reference to standards in harmonization directives?

Mr Narjes, Member of the Commission. — (DE) Already when the general harmonization programme of 1969 was presented, the Commission announced its intention of avoiding duplication in proposals for technical approximation of laws and of making particular use of international and European standardization. The many references made in previous Commission proposals to particular standards are specific evidence of this.

The reference which gives binding legal force to a standard depends on two conditions: on the existence of that standard and on the appropriateness of its content to the aim of harmonization pursued by the Community. The Commission has therefore repeatedly advocated standardization projects and in some cases it has itself encouraged specific harmonization proposals.

In urgent cases the interim results of standardization work are taken into account and used in the form of technical annexes to Community harmonization proposals. Later on reference can be made to the definitive standard in the harmonization text to be adopted by the Council.

So far the Commission has only been able to make general reference to international European and national standards in its directive on low tension devices. To the extent that harmonization solutions of this kind can be found in other areas the Commission will not hesitate to develop this method of legislation and reference to standards further.

Narjes

The Commission recently made similar proposals in its draft directive on toys. Its aim is to give greater priority in future to European standards in the context of the harmonization of technical specifications. The feasibility of these efforts will depend in large measure on whether the Council of Ministers reaches rapid and complete agreement on the information procedure proposed in 1980 in respect of standards and technical specifications.

Mr von Wogau. — (DE) May I begin by welcoming the content of Mr Narjes' statement. I shall explain my reasons briefly: after I was elected to this Parliament I was appointed rapporteur on a directive relating to measurement methods for binary textile fibre mixtures. The first question that I asked myself was this: why does a Parliament, Commission or Council of Ministers have to concern itself with a matter like this? What happens at national level? I asked all my colleagues from the national parliaments whether they had ever had to draw up a report on measuring methods for binary textile fibre mixtures or similar matters.

This is not done at national level. Why? Because there are standards institutes which draw up technical regulations to which legislation refers. Commissioner Narjes said that this was the aim of the European Community. I believe that we in this Parliament must encourage progress towards this objective at Community level. The Community institutions i.e. the Commission, Council of Ministers and Parliament, must be relieved of these technical details if they are to work rationally. If responsibility for these matters could be transferred to competent standards institutions enjoying relative autonomy, we should also achieve much higher quality standards . . .

(The President urged the speaker to put his question)

I would therefore ask Commissioner Narjes what his time scale is for the development of an active European standards institute to which reference could be made in connection with all directives of this kind.

Mr Narjes. — (DE) The Commission realizes that the time factor is an obstacle to the attainment of its aims; a further difficulty resides in the fact that the standards institutes work on a voluntary basis and their financial and staff resources are not equal to the

demands which the Commission must make of them if its harmonization objectives are to be attained. We hope, however, that discussions conducted in the last four months will have created a situation in which a new era of relations with the standards institutions will be opened as in the case of the directive on toys to which I referred you just now as an example.

Mr de Ferranti. — I am glad to hear the Commissioner talk about a new era. I wonder if he would agree that to make such a new era practicable, the work and the way in which the existing standards bodies operate together needs to be better known and better understood. Would he consider giving some thought to how what is being done by the standards bodies and by CEN and CENELEC could be better publicized and people made more aware of the work they are doing? In that way they may become more aware themselves of the importance of the European dimension.

Mr Narjes. — (DE) I share the concern expressed in the honourable Member's question and would point out that the Commission has already achieved an improvement through the willingness of these bodies to make greater use of expert representatives of consumer associations as observers of their work so as to ensure that we do not have purely industrial standards but also take account of the interests of the consumer. The Commission will continue its endeavours to promote publicity for the work of the institutions. This entails financial support and assistance with staffing.

Mr Gerokostopoulos. — (GR) Mr President, I should like to invoke Rule 87(1) and apply to have my question No 68 adjourned for lack of time to the next Question Time pursuant to paragraph 11 of the guidelines governing the conduct of Question Time attached to Rule 44(1).

President. — The first part of Question Time is closed.^{1, 2}

(The sitting rose at 8 p.m.)

¹ See Annex of 17. 2. 1982.

² Agenda for the next sitting: see Minutes.

*ANNEX I**Commission action on opinions on its proposals delivered by the European Parliament at its December 1981 and January 1982 part-sessions*

1. As agreed with the Bureau of Parliament, the Commission informs Members at the beginning of each part-session of the action it has taken on opinions delivered at the previous part-session in the context of parliamentary consultation.

2. At its December 1981 and January 1982 part-sessions the European Parliament delivered 23 opinions on Commission proposals in response to Council requests for consultation.

3. At these part-sessions 17 matters were discussed, in connection with which Parliament delivered favourable opinions on or did not request formal amendment of the proposals listed below:

Report by Mr Enright on the proposal concerning the main lines of the 1982 programme for financial and technical cooperation with non-associated developing countries and the financial and technical assistance granted such countries by the Community;

Report by Mr Dalsass on the proposal for a regulation amending Regulation (EEC) No 357/79 on statistical surveys of areas under vines;

Report by Lord Douro on this proposal for a regulation amending Regulation (EEC) No 315/68 fixing quality standards for flowering bulbs, corms and tubers;

Report by Mr Vernimmen on the proposals for

- (i) a regulation amending Regulation (EEC) No 2358/71 on the common organization of the market in seeds, Regulation (EEC) No 2727/79 on the common organization of the market in cereals and Regulation (EEC) No 950/68 on the Common Customs Tariff,
- (ii) a regulation amending Regulation (EEC) No 1660/81 fixing the amounts of aid granted for seeds for the 1982/83 and 1983/84 marketing years;

Report by Mrs Martin on the proposal for a directive amending, as regards the special conversion grant and the monetary unit utilized, Directive 78/627/EEC on the programme to accelerate the restructuring and conversion of vineyards in certain Mediterranean regions in France (COM(81) 439);

Report by Mr Beumer on the proposal for a directive amending Directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco;

Report, without debate, by Mr Seeler on the proposal for a regulation opening, allocating and providing for the administration of a Community tariff quota for frozen beef and veal falling within subheading No 02.01 A II(b) of the Common Customs Tariff;

Report, without debate, by Mr Seeler on the proposals for

- (i) a regulation amending Regulation No 217/81 opening a Community tariff quota for high-quality fresh, chilled or frozen beef falling within subheadings Nos 02.01 A II(a) and 02.01 A II(b) of the Common Customs Tariff,
- (ii) a regulation amending Regulation No 218/81 opening a Community tariff quota for frozen buffalo meat falling within subheading No 02.01 A II(b) 4(bb) 33 of the Common Customs Tariff;

Report by Mr Gautier on the recommendation for a decision on the conclusion of a fishery agreement between the Government of Canada and the EEC;

Report by Mrs von Alemann on the proposal for a directive amending Directive 75/130/EEC on the establishment of common rules for certain types of combined road/rail carriage of goods between Member States;

Proposal for a regulation concerning the management and monitoring of certain 1982 catch quotas allocated to vessels flying the flag of a Member State and fishing in directed fisheries as defined in the NAFO Convention;

Proposal for a regulation amending Regulation (EEC) No 849/81 laying down for 1981 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway;

Proposals for

- (i) a decision on the conclusion of the Cent Convention between the EEC and the United Nations Relief and Works Agency (UNRWA) on assistance for refugees in Middle Eastern countries,
- (ii) a regulation (EEC) concerning the supply of sugar to UNRWA as food aid;

Proposal for a regulation on the organization of a survey of farm structures in 1983;

Proposal for a directive on the period of validity of derogations in respect of brucellosis guarantees in trade in certain bovines;

Proposal for common organization of the market in sugar.

4. In six cases the European Parliament asked the Commission to alter its proposal under the second paragraph of Article 149 of the Treaty, and in two of these the Commission accepted the proposed amendments, namely:

Report by Mr Croux on the decision adopting a research and development programme (1982-85) in the field of raw materials:

a proposal has been prepared and will be presented shortly to the Council and Parliament;

Report by Mr Corossino on the regulation establishing arrangements for intra-Community movement of goods:

an amended proposal is being prepared and will be presented shortly to the Council and Parliament.

In the other cases the Commission explained why it wished to maintain its proposals:

Report by Mr Cohen on special assistance for the least developed countries;

Report by Mr Janssen van Raay on the harmonization of laws, regulations and administrative provisions concerning exercise of the right of appeal in customs matters;

Report by Mr Woltjer on the social aspects of sea fishing in the European Community;

Report by Mr Maher on the directive aimed at the eradication of bovine brucellosis, tuberculosis and leucosis (COM(81) 611 final).

5. The European Parliament adopted four reports relating to budgetary matters:

Report by Mr Nord on the operational budget and the ECSC levy;

Report by Mr Adonnino on supplementary budget No 2/81;

Report by Mr Spinelli on the 1982 budget;

Report by Mr Ansquer on the budgets of the other institutions.

6. The Commission also expressed its views during discussions concerning it, and took note of Parliament's opinions on the following:

Report by Mr Antonozzi on the 1978 and 1979 financial and budgetary activities of the ECSC;

Report by Mr Welsh on anti-dumping action by the Community;

Resolution by Mr Prag on the Parliamentary committees;

Report by Mr Zagari on the action to be taken on the fourth subparagraph of paragraph 3 (c) of the resolution of 7 July 1981 (seat of the institutions of the European Community, particularly the European Parliament);

Report by Mr Clement on the outcome of the work of the ACP-EEC Joint Committee and Consultative Assembly in 1981;

Resolution by Mr Poniowski on the proposals concerning the North-South Dialogue following the meeting in Cancun;

Report by Mr Beazley on the Tenth Report on Competition Policy;

Resolution on the situation in Poland;
 Three resolutions on the disasters in Denmark;
 Resolution on the cost of energy in horticulture;
 Resolution on the situation in southern Africa;
 Report by Mr Antoniozzi on Parliament's role in relations with the European Council;
 Report by Mr Cohen on the outcome of the Conference on the Least Developed Countries;
 Report by Mr Gatto on transport of dangerous substances;
 Report by Mr Seefeld on transport of radioactive materials and waste;
 Resolution on the sentencing to death of 52 leading Turks.

7. The Commission takes the opportunity to inform Parliament of the disaster aid and emergency financial and food aid granted since December 1981, namely:

(a) *Disaster aid within the Community*

1 250 000 ECU for France in connection with the catastrophic weather conditions;
 1 250 000 ECU for Britain in connection with the catastrophic weather conditions;
 1 000 000 ECU for Ireland in connection with the catastrophic weather conditions;
 150 000 ECU for Germany in connection with the hurricane damage in November 1981.

(b) *Emergency financial aid for third countries*

2 000 000 ECU for the people of Poland, through NGOs;
 300 000 ECU for the people of Vietnam, for the purchase of medicines, through NGOs;
 1 000 000 ECU for Chad, to repatriate refugees and set up medical centres;
 500 000 ECU for Cape Verde, to purchase medicines and animal feedingstuffs;
 50 000 ECU for refugees in Djibouti;
 800 000 ECU for Niger, to purchase animal feedingstuffs;
 300 000 ECU for Namibian refugees in Angola;
 633 000 ECU for Afghan refugees in Pakistan;
 200 000 ECU for Madagascar, to purchase insecticides;
 150 000 ECU for drought victims in Algeria;
 300 000 ECU for drought victims in Morocco;
 8 000 000 ECU for the people of Poland, through NGOs;
 50 000 ECU for Zaire, to help tackle a dysentery epidemic;
 80 000 ECU for Montserrat, for cloudburst victims;
 200 000 ECU for Seychelles, to improve travel safety;
 60 000 ECU for Mauritania, for flood victims;
 35 000 ECU for Mauritius, to help repair damage done by Cyclone Damia;
 30 000 ECU for Swaziland, to help tackle cholera;
 100 000 ECU for Madagascar, for cyclone victims.

(c) *Emergency food aid for third countries*

1 000 tonnes sugar for refugees in Somalia;
 300 tonnes skim-milk powder and
 260 tonnes butteroil for Ghana;

2 965 tonnes cereals and
500 tonnes skim-milk powder for Namibian refugees in Angola;

3 150 tonnes cereals,
350 tonnes skim-milk powder and
200 tonnes butteroil for displaced persons in Angola;

2 500 tonnes cereals,
400 tonnes skim-milk powder,
300 tonnes butteroil and
100 tonnes red beans for El Salvador;

2 500 tonnes cereals,
600 tonnes skim-milk powder and
100 tonnes red beans for Honduras.

SITTING OF TUESDAY, 16 FEBRUARY 1982

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IN THE CHAIR: MR JACQUET

Vice-President

(The sitting was opened at 9 a.m.)

1. *Approval of the minutes*

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

Are there any comments?

I call Mr Tolman.

Mr Tolman. — (NL) Mr President, I should like to raise a point of order. I was faced with something of a conflict situation yesterday over my duties with regard to the arrangement of activities. It concerned my work for the Committee on Agriculture, and the question concerned the rapporteur on laying hens. Wittingly or unwittingly — and I assume the latter — the impression created was that I had in fact caused some delay.

I should like to state the following for your information. Firstly, the report was withdrawn strictly in accordance with the Rules of Procedure. Secondly, I am not bound by the deadline of one month. Thirdly, the Council did not request the application of the urgency procedure in this matter. But I can assure you that I shall produce the report as quickly as possible.

It was said yesterday that the Bureau would be discussing this question. To simplify your work, Mr President, you can take it that the report will be ready for the next part-session or the one after. The Member who raised this question could simply have come to me, but he preferred to approach the Chair. I therefore feel obliged to explain the situation to the President, to remove any misunderstanding that may have arisen.

President. — I have taken note of your statement.

I call Mr Woltjer.

Mr Woltjer. — (NL) Mr President, I did indeed approach the Chair on this matter yesterday. The reason why I did not contact Mr Tolman himself is that I want it stated publicly when Parliament will be considering this subject. Mr Tolman now tells us that he will be submitting the report at the next part-session or the one after, but I find that too vague. I believe the Bureau should now make it clear precisely when this report will be considered.

President. — I do not think that we can put it on the agenda straightaway. This is a matter that will have to be looked into later.

I call Mr Pannella.

Mr Pannella. — (FR) Mr President, I thought we were still considering the approval of the minutes. I find that the minutes unintentionally misrepresent the point of my amendment which we were asked to vote on. In the Italian it says: *iserizione di un nuovo punto concernente le misure prese dalla Commissione*. I believe that the point has been completely missed. What we called for was not *le misure prese* but *le mancate misure dalla Commissione*. Thus, Mr President, in the French version of the minutes, *concernant l'attitude de la Commission* should read: *concernant l'absence de mesures prises par la Commission*. I am entitled, I believe to insist on the text being amended accordingly. It is on the amended text that the vote will be taken.

President. — In the final version, Mr Pannella, we shall be taking your comments into account.

Mr Pannella. — (FR) Forgive me, Mr President, but your remarks suggest that you consider my last intervention to have been unnecessary.

I should like now to raise an actual point of order.

Mr President, I believe that in many of our parliaments the requisite cards for electronic voting are kept

Pannella

within easy reach of the Members. It happens regularly — understandably enough, I feel — that Members have not got the card on them when they need to use it; we cannot be expected to carry around in our wallets all the cards that seem to be so much a part of our life these days, what with credit cards and the like. May I ask therefore, Mr President, that the Quaestors urgently look into the possibility of distributing the electronic voting cards in the House, as is the practice, I repeat, in many of the national parliaments. In this way we would avoid electronic voting being continually frustrated by many of our colleagues being unable to record their vote.

President. — First of all, Mr Pannella, every Member should keep his card on his person; secondly, whenever you have forgotten it, you know that there is an office alongside the chamber where you can get it.

I call Mr Arndt.

Mr Arndt. — *DE*) Mr President, I feel Mr Pannella should put this matter to the enlarged Bureau, where it can be clarified. I should also like to point out that my name does not appear in yesterday's record of attendance. I ask that this be rectified.

President. — That will be taken care of, Mr Arndt. This matter is now closed.

The minutes are approved.

2. Membership of Parliament

President. — Mr Clément has informed me in writing of his resignation as a Member of Parliament. Pursuant to Article 12(2), second subparagraph, of the Act concerning the election of Members of the Assembly by direct universal suffrage, the Assembly recognizes this vacancy and informs the Member State concerned of it.

I call Mr Fergusson.

Mr Fergusson. — Mr President, I would like to protest most vigorously about the announcement you have just made about M. Clément, because although there have been a scandalous number of precedents for what you have just done I believe you have sanctioned a practice that is out of order and probably in breach of the Treaty. I refer to the exercise by the Gaullist party of the tourniquet on its Members. Mr President, you will be aware that with the enforced resignation of M. Clément, we are now left with only 4 of the original 15 Gaullist Members directly elected in 1979

to this Parliament. The situation is actually more complex than that because of the 10 who have already replaced the original Members, 4 of them have also been replaced. Now, to say the least, this is a cynical abuse of the idea of a directly elected Parliament.

(Applause)

Had every party behaved like this the Parliament would have lost 289 of its original Members. By 1984 if we all behave like that, this single Parliament will have seen the faces briefly and ineffectually of a total of 2,170 Members.

(Laughter)

Now, this is what the Gaullist manifesto of 1979 described as 'normal' and they also said it was the most representative and democratic system available. Now in the view of most of us — I am coming to the point of order, Mr President — it makes a mockery of this Parliament, it makes continuity and experience and development impossible and indeed represents a specious and tendentious nonsense which surely now requires to be stamped on. Would they treat their own Assembly like that?

Mr President, I have consulted the Committee on the Rules of Procedure and Petitions on this matter, and I await their opinion. But I ask you whether perhaps the Committee on the Verification of Credentials ought not to examine and if necessary take to the European Court the question of whether the letter as well as the spirit of the Treaty is being infringed by the acceptance here of substitute Members who are given their seats under such circumstances. I ask for your comment.

(Applause)

President. — Mr Fergusson, we have received a letter of resignation in due form from Mr Clément, and we cannot but accept it. If you have consulted the Committee on the Rules of Procedure and Petitions, let us then wait to see what proposal or what decision will come from that committee. For the moment I can only do exactly what I have done just now, that is, to accept a resignation submitted in due form.

I call Mr Pannella.

Mr Pannella. — *(FR)* Really, Mr President, I have a right to say freely what I have to say. For if the President gives the floor to a speaker with an ill grace every time he has to do it he is not doing any service either to himself or to this Parliament.

I wanted to say, Mr President, that your essential civility ought perhaps also to carry over into your parliamentary and presidential functions. It is my

Pannella

considered opinion, therefore, that we can do no more than record resignations. I believe it is customary — and this can be done even in our Parliament — to vote on resignations when they are submitted and to accept them or not. Or else to invite the Member who has submitted his resignation to withdraw it and possibly submit it again at a later date. I consider that a sovereign assembly should be able to judge the motives for resignation, since it could, on occasions, be induced by unlawful pressures. It is, in a way, the business of this Parliament to look into the reasons for resignations.

I urge this House therefore, Mr President, to vote to reject for the time being Mr Clément's resignation, hoping that he will withdraw it. I formally put the question to the House.

President. — Mr Pannella, I shall simply read for you Rule 7(3) of the Rules of Procedure:

A Member's resignation shall be notified by him in writing to the President, who shall inform Parliament, which shall establish that there is a vacancy.

I call Dame Shelagh Roberts.

Dame Shelagh Roberts. — Mr President, would you not agree that the highly unsatisfactory state of affairs, which was referred to by my colleague, Mr Fergusson, arises directly out of the thoroughly discreditable list system which makes a mockery of the concept of direct elections?

President. — Mr Fergusson has told us that he has consulted the Committee on the Rules of Procedure and Petitions. Why don't we wait to see what proposals they have to make in the matter?

I call Mr Patterson.

Mr Patterson. — I come back to the suggestion of Mr Pannella. We are talking about the resignation of Mr Clément. I would refer you to Rule 2 (2), which stipulates that Members shall not be bound by any instructions and shall not receive a binding mandate. I suggest that before we accept Mr Clément's resignation we discover whether in fact he has received any instructions on the matter and whether there was any mandate which calls upon him to resign. Now this is a fundamental matter which affects this House, as Mr Fergusson has said. If there were such a binding mandate, or if he has received any instructions, then his resignation is in fact in breach of the Rules, and I suggest the matter is allowed to rest until this has been cleared up.

President. — Mr Patterson, if every time we get a letter of resignation we have to set up an enquiry to find out whether this resignation is voluntary or not,

then it seems to me that this is taking things somewhat too far. The Committee on the Rules of Procedure and Petitions has been consulted. Could we now await the proposals of this committee and, if you would be so kind, go on with the agenda?

I call Mr Johnson.

Mr Johnson. — (*FR*) Mr President, I believe what Mr Pannella is asking us to do in effect is not to make a decision this morning. He has asked why this committee could not postpone the decision. We are awaiting the opinion of the Committee on the Rules of Procedure and Petitions. If I understood him correctly, Mr Fergusson is also suggesting that the matter be referred to the Committee on the Verification of Credentials. Can we not take a decision to this effect this morning?

President. — It is not for Parliament to take a decision upon a question of this nature, but rather for the Committee on the Verification of Credentials. That being the case, let us decide, if you are agreeable to that, that the Committee on the Verification of Credentials shall be consulted.

I call Mr Ferri.

Mr Ferri. — (*IT*) Mr President, I speak as the former chairman of the Committee on the Verification of Credentials. I would like to point out that this committee has absolutely nothing to do with the matter in hand.

In my opinion, the problem involves eventual changes in the Rules. The President of this Assembly has applied these Rules correctly. As they stand at present, the Assembly has no choice but to accept Mr Clément's resignation and to recognize the vacancy.

From the political viewpoint, I agree that the Rules should be changed in order to give our Assembly the power, usually enjoyed by other parliamentary assemblies, to accept or reject resignations, unless, as Mr Pannella has said, they are presented a second time.

This is the only problem. The proposal which calls on the Committee on the Verification of Credentials to investigate the reasons for resignations is patently absurd; it is an affront to the dignity of the parliamentarian. Action could only be taken in the face of proven and provocative facts; to hold an enquiry here on every resignation, as was suggested by one Member, in order to determine whether or not it was the result of illicit pressures is, I repeat, an affront to the dignity of the Member concerned. Such a procedure can never be accepted.

President. — The Committee on the Verification of Credentials will be consulted. We shall see then what reply it gives us. Furthermore the Committee on the Rules of Procedure and Petitions has been consulted, and we are also awaiting its reply.

I call Mr Provan.

Mr Provan. — Mr President, I would like to point out to you at this stage that I did lay before the Bureau and before the Committee on the Rules of Procedure and Petitions this very problem and I hope that the Bureau is also looking at it, Mr President, and not just the Committee on the Rules of Procedure and Petitions. I think that you, in your capacity as President, should be advised because it is likely to happen again and again under the procedures that seem to be adopted by certain parliamentary groups.

President. — I have taken note of your statement.

I call Mr Fergusson.

Mr Fergusson. — If you would be patient with me for a second. The point is that there are two committees involved here: the Committee on the Rules of Procedure and Petitions on the resignation and the Committee on the Verification of Credentials about the substitute. That is why they are both involved. I have asked for the opinion informally — it is not a formal request — but what I hope this means is that Mr Clément's resignation will not be accepted until such time as these committees have considered the matter. I hope we can assume that Mr Clément's membership of this Assembly is on ice for the present. I hope that is what your ruling means.

President. — The Committee on the Verification of credentials will be consulted, and we shall see what happens.

For the Committee on the Rules of Procedure and Petitions the problem is different. It will also be consulted.¹

3. Decision on urgency

President. — We shall now proceed to vote on the Council's request for urgent procedure on a proposal for a regulation on the sugar sector (Doc. 1-868/81).

I call the Committee on Agriculture.

Mr Woltjer. — (NL) Mr President, ladies and gentlemen, we discussed this question in the Committee on Agriculture yesterday and came to the conclusion that we must endorse the request for urgency. What is at stake here? For nine months the Council has been discussing the possibility of giving the ACP countries the same 8½% price increase as has been allowed in the case of Community sugar. The Council has now reached a compromise, of which this amendment to a regulation forms part. If Parliament does not agree to this request, it will mean that it can be accused, wrongly so as it happens, of delaying this increase in the price of ACP sugar. We would therefore consider it politically unacceptable for this matter not to be dealt with urgently.

I would, however, add that we of the Committee on Agriculture regard the procedure adopted by the Council and Commission as an absurdity, in that they have already decided on this aspect. I repeat, therefore, on behalf of the Committee on Agriculture that we are in favour of urgency because of the political aspects of this matter. We feel, and we shall be reverting to this during the debate, that this is procedurally a very complex subject and that it has been wrongly handled by the Council.

(Parliament decided on urgent procedure)

President. — I would propose to Parliament that we put this item on Friday's agenda and I hope that the Committee on Agriculture will submit its report as soon as possible.

I call Mr Fuchs.

Mr Fuchs. — (FR) Mr President, given the nature of this urgent issue I would suggest that the Committee on Development and Cooperation should also be allowed, through one of its spokesmen, to express its opinion. I believe that the matter in question has as much to do with relations between the ACP and EEC countries as with agricultural policy in the strictest sense.

President. — Yes, Mr Fuchs, I do think that the Committee on Development and Cooperation could give its opinion, though possibly orally, i.e. in the course of the debate.

I call Mr Woltjer.

Mr Woltjer. — (NL) Mr President, I wonder if it would not be possible for this subject to be debated earlier in the week. The report of the Committee on Agriculture is now ready, it has been adopted by the committee and is available in translation. I therefore hope that you can see a way of putting it on the

¹ Topical and urgent debate (announcement of motions for resolutions tabled): see Minutes.

Woltjer

agenda earlier in the week than Friday, because your rapporteur cannot be here on Friday.

President. — Mr Woltjer, it will not be possible to do so before Friday, as there are too many items on the agenda already.

I call Mr Hord.

Mr Hord. — Mr President, in view of the fact that we do have a period for urgent debates, would it not be proper for this particular urgent issue to be dealt with on Thursday morning with other urgent issues?

President. — What we have here is in fact a consultation rather than a resolution, and debates with urgent procedure are always concerned with resolutions. I feel that the best solution to the problem is to accept the proposal I have just made to you and to debate the matter on Friday next.

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President. — We shall now go on to vote on the Council's request for urgency on a proposal for a directive on the admission of securities to stock exchange listings (Doc. 1-978/81).

I call the Legal Affairs Committee.

Mr D'Angelosante. — (IT) Mr President, the Legal Affairs Committee has asked me to deliver the opinion it reached during yesterday's meeting. After some reservations concerning the suddenness of the Council's request for urgent procedure, the committee finally expressed the unanimous opinion that the request should be granted.

(Parliament decided on urgent procedure)

President. — I propose to Parliament that this item also be put on the agenda for Friday.¹

4. *Rural development and regional balances —
Mediterranean plan — Social and economic situation
(continuation)*

President. — The next item is the continuation of the joint debate on the Faure, Pöttering and Delmotte reports (Docs 1-648/81, 1-736/81 and 1-825/81).

I call the rapporteur.

Mr Delmotte, rapporteur. — (FR) Mr President, the Committee on Regional Policy and Regional Planning spent several meetings studying the report and drawing up the motion for a resolution submitted for your consideration and adopted unanimously by it.

As rapporteur for the committee I shall take the liberty, in presenting this report, within the limited time available to me, of adding one or two comments that I consider to be absolutely essential.

The Committee on Regional Policy and Regional Planning had no serious criticism to level at the Commission; on the contrary, it felt that the Commission was to be congratulated on its important document — comprising some 200 pages with its Methodological Annex — which will certainly give us some extremely valuable indications as to the direction our work should take henceforward. There is accordingly no question of criticizing the report on grounds of timeliness or integrity. Whilst considering it inadequate and highlighting certain deficiencies, the committee did nonetheless stress the usefulness of a study which is the first, since 1973, to cover all regions and not just those benefiting from aid from the ERDF, for it is vital, in our view, that the whole of the European geo-economic area should have been taken into consideration.

The most serious criticism that one might level at the report submitted by the Commission is the one cited by our committee in point 4 of the explanatory statement. This report gives only the barest outlines of a strategy for the development of a Community regional policy as called for, I have to point out, by the Council of Ministers in its resolution of 6 February 1979. It is essentially a broad survey to which pertinent comments have been added but in which there is no evidence of any in-depth analysis, attributable no doubt less to any lack of integrity, as I said before, than to a series of deficiencies which I feel it my duty, Mr President, to underline.

Underlying the general weakness of the report, indicated by our committee, there are, as we see it, two shortcomings of a technical order. The first is the lack of homogeneity in the make-up of the Level II Regions, which serve as a basis for the analysis, especially — if I may just mention it in passing — the difference in size between the Dutch and Belgian regions on the one hand, and the British and Irish regions; the whole of Ireland is, in fact, treated as one region. This is a problem that will have to be overcome somehow. Where the United Kingdom is concerned, the simplest solution might be to detach the Metropolitan Countries from their surrounding regions, although it is a moot point whether it makes sense to isolate in this way parts of a region which, to a greater

¹ Deadline for tabling amendments: see minutes.

Delmotte

or lesser extent, are its focal point both economically and socially.

The second flaw to have come to light is also of a technical order: the choice of the current, exchange rate, rather than purchasing power parities, as an indicator of economic disparities between regions. It may be that this choice was intentional as a way of highlighting regional disparities in countries with weak currencies, but the fact remains that the use of the yardstick of purchasing power allows a more searching analysis by highlighting disparities between regions with 'strong' economies.

In points 6 and 7 of the explanatory statement, the Committee on Regional Policy and Regional Planning has drawn attention to two shortcomings which the Commission's report could scarcely have avoided, since they result from the inadequacy of the statistical analysis resources, a fact that is incidentally universally deplored. May I remind you that every year, in our debates on regional policy, speaker after speaker has referred to the lack of adequate research facilities in Brussels. There is in my view a lamentable lack of vital short-term economic information and, in addition, which is just as serious given its impact and consequences, the old distinction is retained between primary, secondary and tertiary sectors. Where infrastructures are concerned, we were not entirely dissatisfied with the part of the report dealing with this point. The problem is well known and should, in our opinion, be carefully reviewed. As you are aware, Mr Commissioner, this point has come up recurrently in the course of our internal discussions. But our committee did nevertheless place special emphasis on the inadequacies of the infrastructure in the peripheral regions. This, too, is a point that has cropped up time and again in the various reports that I have placed before Parliament over the past eight or nine years.

I now pass on, Mr President, to the motion for a resolution, which was, I remind you, adopted unanimously by the committee.

Firstly, the report is to be regarded as an initial attempt and as such we should therefore not condemn it.

Secondly, we are naturally critical of the disparities, which I have indicated in this brief opening statement, and we must urge a revision of the regional breakdown of the Community in Level II.

Thirdly, we urge the use of purchasing power parities, while at the same time retaining the European unit of account for the analysis of economic data. To my way of thinking this is essential. Fourthly, we deplore the lack of adequate short-term economic information and call for an improvement in this area.

Finally, we urge the establishment of a genuine inventory of the resources and needs of the various regions,

because what we have been given seems to us to be inadequate. Paragraphs 10 and 12 flow logically from related resolutions which seek to bring about an improvement — given the imperfections of a technical order that we have identified — in the economic and social data available as a basis for our analyses.

Mr President, I should like to run through some of the fundamental principles which have guided us in our actions in past years. Our steadfast goal is to see the emergence of a regional policy that is not merely a policy of social assistance. What it must do is stimulate development or renewed growth in certain regions.

No region should have to rely on aid indefinitely. Its ultimate prime objective must be to achieve self-development. That is why it would have taken an exhaustive analysis of the findings of this report to have come up with proposals for new regional policy guidelines and for amending the ERDF Regulation. It is not the fact a region is the poorest, but that it has development potential that makes it a suitable candidate for maximum aid from the ERDF. We must avoid squandering aid in the way certain Member States have been known to do, propping up their backward regions since the end of the last war without having succeeded in getting even the beginnings of a process of self-development off the ground.

In conclusion, Mr President, the Commission must be encouraged to provide better statistics, to analyze the causes of development and under-development in order to be able to propose appropriate solutions to deal with backward regions. Mr President, this brings to an end my statement introducing this report which, as I say, was adopted unanimously by your committee.

(Applause)

President. — I call the Committee on Social Affairs and Employment.

Mr Barbagli, draftsman of an opinion. — *(IT)* Mr President, ladies and gentlemen, the Committee on Social Affairs has given its opinion on the Delmotte motion for a resolution tabled on behalf of the Committee on Regional Policy. The latter had already decided on its position before the Committee on Social Affairs was ready with its opinion; for this added reason, we will present here, directly to Parliament, certain points which the Committee on Social Affairs considers to be important.

Above all, our committee wishes to express its anxiety about the social and economic situation of some regions of our Community. The imbalances between the strong and weak areas have not diminished; on the contrary, they are becoming ever more marked. Mr Pöttering was very clear yesterday evening when he explained this situation. We would only add that

Barbagli

among many indicators, all pointing to the same diagnosis, that of gross per capita income stands out with particular prominence. The gulf separating the more developed from the less developed regions has grown wider. In fact, the discrepancy continues to increase: in 1970 it was 2.9 to 1, in 1977 4 to 1, in January of 1981 — with the accession of Greece — it was 5 to 1. I believe, therefore, that we are truly threatened with a North-South problem within the Community itself, one which may be exacerbated by enlargement; therefore, since we are in favour of enlargement, we believe it should be accomplished within the framework of measures designed to prevent this eventuality.

Having said this, I will make no more than a brief mention of the essential proposals presented by the Committee on Social Affairs concerning certain issues. First of all, a question has been raised as to whether we should only coordinate the financial funds now existing or whether we should do more than this. The Committee on Social Affairs believes that we should arrange for the combined use of the existing financial instruments: EAGGF Guidance Section, Regional Development Fund, European Social Fund. In regard to the latter, the Committee on Social Affairs stresses the need to establish professional training programmes before making the investments which will be required in such areas, so that the people who will later be called upon to manage these investments may be prepared. Investments must be linked with training; the world of production and of work must be linked with the schools, so that the latter can better respond to the needs of the world of production. It is not true that the productive sector cannot absorb the demand for employment; in many cases professional training does not correspond to the needs of production. It is vital to prepare the human element in good time for investments to be made in regions where it will also be necessary to introduce productive undertakings based on a more advanced technology.

For these reasons, as far as the means are concerned, the Committee on Social Affairs believes that these financial instruments, or those resulting from their modification or review, should be used in combination, together with measures undertaken by the European Investment Bank.

The Fund should have an autonomous endowment in proportion with the scope and importance of the problem. Action should be concentrated — it is true — in the weak areas, but these weak areas must be better identified, for there are areas other than those already selected — by the Regional Development Fund, for example — which are perhaps even more depressed than those originally chosen. We believe therefore that it may be necessary to review the geographical distribution of aid, and we suggest as a basis for this the EEC Directive 268, in which to single out, in an *ad hoc* section on the Mediterranean policy, the instrument for the management and coordination of the Rotating Fund.

President. — I call the Committee on Agriculture.

Mrs Barbarella, draftsman of an opinion. — (IT) Mr President, in reference to Mr Faure's report I would like to say, firstly, that the Committee on Agriculture appreciates the fact that in raising the question of the correction of regional imbalances we are addressing an issue crucial to the future development of the Community.

I would like to point out in this regard that during the 70's, in contrast to what happened in the preceding decade, the disparity between the strong and weak regions of the Community increased considerably. We have only to realize, for example, that the relationship between the per capita gross domestic product of the ten most developed regions and that of the ten least developed regions changed from about 3 to 1 in 1970 to almost 4 to 1 in 1977.

This being the case, it is obvious that a real policy for the recovery of the weakest rural areas of the Community is urgently necessary. In this context, and on a general level, the requests contained in the Faure report for agricultural and extra-agricultural measures in rural areas cannot be other than welcome to the Committee on Agriculture.

The Committee believes, however, that it is necessary to supplement Mr Faure's text in regard to both the methodology adopted — so to speak — and the means to be employed.

For the sake of brevity, I will mention only a few of the supplementing amendments the Committee on Agriculture proposes to the Assembly in the opinion it drew up after the approval of Mr Faure's report.

Firstly, the Committee on Agriculture believes that in order to bring about the hoped-for regional balance it is absolutely necessary to concentrate Community measures in the most backward regions, as Mr Barbagli has already said. This is in order to prevent the dispersion of resources and also, naturally, the aggravation of the disparities which already exist.

Secondly, the Committee on Agriculture feels that the report on the socio-economic situation of the Community regions published at the beginning of 1981 can form a useful basis for choosing the regions to receive priority attention, despite the fact that it is not yet complete.

Thirdly, the Committee on Agriculture is of the opinion that to bring about regional balance it is necessary to adopt an organic policy of Community measures based on integrated regional programmes involving the use of the various financial funds, and not the simple coordination of these funds, as Mr Faure proposes.

Barbarella

Finally, our Committee feels that this organic policy of integrated regional measures — now only roughly outlined by the Commission, but of necessity based on the needs and potentials of the regions involved — must be implemented in the context of the Mandate of 30 May. Our Committee feels that this should be a fundamental imperative. This policy should be initiated as soon as possible.

The Committee on Agriculture believes that in this way we can begin the process of territorial rebalancing which is an essential condition for the continuation of the general process of European integration.

(Applause)

President. — I call the Socialist Group.

Mrs Fullet. — *(FR)* Mr President, on certain points the Faure report adopts a line the Socialist Group can wholeheartedly endorse: protection for poor rural areas and small farmers, maintenance of a minimum economic and social life in depopulated areas.

Agricultural policy must to an increasing extent take into consideration the consequences it has for rural areas, especially the more sparsely populated ones. It must in particular make a contribution to maintaining agricultural activity in these areas. That is why we find the initial paragraphs of the motion for a resolution (system of degressive prices), which take up some of the points contained in the document relating to the reform of the CAP submitted by Mr Pisani while he still sat with the French members of the Socialist Group, particularly encouraging. This idea is in any case embodied in the French memorandum.

The measures to develop non-agricultural activities fit in with the ideas for revitalizing the economies of the less-favoured regions expressed by the Commission in its new guidelines. In placing emphasis on developing the endogenous potential of the less-favoured regions they show where the priorities of regional policy lie. This development, and here I refer to point 3 of the Commission's document on the new regional policy guidelines, is intended to benefit the small and medium-sized undertakings and craft enterprises, more specifically by helping to provide the necessary 'software', in other words information, research and technical assistance.

Under the new guidelines the ERDF will be better adapted to the development of rural areas than in the past. It is therefore regrettable to see a geographical concentration under the quota section of the ERDF, which will prevent it in the future from bringing aid to certain large areas under threat of depopulation or already sparsely populated.

That being the case, Community regional development measures that can be financed from the non-quota

section, as well as integrated programmes, will have to be implemented in these areas. Measures qualifying for assistance from the non-quota section under Article 27 of the proposed ERDF Regulation will meet the need to encourage the implementation of rural policy in sparsely populated areas or areas under threat of depopulation and to minimize the consequences for the regions.

That is why the Socialist Group thinks that there is absolutely no need to set up a new European banking body. All it would take is the setting up, within the EIB, of a rural finance department which would grant loans with interest rate subsidies, whether or not in conjunction with a subsidy from the EAGGF. This department could be financed by the Community, the Member States, the regions or public authorities.

On the other hand, the Socialist Group is not greatly impressed by paragraph 18, seeing this as a sort of disguised form of work camp for young people, or a covert way of finding cheap labour. And when this paragraph says that young people would thus have an opportunity to familiarize themselves with one or more European countries, this is really nothing new, given that the free movement of workers is already enshrined in the Treaties.

In spite of this last point, which is compensated for by the fact that it takes into account our own views, the Socialist Group will be voting in favour of the report.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Costanzo. — *(IT)* Mr President, Mr Faure's report, which was thoroughly discussed by the Committee on Regional Policy and Regional Planning during more than one sitting, deserves, in our opinion, approval on at least two points.

One is the proposal for an updated analysis of the difficult socio-economic condition of the disadvantaged regions — regions characterized by a primarily agricultural economy and by a structurally poor agriculture — calling our attention to the particular causes and generalized effects of the socio-economic situation in these regions.

The Faure report also rightly points out to us that it is of interest to the Community to concern itself with the problems of such regions, and therefore to try for a Community solution through specific and appropriate measures in the context of the various structural policies: agricultural, regional, social, and others.

Such a policy must embrace all the problems of rural life and should not be limited to partial or sectorial approaches, as is rightly affirmed in the motion for a resolution approved by the Regional Committee.

Costanzo

There is in fact no rural life, understood as an economy and as a socio-cultural environment, without a certain prevalence of agricultural activities. It has been ascertained, however, that the economy of rural areas cannot be supported by the agricultural sector alone. Prevalence, therefore, but not exclusivity of the agricultural sector.

For these reasons, then, the analyses in the Faure proposal are worthy of approval. We favour in particular those aimed at the valorization of the rural environment and the harmonious integration of agricultural activity with artisanship and with tourism, especially the sort of tourism connected with the rural countryside, the agricultural undertaking, the local traditions, and the particular agricultural and food products of some mountain and foothill regions. We also favour the proposals aimed at a better integration of young people in the social and economic systems of these regions, with the natural proviso that the present social and economic system be modernized and made more productive.

In regard to the chapter concerning the contribution of agriculture and the food industries to rural development, I wish to say that the idea of reducing the guarantees now offered to agricultural producers does not appear to be valid. Agriculture is destined to be the principal activity in rural areas, the hub around which other activities develop, particularly activities related to agriculture and complementary to it: the food industry, forestry, rural artisanship, and especially rural tourism. The supplementing amendment we presented concerning the important role that can be played by rural tourism in these areas should be understood in the above context.

Ladies and gentlemen, it is evident that the future development of rural areas will depend upon the common agricultural policy, and on the particular orientation it will provide for dealing with the problems of the most disadvantaged regions, especially now that negotiations are under way for the enlargement of the Community to include Spain and Portugal. I believe that on this aspect of the rural economic situation broader-based discussions will be needed in order to arrive at adequate solutions; the question should be raised in connection with the reform of the CAP and with enlargement to include Spain and Portugal, with special regard for the Southern and Mediterranean rural and disadvantaged regions.

In conclusion, the rebalancing policy must above all be based on a thorough renewal of the agricultural sector, which constitutes — in its three-fold aspect of production, processing, and marketing — the supporting structure for these regions.

Indeed, the difficulties experienced by agriculture in these areas are at once the cause and effect of economic depression, depopulation, and social decay.

The contribution of rural development to the attainment of better regional balance within the Community is therefore inseparable from the essential role which must be played by agriculture and its related activities in the regions considered as rural.

(Applause)

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call the European Democratic Group.

Mr Hutton. — Mr Faure's report opens a tantalizing opportunity for this Parliament to give the Commission a clear instruction that it regards the future of our rural areas as very important. In the early days of the Community there was a direct economic need to encourage people away from the countryside and into industry. Now, industry is groaning, and the efficiency of high-energy farming is in question. Agriculture can no longer bear the burden of rural economies almost alone. Rural life is not just another term for agricultural life, and although agriculture will continue to be the main activity, we have got to be inventive about other options.

The report, rightly, gives pride of place to agriculture and food processing, but I want to draw attention to the importance of effective land use, and particularly forestry, on the least productive hill and less-favoured land. I am not advocating a Europe covered in trees, but I want this Parliament and this Community to realize the desperate future facing the wood-using industries in the EEC. Now, Mr President, we import 60% of our wood and in the United Kingdom the figure is an appalling 92%, and demand is now twice supply. The great natural forests of North America and Scandinavia and the Soviet Union are already thinning out and the question is not whether we should import more but in the future where we will find our supplies at all. Europe has got to make a much greater effort to solve this problem and has got to do it now — it takes half a century to grow decent trees — it is shocking that we do not have a policy for our second most expensive import and I hope the Commission and the new Head of the Forestry Division, Mr Baillet, will regard this report as a direct encouragement to get Council agreement on this subject.

I must also underline the importance which fishermen attach to fishing plans. These offer a viable way of allowing local boats a sporting chance of catching local fish. They offer a positive contribution to conser-

Hutton

vation and they offer an important alternative income to many coastal communities.

Finally, may I express my enthusiasm for integrated development programmes but voice my complete disgust at the feeble way in which this exciting concept has been tackled inside the Commission. We have got one of these programmes in the Western Isles of Scotland but so far all that has been proposed is agricultural. This is because the different DGs in the Commission will not communicate. They will not talk to each other about integration. Now this report expressly calls for the relevant DGs to get together and cooperate and I hope that they will hear that message loud and clear. I would also, in concluding, like to commend the idea of a youth service scheme which would help the rural areas. I am already writing a report on a youth service scheme for the Parliament, and I will take this report's view into account in my report. Mr Faure's report may not be perfect, but it is all we have right now. We need to make a clear political declaration that Europe believes in the future of its rural areas and intends to do a lot more than just talk about it.

President. — I call the Communist and Allies Group.

Mr Martin. — (*FR*) Mr President, what I have to say concerns the Pöttering report. There can be nothing worse for our Mediterranean regions than a pyromaniac fireman. Thus, Mr Pöttering first of all puts all our wealth in jeopardy by fanning the flames of enlargement, then, quickly donning his fireman's garb, he flourishes his Mediterranean plan, which he tries to make as attractive as possible. But how much faith can one have in a fireman trying to put out a forest fire with an extinguisher?

The proposals put forward by Mr Pöttering follow the pattern of regional policy as applied since 1975. The ERDF was established in an attempt to mitigate the disastrous effects on the regions and the people of Community restructuring policies. Since 1975 the ERDF has remained a very convenient multi-purpose mixed bag of a fund. In much the same way as the Commission has done in its new proposals on the ERDF, the Pöttering report seeks to introduce some order into this mixed bag and to respond more effectively to the priorities of the day. It is forced into recognizing the serious consequences of enlargement for the economy of a great many regions, accompanied in particular by a widening of regional disparities. But it dodges the fundamental issue and camouflages the real problems for fear of revealing exactly what enlargement will entail.

The Spanish Secretary of State responsible for relations with the EEC recently put into words some of the implications of enlargement for agriculture. He declared that 'Spain will not make any concessions

where agriculture is concerned; we shall continue with our traditional trade, that is to say continue to import American maize, Argentine beef, and so on.' So, right from the outset we have a refusal to accept the principle of Community preference. As regards the wine trade, the Spaniards are insisting on a continuation of the practice of mixing white and red wines.

I could go on and discuss also the serious consequences of enlargement for the countries around the Mediterranean. But none of these considerations would prevent Mr Pöttering from believing that enlargement is both necessary and desirable as a means of consolidating, so he says, democracy in the applicant countries. It is particularly comical to see Mr Pöttering parading as a champion of democracy when at the same time he and other members of his group are giving their blessing to the military dictatorship in Turkey. Who will believe it when he says that his Mediterranean plan could cure the evils of enlargement? Are not the results of the ERDF telling enough? Since its establishment in 1975, regional disparities have continued to widen, the poor have got poorer. That does not stop the report airing praiseworthy intentions. But when you come right down to it you find a completely different story. It is simply a programme of planned unemployment and a planned exodus from the rural areas, valid just as much for the Community as for the applicant states. Mr Pöttering's proposals follow exactly those put forward by Commissioner Natali, who recently stated as follows: 'The Community must realize that it will be compelled to control its production, or gradually give up certain lines, in order to leave room on its markets for products from the Mediterranean regions'. This Mediterranean plan is really nothing more than an attempt to sweeten the pill of enlargement, which the patients of Southern Europe, who are already well and truly sick, will then hopefully swallow. At the same time it serves to further the aims of those who are seeking to undermine the sovereignty of the states and to frustrate the struggles of the workers.

Finally, and this is my last point, like Mr Tindemans and many others in the Community hierarchy, Mr Pöttering too is proposing to do away with the rule of unanimity, thereby attacking the independence and sovereignty of the states. This policy is totally contrary to that which is being introduced in France now thanks to the law on decentralization — we want to turn our backs once and for all on the stultifying and authoritarian centralization of the former government of Giscard d'Estaing. We are not about to jump from that frying pan into the fire of an even more powerful and distant European technocratic centralization. In France the regional train is on the rails and we will not allow the Community to derail it for us. We will not allow the EEC through its regional policy, however it may be dressed up, to call into question the changes that are taking place in our country. That is why we cannot accept the Pöttering report. We insist that the Member States retain full control over the drawing up

Martin

of regional programmes and the use of funds. We stress the urgent need to improve the rules governing Mediterranean product lines in order to give them better protection from imports and guarantee producers a higher income. At the same time we are determined to pursue our campaign against enlargement while seeking to develop cooperation and coordination between the regions and countries of the Mediterranean.

(Applause)

President. — I call the Liberal and Democratic Group.

Mr Cecovini. — *(IT)* Mr President, ladies and gentlemen, according to the press, Mr Papandreu, in a recent visit to Bonn, requested that Greece be granted a special status within the EEC. We will say at once that for us as partisans of Europe, such a thing is unacceptable, just as it was unacceptable to Chancellor Schmidt.

Having said this, we cannot but recognize that the Greek leader has touched upon a great weakness of the Europe we are trying to build: the growing and now intolerable economic disparity between North and South. If this problem is not rapidly solved, there will be a bitter reckoning in two years' time, when the peoples of Europe are called upon to re-elect this Parliament.

It must be admitted that the Community has so far given more attention to the affairs of far-off countries — like the Third World countries, of whose enormous problems no one, naturally, denies the existence — than to those of nearer, or even integrated, countries like Greece, Portugal, certain parts of Italy, and Yugoslavia. It must be admitted in particular that continuous and effective diplomatic action in the Mediterranean — alas, no longer 'mare nostrum', as Mr Pöttering put it — has been entirely lacking.

It must be further admitted that the great interest and enthusiasm shown at the beginning of the great adventure is giving way to a widespread sense of disillusionment and confusion.

The Pöttering resolution is therefore very welcome as a healthy and responsible reaction against the deplorable resignation to what has been aptly named a two-speed Europe.

We must not deceive ourselves: The Council will manage to ignore this proposal as well, as it has done in the past with other praiseworthy initiatives on the part of this Parliament. On this subject, allow me, on behalf of Trieste, to express my profound disappointment at the exclusion of the whole eastern area of Italy from the Regional Fund. Can it be that the problems of salvaging, let alone developing this frontier region, obviously damaged by the Community policy towards

the Southeast, stricken by industrial crisis in the ship-building sector, suffering from an unprecedented loss of population and an ominously growing unemployment rate, are not worthy of the attention of the European Institutions?

Let us hope that the Commission at least will respond adequately to the Pöttering proposal, which is well-balanced, calling for a gradual effort within the capabilities of the Ten countries involved. The combination it proposes of public and private financing is original and convincing. The creation of a development agency, on the basis of experience gathered in dealing with the associated countries of Africa, the Caribbean, and the Pacific, is also to be fully recommended.

In adopting this plan, Parliament would be supporting the principle that Community enlargement should be a positive factor for all partners, old and new, and not merely a bankruptcy procedure on the economic level, socially mortifying and illusory in its political consequences.

Finally, the Pöttering report takes on a complementary value in respect to the Faure report, which deals with problems of agricultural policy concerning all regions, without however going into the policy's negative consequences for the Mediterranean zones or the difficulties stemming from the 'southern' enlargement of the Community.

I would like to comment briefly on this subject, taking the place of my colleague Simon Martin, who had prepared a speech but was prevented from delivering it by an unforeseen circumstance.

It is true that the industrial regions which obtained their workforce from the agricultural regions are today in decline, overpopulated and unable to meet the growing demand for jobs, while the agricultural regions are depopulated, accentuating the regional disparities we are vainly striving to correct.

What is the solution?

Partial or sectorial approaches have proved elusive and even harmful in the long run. The Community must therefore adopt an organic overall regional policy which deals with the entire range of problems in full awareness of their interdependence.

Ten million unemployed represent a limit beyond which European Union would no longer be materially possible, leaving each Member State to withdraw into itself and administer its own humiliating misery in isolation.

The measures proposed in the Faure report are convincing. It should only be observed that these measures must be coordinated with those already adopted by this Parliament — with those of the Plumb report, for example.

Cecovini

Another remark concerns paragraph nine of the Faure report. There can obviously be no objection to the encouragement of part-time agriculture if, as appears to be the case, it can serve to keep the countryside inhabited. It should be made clear however that full-time agriculture will have priority: new investments should be made, particularly in the regions showing the greatest weakness, and new jobs created in this sector.

Today this appears increasingly feasible; since advances have been made in transportation and in techniques of product conservation, it is no longer absolutely necessary for most agricultural and food industries to be clustered around the urban centres. Their gradual relocation nearer to the place of production can therefore be encouraged.

All these circumstances, coordinated in an overall regional policy, could contribute towards the improvement of living and working conditions for thousands of farmers, eliminating useless conflicts and absurd national rivalries and bringing about substantial progress towards the united Europe which nearly all of us desire.

The Liberal and Democratic Group will thus vote in favour of the Faure and Pöttering reports.

(Applause from the Liberal and Democratic Group)

President. — I call the Group of European Progressive Democrats.

Mrs Ewing. — Mr President, one of the things that characterizes Members of this House is the great show of unity evinced when those of us who represent peripheries seek a sympathetic hearing, whether we come from the Highlands and Islands of Scotland or the peripheries of Greece or the Mezzogiorno or the West of Ireland. I feel that this reflects well, particularly on those who don't have such far remote places and can hardly conceive of areas under threat of depopulation.

Now the first two points I would like to make on the Delmotte report are these. Firstly, while we appreciate that statistics must be based on a full comprehensive pattern, they are very often out of date. The second thing is that there is too great a lumping together of vast regions. Imagine the absurdity and the folly of lumping together, for example, my region with the central belt of Scotland where there is a dense population! My region has eight people per square kilometre. Those of you from Germany and the Netherlands and Belgium and Luxembourg might just reflect on the problem of those eight people, and indeed many of these people are in imminent danger of having to go away, leaving almost no people in vast tracts of my country. So I would support Mr Delmotte in his request for a more meaningful regional breakdown, so that areas with one kind of problem are kept entirely

separate from areas which have a problem of density of population.

I welcome the fact that the Community changes according to proven needs. I remember, for instance, when tourism was not considered as a criterion for aid from the Regional Fund, but it became one when Members pointed out the need for it. In the same way I am urging that this House should support the proposition that areas in the Community under threat of depopulation should be regarded as worthy of special attention in themselves because of the threat of depopulation.

Could I just clear up one thing that is often misunderstood about my area? Because there is an oil industry it is thought that we must all be prosperous. In fact, the oil industry has brought little to the local people. The unemployment rate has even risen as a direct result of it. Even in the areas beside the oil very little has spilled over to the local population, though it has brought some prosperity to Aberdeen and that area.

Our unemployment in the Highlands and Islands is now 14.5 %. To go back to the point about statistics being up to date, there was an attempt in my area to bring in big industry through some kind of forward-looking plan. Now this seem to have collapsed about our ears with two enormous closures of a pulp mill and an aluminium smelter and the loss of thousands of jobs. In an area such as mine this is really a disaster. So I make the point that before you can make your plan, statistics must be very up to date.

I am not suggesting to you that you help the Highlands and Islands through the kind of plan I have put forward in my urgency resolution this week solely for the sake of helping us. I am suggesting rather that we can help the Community. To go back to the point made by Mr Hutton, where else in the Community have you got millions of unused acres suitable for tree planting where because of our rainfall the trees grow three times more quickly than they do in Norway? Remember that we are importing timber into the Community! So I am suggesting that by helping my area and giving sympathetic consideration to the resolution I have tabled in accordance with the rule on urgent procedure, you will be promoting the good of the whole Community by developing the great potential of one of the most undeveloped parts of the Community.

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Gendebien. — *(FR)* Mr President, as always, Mr Delmotte has made an excellent contribution to the regional idea and for that I am grateful to him. To Mr Giolitti, I should like to say that the Commission's

Gendebien

study constitutes a scientific exercise of the very highest interest but that it is unfortunately based on old and not always homogeneous data. All the same, if blame attaches to anyone it is not so much to the Commission as to the Member States, whose statistical services appear to be singularly deficient.

We would therefore like to see future studies of this kind based on the latest available figures. 1977 is far behind us and the crisis has greatly aggravated the situation in many regions since then.

Secondly, a more appropriate regional breakdown is desirable. The case of Belgium is a significant one. The Commission has adopted a breakdown into administrative provinces, whereas for the past ten years, at a constitutional level at any rate, Belgium has been divided into socio-economic regions.

Lastly, we would like the conclusions of such a study to be as specific and objective as possible. In fact, it is on the basis of the conclusions of this study that the Commission has formulated its new proposals for the reform of the ERDF and moreover for the inclusion or exclusion of certain regions from those qualifying for aid from the ERDF. This may serve to emphasize the political significance of an apparently purely scientific report; I need hardly say how important is the debate that is currently taking place within the Regional Policy Committee on this problem.

I should also like to say a few words about the excellent report by our colleague Mr Faure. I believe he has expressed extremely well the desire of this Parliament to see the countryside remain alive and self-contained but not compartmentalized. It goes without saying therefore that the countryside must be a place of activity, of production and of trade, not simply a reservoir of raw materials but also a place where goods are produced and processed and also marketed. The rural economy has to be as it were decolonized and for that it needs to progress beyond mere primary production and expand into the foodstuffs and timber industries and also the whole range of growth industries, without exception. We cannot, in my view, have activities that are the exclusive preserve of rural areas or of urban areas. In other words, even though there may be preferential occupations, one could not accept an interregional division of work as an absolute and immutable principle. It is desirable therefore to locate certain industrial and tertiary activities, including administrative activities, in rural areas. The economic and social costs of such a move would probably in any case be lower in certain cases than if these activities were located conventionally in an urban environment. In order to attract and keep activities that are not traditionally their own, the rural areas must meet the twofold challenge which consists, on the one hand, in preserving their identity and, on the other, in being able to offer modern social and cultural facilities. For this purpose, administrative policy decision-making should as far as possible be taken away from

central government and given to the rural regions, which had been progressively stripped of their powers and their autonomy by the growing centralization of modern states.

I should like to close by stressing that decentralization, or regionalization, in favour of rural sectors is also a means of achieving the objective set by the Commission and the rapporteur. My only regret is that neither the report nor the resolution appear to stress this aspect strongly enough.

The amendments that I have tabled, Mr President, merely set out in black and white the various observations I have just made and are in no way intended to contest Mr Faure's excellent report, only to add to it and improve it.

President. — I call the non-attached Members.

Mr Pasmazoglou. — (GR) Mr President, I want to stress the great importance of the reports now under discussion. These reports are of interest not only for the less-developed regions and countries of the Community, but are also very important for the Community as a whole including the more developed regions and countries of the Community. I should like to point out immediately that there is an important contradiction: on the one hand, the European Parliament attaches great importance to this matter while, on the other hand, the discussion on farm prices in Brussels is in deadlock.

I have three comments to make.

The first concerns the Faure report and I should like to stress that from the point of view of development, income support for farmers in the less-developed regions and, in particular, in the Mediterranean countries is essential to assist the development of these regions. In order for this to be achieved three problems have to be dealt with and this is not happening today in Brussels. The first concerns ensuring reasonable prices for all agricultural products and, in particular, Mediterranean products. The second is that the Mediterranean countries in particular as well as other regions of the Community face the problem of small agricultural holdings which require special treatment. Finally, the third point which needs to be dealt with is the fact that in the Mediterranean countries and in other countries of the Community inflation is significantly higher than the overall Community average. These three matters must be dealt with immediately and decisively.

The second remark which I have to make is that a policy for the development of the Community's less developed regions should not be regarded as condescending concessions made by the rich countries of the Community. It concerns the whole of the Community

Pesmazoglou

and, at this point, I should like to state, with reference to the extremely interesting and important Pöttering report, that the post-war Marshall plan was of a completely different character. It was a plan to deal with post-war chaos. However, a policy for the development of the Community's weaker regions and countries is permanent and instrumental in nature and is of interest, in particular, to the developed countries because only within the framework of a developed Mediterranean and by developing the Community's regions and countries can the Community as a whole forge a strong economy. At this point I must express my deep disagreement and opposition to the remarks made by Mr Martin on behalf of the Communist Group. All the countries of the Community, both the rich and the poor countries, cannot deal with their economic and social problems outside of the European Community. Common action is called for and therefore the outcome of today's discussion should provide a message that we can send to the governments of the Member States in accordance with the mandate of 30 May 1980 which should treat regional development in the Community as an essential aspect of reorganization and restructuring in the Community.

The third and final comment, Mr President, is that the matter is of great political significance. The way the Community functions, the life, the economy and the social problems of our countries and our peoples are linked to the degree of social cohesion within the Community which in turn requires strong economic development. Only through strong economic development and support for social cohesion can the European Community exercise its full political responsibility so as to influence world affairs and, at the same time, take the necessary measures to deal with the problem of hunger in the world and the economic imbalance between the countries of the north and the south. All this, I repeat, is dependent on a strong, socially coherent and homogeneous Community and the reports under discussion today are aimed in that direction.

I should like to express, Mr President, the full support of the people of Greece for these proposals and I should like to stress the particular interest and importance which we attach to the Pöttering report.

President. — I call Mr Nikolaou.

Mr Nikolaou. — (GR) Mr President, Mr Pöttering's basic proposition that one of the EEC's prime aims should be to reduce regional disparities, is absolutely correct. This proposition becomes a dramatic plea if one takes account of the fact that the gap between the less-developed and the developed regions of Europe has widened in the last ten years. One only has to recall that the difference between the *per capita* GDP in the richest region, Hamburg, and that in the poorest region, Greece, is 12 to 1. The same nightmarish

comparison exists between Hamburg and the poorest region of Portugal which should be considered as certain to enter the EEC. Pasok's preference for autonomous and decentralized development is consistent with the view that the existing potential for development in each region should be employed within the framework of integrated development programmes proposed and implemented by the Commission.

Bearing this in mind, I should like to refer to two points in the particularly substantial report of Mr Pöttering.

First, the proposal to establish a European development company with a view to transferring technical and administrative know-how to the less-developed regions has many advantages. However, at the same time absolute priority must be given to developing the existing specific scientific potential in each country.

On the second point, which is particularly important for the Greeks, I should like to point out that to limit geographically the Mediterranean plan so as to exclude the regions of Athens, Piraeus and Thessaloniki on the grounds that they are developed, is in our opinion a short-sighted and mistaken measure. I should like to point out and recall that the opinion prevailing so far on development has led to distorted social and economic development in Greece resulting in the mushrooming of Athens and Thessaloniki which today provide living proof of unsound development and are an example to be avoided. Consequently, reconsideration of the decision to exclude these regions, even at the last moment, would I believe be a prudent act and would make a significant contribution to national attempts to bring about decentralization, to protect the environment and to improve the quality of life in the most inhuman metropolises in Europe today and in Athens and Thessaloniki in particular.

Dear colleagues, it is my view that amongst other things, the report drawn up by Mr Pöttering can be a useful tool for dealing with the backwardness of the EEC's less developed regions because the available resources and the activity of the ERDF are totally inadequate to deal with the existing and constantly growing needs especially from the point of view of the EEC of twelve.

The figures speak for themselves. In the first four years of the ERDF's activity, from 1975 to 1978, the amount expended on authorized plans for structural work came to 1 004 million ECU. Of this sum, only 62 million ECU were made available for structural works in the regions. In 1979 and 1980 this trivial amount was reduced even further. Consequently, the corresponding figures for 1979 and 1980, when 697 million ECU and 883.49 million ECU respectively were made available for structural works in the regions, were only 22 million ECU and 24.3 million ECU respectively.

Nikolaou

These amounts are crumbs compared to the overall increase in ERDF grants to other sectors.

I will end, Mr President, since my time is up, by saying that I support the Pöttering report and consider it an important tool for removing inequalities in Europe.

President. — I call Mr Kallias.

Mr Kallias. — (GR) Mr President, the agricultural policy and the regional development policy, which are basic Community objectives, complement each other and can be extended to form an inspired programme which will be economically profitable and ensure social equality and stability. This will ensure that people will remain in the countryside and that the agricultural products essential for human consumption are produced. Furthermore, the Mediterranean countries are firmly tied to the creation and development of Europe and its civilization. However, the Mediterranean countries need special care and support which should not be given in a condescending manner.

Further reasons why support should be given are, first, that many important products are produced only or chiefly in the Mediterranean countries, second that the percentage of persons employed in agriculture in these countries is greater and, third, that the amount of land owned by each producer is smaller and therefore produces relatively small amounts on which he has to survive.

Development of the less-developed regions and support for Mediterranean products can be achieved, first, by special price protection, second, by integrated development programmes based on small contributions from the Member States for the most disadvantaged regions, in particular, and on the creation of new employment opportunities in the handicraft and agricultural industries and, third, by the contribution of agricultural cooperatives and by vocational training and retraining for the young, in particular, but the establishment of a special fund for the development of the Mediterranean regions financed with the necessary resources will provide us with by far the most services.

Finally, I would like to stress the exceptional need for regional development throughout the whole of Greece and I hope that these needs will be met.

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, Mr Delmotte has thoroughly dissected the first periodic report on the regions of the Community. He points out the report's undoubted weaknesses, of which the Commission is aware, and some of which they are already seeking to remedy. We want to encourage them in that effort. But the very welcome fact is that at last we have

comparable statistics and very useful maps. They are very old; as far as the UK is concerned, the regions to which they relate — the old economic planning regions — are too large and conceal vast differences in prosperity, especially in the south-west, which has great problems with high unemployment, but is lumped in with the prosperous south-east. These regions are as big as some Member States, and this is why we are pressing for the adoption of Level 3 statistics as soon as possible. But at least we have a league table of the severity of economic problems in all the regions of the Economic Community, from the least to the most prosperous. Roughly 46 factors were examined, but the final misery index which was arrived at — that is, the ratio of regional gross domestic product and the level of unemployment compared with the Community average — probably provides as reliable an index as is possible for the dates in question.

That, of course, is the problem. The figures for gross domestic product are for 1977, whilst for unemployment the United Kingdom figures are actually for 1974-76! The whole unemployment map of the United Kingdom has changed since then. The appalling slump in textiles and shoes has devastated whole areas, especially in the north-west, where unemployment rates of 25% are not uncommon; and unless a satisfactory Multifibre Arrangement can be negotiated, the end of this job-loss in textiles has not yet been reached.

What worries me is that it is in the light of this report that the Commission has drawn up its new guidelines for regional policy. It may be that prosperity has varied *pro rata* in all the regions, but this seems highly unlikely, and it would therefore be disturbing if these statistics, frozen at a moment so long ago, will be the basis of the new Regional Fund guidelines to last for three years. I hope that when the new guidelines are being discussed the most up-to-date figures will be used.

Even with the above qualifications, however, it seems to me that this survey of the regions and the in-depth analysis of all the factors reflecting regional imbalance has led the Commission to the correct conclusion. To be effective, regional policy must concentrate on those most in need, and this is exactly what this report and its findings have led the Commission to suggest. One omission is, of course, being remedied. The population-growth map shows the regional growth in population of working age compared with the EEC average and points to the regions of greatest demographic pressure, but does little to project them into future labour-market trends. However, the Commission undertakes to present labour-market balances in the framework of the fifth medium-term economic programme, and this will be helpful in deciding both regional and social policy.

Though much improvement is possible, this is a thoroughly sound first attempt, and we very much

Kellett-Bowman

hope that it will be taken into account when the Commission are making their new proposals.

President. — I call Mr Cardia.

Mr Cardia. — *(IT)* Mr President, the Italian Communist vote in favour of the three resolutions is especially intended to contribute towards Parliament's total recognition of the critical point reached by the cumulative processes of the unbalanced and unequal development which is ever more characteristic of the Community economy.

These reports help to demonstrate more clearly the sterility of any balancing policy which takes corrective measures only against the effects and not against the causes of unbalanced development.

To strike at the causes presupposes however the will to plan — albeit with the greatest flexibility — the principal macro-economic variables of the process of Community development, orienting them towards the primary objective of overcoming the current recession.

From this viewpoint of democratic progress and not of fragmentation, an effective policy on regional development should deal with three priority issues.

First: the credit supply and the cost of money.

Second: a common transport policy unifying the Community market.

Third: development and decentralization in the area of scientific and technological research.

The Pöttering report attempts to solve the first of these problems with new and more effective measures; the other two are still waiting for innovative, conclusive proposals.

We are still in the realm of declarations, ideas, and mere proposals. Great efforts will still have to be made in order to turn these ideas and proposals, however appropriate, into reality. Our vote is therefore intended as a contribution towards identifying the arena where this struggle will take place, supported by the united progressive forces of this Parliament.

President. — I call Mr Geronimi.

Mr Geronimi. — *(FR)* Mr President, I am surprised to find my motion for a resolution on the economic situation in Corsica included in the Delmotte report, based as it is on 1977 statistics which were largely out of date by 1981, a serious flaw in my view.

I also consider unacceptable the report by Mr Faure, who clearly had neither the interest nor the time to

read my motion for a resolution. In this report on the contribution of rural development to the re-establishment of regional balance in the Community Mr Faure makes no mention whatever of the problems of agriculture in Corsica, which certainly do not deserve to be ignored in this way. May I point out to you, Mr Delmotte and Mr Faure, that the European Regional Development Fund is designed, or so it seems to me, to correct the most serious imbalances within the Community. You make no reference at all to Corsica, to its portion of the national quotas, which is extremely small, nor to the non-quota section, whose funds should be earmarked for the most deficient regions of the Community. Clearly, the conclusions of the First Periodic Report have to some extent influenced the choice of the regions concerned.

Besides this unequal quota allocation there is another anomaly that I want to draw to your attention, which is that in the Commission's First Periodic Report Corsica is not considered to be a particularly deficient region, primarily because it has been included in the larger and more prosperous Côte d'Azur region.

And this, would you believe, for the sake of the survey! It really is the end! The proposed allocations from the quota section of the Fund (80%) are as follows: the Mezzogiorno 43% plus, the United Kingdom regions 29.28%, the Greek regions 15%, Northern Ireland 7%, Denmark 1%, the French Overseas Departments 2.47%. If this proposal were to be adopted in its present form Corsica would not be expected to receive any aid from the quota section.

In conclusion, it would appear that Corsica has been treated unjustly. The Delmotte report makes no mention of the special problems in obtaining separate and essential statistics for Corsica, even though clearly Corsica would seem to have much to lose by not being considered separately from the Côte d'Azur region. It could be, therefore, that Corsica has quite unjustly been excluded from the list of priority regions eligible for aid from the quota section of the new Regional Fund. In my opinion a large part of the handicaps from which Corsica suffers have thus passed unnoticed. Corsica should not be penalized nor made to suffer as a result of a regional imbalance at Community level. Corsica should not be made to, and does not want to, live in abject poverty.

President. — I call Mr Eisma.

Mr Eisma. — *(NL)* My contribution to this debate on these three reports on the regional policy will chiefly concern Mr Delmotte's report. The President of the Council said only last month that the regional disparities in the Community of the Ten are increasing. This is happening despite the financial efforts of the Regional Fund. The Fund's working methods therefore need to be changed. The aims of the Fund

Eisma

remain the same, but the present procedures must, in our view, be changed. In particular, the Regional Fund and Social Fund must be more closely coordinated. Priority should be given to these reforms of the Regional and Social Funds under the Belgian Presidency. We believe a greater financial effort must be made in the Community under the regional policy. We hope that this will soon be reflected by the budget as a consequence of the decisions on the mandate.

A periodical report on the social and economic situation in the regions of the Community is extremely important for the pursuit of a Community regional policy. It is important because it can serve not only as an evaluation of the policy pursued in the past, but also as a guide for the regional policy to be pursued in the future. Like the rapporteur, Mr Delmotte, one of the longest serving Members of Parliament, who, I understand, will be leaving us shortly, I feel that, while this first report provides a basis for an assessment of the regional policy, it does not go far enough, because the differences in size and population density of the regions do not really allow of the comparisons made in this report, this being particularly true of Ireland and the United Kingdom. Furthermore, it does not provide the information on the economic situation that is needed to permit better coordination of economic regional policy. I will not repeat all the other deficiencies indicated in the Delmotte report, but I would ask that the next report discuss not only the primary, secondary and tertiary sectors but also the quaternary sector. If it is not included in the evaluation, the impression we gain of regional development is incomplete.

To conclude, I would ask the Commission to react to the various requests made in this report and to state whether it regards them as an improvement and whether account will be taken of the suggestions made by Mr Delmotte and his committee in the next report: the second report is urgently needed because this one is based on information dating back to 1977. The statistics of the Member States and of the Community must be adjusted quickly because the new information will be available shortly.

Mr President, I ask you to ascertain whether we can expect an answer from the Commission.

President. — I call Mr Griffiths.

Mr Griffiths. — Mr President, we have before us today three reports on regional affairs in the Community. Mr Delmotte's is in the nature of a diagnosis and Mr Faure's and Mr Pöttering's in the nature of treatment for some of the particular problems.

As far as the Delmotte report is concerned, we have here a concise and clear statement of the problems relating to the economic and social condition of the

Community and its regions. The underlying Commission report is the first that the Commission produced. Hence we didn't expect perfection and the Commission didn't provide it. But they did provide us with an indication of the problems of the Community. In some ways they confirmed what was already suspected. That is that the differences in wealth and economic activity between the richer and the poorer areas of the Community were, in fact, not diminishing but increasing. We argue about whether purchasing power parities or gross domestic product is the better indicator, but it doesn't matter which of those we look at. The same story is told, that the difference between the richer and the poorer areas of the Community is growing.

We have heard from Mrs Ewing that this Parliament, thankfully, gives sympathetic consideration to the problems of the regions, but, Mr President, sympathy will not provide a living or a revitalization of the economic and social conditions of the regions. We have heard too that in time the Regional Fund has developed and that tourism has now become a criterion for aid from the Fund. That is all well and good, Mr President, but once again it is no good expanding the criteria of the Fund if there is not a significant expansion of the resources of the Fund. We are told in Mr Delmotte's report that in February 1979 the Council said that 'Regional policy is an integral part of the economic policies of the Community and the Member States'. Unfortunately, Mr President, that is not true. We do have a Community Regional Fund which takes up a minute part of Community resources. We have an agricultural policy which does try to help the poorer areas but, in fact, gives far more help to the richer farmers.

Consequently we need to take the opportunity of this first report on the economic and social conditions of the regions of the Community to redirect the resources of the Community to the regions so that they can truly be revitalized. If this doesn't happen. I think we shall see continuing dislocation, continuing unhappiness with the way in which the Community works and a crisis which would threaten to destroy the Community itself. The regions, Mr President, need action, they need help so that they can fulfil their role in the whole of the Community.

President. — I call Mr Travaglini.

Mr Travaglini. — (IT) Mr President, ladies and gentlemen, the Community, with its southern enlargement, will be enriched by new and vigorous democracies which will find decisive reasons for their own participation in the common task of European construction. This process, though still nominally one of economic integration, is ineluctably directed towards political integration, despite the perplexities and anxieties of the moment, which derive from the

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barricades erected by the Member States in defense of their own economies, hard-hit by the continuing economic crisis.

Enlargement will, however, bring about a substantial modification of the Community's economic framework, which will be called upon to deal with tasks more complicated than those it has formerly faced. In the absence of the necessary policies — and in this regard we share the convictions of the Commission — there is the risk that the disparities existing between the countries and regions of the enlarged Community may increase, insofar as enlargement will accentuate the difficulties already experienced by certain regions particularly disadvantaged by the present Community. Such a process, if not corrected in time, can only jeopardize the indispensable cohesion of the future Community of 12.

We refuse to believe, ladies and gentlemen, that a person living in Calabria must continue to face a future — as still happens today after 25 years of the European Community — with an average income equal to one third of the Community average income and to one sixth of that of people living in Hamburg; we refuse to believe that the average *per capita* gross domestic product of the whole of the Italian Mezzogiorno must inevitably remain at a level equal to half the Community level. Community policies have not hastened the development of the least favoured areas to a degree sufficient to bring about economic balance within the Community. The inadequacy of the structural policies, the often unfavourable consequences of market policies on the weaker economic structures: these are the primary reasons for the feeble Community support given to these regions.

The European Regional Development Fund has proved to be a useful financial instrument, but it is absolutely insufficient for establishing economic balance, despite the substantial increase of its financial endowment obtained in recent years at the urging of this Parliament. All common policies must make a more decisive contribution to regional balancing: this was clearly reaffirmed by this Parliament in September of 1980. In spite of this, we cannot see, even in the reform of the Common policies — suggested by the Commission with a mandate from the Council — any innovative proposals leading us to believe that it will be possible in the next few years to effect a convergence of the economies of the Member States and carry out an acceptable process of regional balancing. We need new criteria, new methodologies, and new instruments capable of enhancing the effects of the common policies in order to reach these objectives. The proposed instrument — the Rotating Fund for the development of the Mediterranean countries which are either members of or candidates for the Community — corresponds to this logic: no longer the only support assigned to the regional policies of the States, but a clear, organic programme for development, with the commitment of large scale

financial backing for loans in favour of productive initiatives in the less-favoured areas of the Community countries of the Mediterranean.

Our colleague Mr Pöttering — with whom we have been developing this project for over a year, together with other authoritative members of this Parliament from various countries and political groups — has clearly illustrated the aims and the advantages for the entire Community of the Fund project, ideas shared by the whole committee on Regional Policy.

I have little more to add. The Group of the European Peoples' Party believes that such a Fund is an instrument of great potential for the development of the weaker economies; for a more effective organization of the internal Community market, with obvious benefits for the whole Community; for the strengthening of solidarity between our countries, and thus for the construction of Europe.

I ask all my parliamentary colleagues to evaluate all these good reasons carefully, and to give their support to this great Community project.

President. — I call Dame Shelagh Roberts.

Dame Shelagh Roberts. — Mr President, I want to address my remarks to the Delmotte report and in particular to express my very great concern at the absence of an identifiable urban policy within the Community's regional policy. I welcome this first economic and social report produced by the Commission, but I share Mr Delmotte's criticisms that it is based on woefully inadequate and out-of-date research.

Let me give an example from my own country and indeed from my own region, the south-east region, which is referred to in Mr Delmotte's report, where there is a population of 17 million — well above that of several Member nations — and which is Britain's prosperous region. Nevertheless, its gross domestic product has declined over the last 10 years and is now substantially below that of the Community average. Within the south-east region you have greater London with a population of 6.8 million people; more again than that of some of the Member nations. One tends to think of London, the metropolis, the capital city of the United Kingdom, as a vastly prosperous glittering capital. Well parts of it are, but parts of it are areas of extreme squalor and deprivation. Brixton, which is within my own constituency, was the scene of tragic happenings last summer. On the east side of London there is an unemployment rate in various parts which ranges from 17% to 19%. Approximately one in ten of all the unemployed in Britain reside in London. Even during its prosperous years in the 1960's and early 70's London lost half a million manufacturing jobs: seven times more than the national average. This

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was due in no small measure to the poor infrastructure which failed to retain or attract new industry.

Mr President, I have spoken in terms of London because that is the region I am familiar with, but this is the saga of inner cities which can be seen in other parts of Britain and which can be seen in Denmark. My colleagues in this group are associated with me in certain amendments in which we urge that there should be a new system for analysing the problems, to bring out the squalor and the deprivation suffered in some of our inner cities. We should not associate the prosperity of parts of our cities with the squalor of other parts, and we should have a system which brings out these factors. I urge strongly therefore, Mr President, that we should reconsider the basis of analysis; even a level 3 basis would not bring out the problems which are contained in many of the urban conurbations.

Some of our cities in Europe are dying, and if they are allowed to die the regional development policy will die with them. Even now, the regional development policy does not look credible to vast numbers of Community citizens who live in our cities. It is imperative therefore, Mr President, that we should have an urban policy associated with our regional development policy, and I hope that this report will act only as a start to persuade the Commission to work on this urgent and vital matter.

(Applause)

President. — We shall interrupt the debate at this point and resume it after Mr Thorn's address.

5. Fifteenth General Report and 1982 work programme of the Commission

President. — The next item is a statement by the President of the Commission on the Fifteenth General Report of the Commission of the European Communities on the activities of the Communities in 1981 and the annual work programme of the Commission for 1982.

I call the Commission.

Mr Thorn, President of the Commission. — *(FR)* Mr President, ladies and gentlemen, the traditions of this House require the President of the Commission to present the Commission's outline programme in February each year. But this year of all years my address and the debate which will follow cannot be regarded as just another ritual.

A fortnight ago the Commission adopted its outline programme. The document now in your hands sets out the main lines of action which the Commission will be

pursuing over the months ahead. It would be tedious and a waste of time for me to go over the same ground.

Instead, I would like to offer you my analysis of the political and economic context and go on from this to indicate the major options and priorities which, to my mind, offer the most effective response to the challenges of the day.

The Community is in danger. Within its frontiers cohesion is compromised by the economic crisis which is rousing the old demons of protectionism, the illusion that salvation lies in going it alone. Outside, the Community is having to contend with the aggressive behaviour of its trading partners just when it should be working for the survival of its traditional industries and promoting the rise of those which hold the key to industrial development in the future.

The problems are awesome and forbidding. But I have not come here today to preach defeatism. The political options that I will put to you can, indeed must, serve as a springboard for the revitalization of the Community. The Community must emerge from its present tribulations more united, more confident and more assertive on the world scene. The alternative is irreversible decline for the nations which form it.

I know that I can rely on this House to discuss my analysis and, I hope, endorse my options.

The economic and political context: the economic situation within the Community is still disturbing. In fact it worsened in some respects during 1981. I am thinking above all of unemployment, which has reached proportions unprecedented since the end of the war. At the end of last year no less than 10 300 000 people were looking for work. That's 9.3% of the working population and an increase of 28% in one year! The under-25s account for 40% of all the unemployed.

The prospects for growth offered by present economic policies point towards a steady rise in unemployment. A decade ago today's unemployment figures would have been regarded as beyond the limits of the socially acceptable. We underestimated the limits. But if we fail to act now, we may be faced with serious problems of social stability one day. The economic cost of unemployment is broadly comparable to the oil bill, to which we attach so much importance. The social cost is incalculable.

For a number of years, our investment record has been poor. The proportion of resources devoted to investment is down by several points, instead of being on the increase, given our needs in terms of industrial restructuring and energy.

The lack of investment is worrying in more ways than one. To begin with, we are not creating the jobs

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needed to provide employment for an active population that is still growing quite rapidly. Secondly, we are slowing the pace of technological innovation which investment brings. Thirdly, we are impairing our competitiveness, which will increasingly depend on our ability to produce at competitive prices and move into technologically-advanced products.

The unrelenting recession is strengthening the temptation to go it alone which will eventually lead to fragmentation of the internal market. The proliferation of national aids could well undermine our best efforts to promote integration. The Community is lurching from wine war to turkey fight to budget dispute. Even restructuring of the steel industry is being slowed down because no-one will willingly accept redundancies in regions already hard hit by the crisis. There are many more examples. It is essential that we deal with the threat to the single market.

The single market is a priceless, irreplaceable asset; it has been a source of growth, employment, productivity and general well-being since the Community saw the light of day. The short-term advantages of increased protection are negligible compared with the cost — admittedly more difficult to quantify — of a renationalization of markets.

The Community could not survive the destruction of the single market. Each and every government needs reminding of this. If it were to founder, the Community's policies — the common commercial policy for instance — would lose their *raison d'être*. Even the common agricultural policy, founded on the twin pillars of free internal trade and Community preference, would not last long. Recent events illustrate this all too clearly.

Our relations with the United States and Japan are getting more and more strained as the crisis bites deeper. A major dispute is building up with the Americans over steel and agriculture and with the Japanese over the trade balance. As markets contract competition becomes fiercer and tends to spill over into other areas. Ultimately the very basis for the mutual guarantees which ensure effective freedom of trade and competition is put in jeopardy.

Every day we see how difficult the world's democracies are finding it to maintain a modicum of political cohesion. Do we really want to go to war over economic questions which, important though they may be, pale into insignificance beside the political challenges facing us? This is the message that we have tried to convey to the highest levels in the US Administration.

The mandate: the Commission's May mandate report dominated Community business in 1981 and will continue to do so in 1982.

Events have clearly shown that the Commission was quite right to insist from the outset that the mandate could not be interpreted solely in budgetary terms. Its view was that a solution to the Community's problems could only be found by making an immediate start on laying the foundations for a second-generation Europe.

You will recall that the Commission recommended a three-point programme to give fresh impetus to the Community and restore its cohesion.

Point 1 was to revive the process of European integration by restoring economic and monetary solidarity and developing the Community policies which will provide the answers to the new challenges of the 1980s.

Point 2 was to reform and adapt the aspects of the common agricultural policy which are not entirely satisfactory, but without throwing out its basic principles.

Point 3 was to resolve the budget problem temporarily by whatever measures are necessary until such time as the development of common policies furnishes more lasting solutions.

The need to give the Community fresh impetus was evident when we wrote our report last June: subsequent events have borne this out. I have just outlined the difficulties confronting us. They will not be solved by larger doses of nationalism. The message from Parliament and the Commission is the same: the remedy has to be greater solidarity and further integration. This was and still is fundamental to the position which coloured the Commission's report and subsequent proposals.

In our proposals, we were looking for solutions to two problems which are causing growing concern: adjustment of the common agricultural policy and the United Kingdom's budget problem.

Our position on the *common agricultural policy* is underpinned by a number of basic truths. The result of 20 years' application of the CAP is positive. Set against what has been achieved, its total cost is not excessive. Every country needs an agricultural policy and it is worth remembering that the policies pursued by the Community's main competitors are just as costly, even when compared with the total of Community expenditure and the frequently much higher contributions of the Member States.

(Applause)

Because of the very success of the CAP and improvements in agricultural productivity, the Commission believes that adjustments ought to be made so that it will be easier to control the effects of the operation of market organization (surpluses and cost to the

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budget). It believes that this can be achieved without jettisoning the three interrelated principles on which this policy has always rested.

The best way of ensuring the survival of the CAP is to make the adjustments which its past and future success demands calmly and before it is too late.

But to do this we must have a clear idea of the kind of agriculture Europe wants. The modernization process on which competitiveness depends must be pursued, but it must be reconciled with the need to avoid a massive flight from the land which would be quite unacceptable in the present situation. Hence the Commission's desire to remain alive to the problems of the incomes of small farmers and handicapped regions.

If we can agree on clear options, the rest is mainly a matter of technical detail calling for a little imagination. But if this agreement is not forthcoming, it will be a sign that we no longer even know in which direction we want to go.

The *United Kingdom's budget problem* has perhaps been the biggest obstacle to a satisfactory conclusion to discussions on the Community's future.

We should be quite clear about the reasons for the deadlock. To begin with, the economic crisis leaves nothing to spare in national budgets, and contributions to the Community budget are therefore viewed — rather short-sightedly — as a luxury to be kept for more prosperous times. There are also differences of opinion about the function of the Community budget: it is not an equalization mechanism designed to give back exactly what each has paid in, nor is it strictly comparable to a national budget. We have only to look at the relative sizes of the Community budget, which amounts to 0.8% of the Community product, and national budgets, which can account for up to 50% of national products. There is no comparison. Finally there are differing views about how the budget should develop in the medium term. The Commission remains convinced that the development of common policies cannot be constrained by an arbitrary limitation on the resources available.

Our first task must be to resolve the question of what is referred to as the United Kingdom's budgetary imbalance — a problem which the governments recognize — without undermining solidarity between the Member States and without changing the fundamental characteristics of the Community budget. But the difficulty is that if compensation to the United Kingdom is financed solely from own resources — and there is no reason why it should not be — virtually all the available margin would be used up.

Like Parliament, the Commission has never taken the view that the Community's future can be dictated by the unthinking respect for the 1% limit; we have no intention, either, of slowing down development of our

structural policies or giving up joint financing of the common agricultural policy. To do so would be to accept stagnation in the Community.

Taking the step of proposing new own resources is much more than a budgetary matter. It means persuading the Member States, national parliaments and public opinion that the Community has something to offer which warrants a further transfer of resources. This House and the Commission are now faced with a new imperative — I no longer dare to call it a mandate — to put a convincing Community project to our people. This must surely be our overriding priority with a view to the direct elections due in 1984, which will constitute an historic turning point, not just for Parliament, but for all those who have pledged themselves to the construction of a united Europe. This deadline is rapidly looming closer.

A great deal of time and effort has gone into discussing the three facets of the Commission's report. At the beginning of January I myself tried to work out a compromise solution at the Foreign Ministers' request, but to no avail. Agreement still eludes us. It is hard to view this deadlock with equanimity.

The bones of contention may appear trivial, but the fear they raise is that they are simply a front for our governments' waning commitment to Europe or at least for fundamental differences on the structure and purpose of the Community.

I have no wish to minimize the importance of the points on which agreement was reached by the European Council. These include new Community policies in sectors such as industry, energy, research and development and an increase in the Community's borrowing and lending capacity.

My immediate aim is to try to persuade governments to come to an overall agreement as soon as possible, at the latest at the European Council in March. The talks which Mr Tindemans and I will be having with the governments of the Member States in the weeks ahead will enable us to see how much agreement has been reached on revitalization of the integration process. If full agreement is not forthcoming within this time, the Community will face an identity crisis.

The Commission would have to make a complete appraisal of what the Community is and what it is to become, without losing sight of the gravity of the situation and its institutional role. This House may rest assured that the Commission will involve it in its appraisal.

Economic recovery: for many years now the Community has made nothing like full use of its economic potential. This has led to a seemingly inexorable rise in unemployment. There is little inclination to invest because industry sees no point in increasing

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production capacity when existing plant is already lying idle.

Hopes of a recovery have been dashed time and again. Moderate growth was forecast for 1981, but the economy contracted instead. A few weeks ago we were still hoping for a 2% increase in GDP in 1982; it now seems that this forecast might have to be revised downwards.

The time has come to take a critical look at our economic policies. I am not suggesting that we should abandon our policies of restraint and control, particularly on monetary matters, public finance and incomes. Those policies are still essential.

But, while we continue a policy of restraint, we must also try to create a more favourable environment for employment and investment. We cannot afford to sit back and wait for growth to return of its own accord, as if by miracle, when the present process of adjustment is complete.

The reasons why I lay such emphasis on investment and employment is that they are both the main goal of our economic policy and the best way of achieving it. I am duty-bound to make unemployment the focal point of our concern in order to avoid leaving our young people a legacy of nothing but submission and humiliation. Our societies must show that they are resilient enough to bounce back.

We must build our economic future ourselves, and not wait for Providence to reveal to us once again the lost secret of growth. The crisis will not go away unless we have a strategy to drive it away, and the heart of this united strategy must be top priority for investment.

I therefore propose that a plan be launched at Community level to give new impetus to investment by providing Community contributions to top up national measures.

In the first place, investment must be taken to mean public investment in the wider sense of the term. Not only must we modernize our infrastructure, but above all we must step up energy investments.

The challenge of the 1980s will continue to be the challenge of energy, and our response to it will to a large extent determine the outcome of the battle for employment.

Investment in energy improves employment prospects in two ways: like all investment it helps to increase the level of activity. But it also eases the strain that the oil bill imposes on the balance of payments. In 1981 this bill amounted to 4% of GDP.

That figure shows more clearly than words how little leeway we have left to work towards our growth and employment objectives. We must recover that leeway.

Governments have a decisive role to play in energy investment policy, not least because they provide a large part of the money.

But investment is above all a matter for businesses. Businessmen must be given assurances of a more stable and predictable economy if they are to be expected to be more positive in their thinking and planning.

One such assurance would be for governments to demonstrate clearly their determination to tackle the crisis effectively and guarantee monetary stability. The proposals that the Commission will shortly be putting forward for the consolidation of the EMS, to which I shall return later, should be seen as a step in that direction.

Interest rates also play an important part in investment decisions. The rise in recent months has been caused by external factors, particularly in the United States. Only if we concert our action within the Community and put up a common front against the Americans can we hope to reduce the powerful dissuasive effects of current interest rates.

What can the Community do to help revive investment? The chief instruments, the important decisions, it is true, lie in the hands of the governments. But the Community's role will be to provide the necessary impetus and to ensure that national efforts are all moving in the same direction so that they will not be cancelled out by mutually incompatible action. The Community will above all be supplying the framework for a coherent plan of action designed to achieve maximum effectiveness and complementarity, as should always be the case in a community.

But we also have budgetary means, albeit very modest, and more substantial financial resources which have been regularly increased in recent years and concentrated more and more on energy. This is where we will see just how important it is for the New Community Instrument to be expanded.

Another contribution the Community can make to promoting investment and industrial development is to lay the foundations for an industrial strategy. This must rest first and foremost on the internal market, which needs to be protected from the many assaults being made on it and strengthened so that it can play its own vital role in the creation of a modern industrial base. We presented this strategy in a paper last October. The aim is to create a genuine European industrial area on the basis of real Community preference deriving from consolidation of the internal market, establishment of the legal framework for forming European companies, stronger incentives for research, development and innovation and bold measures concerning public procurement designed ultimately to break national monopolies.

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Investment creates jobs, both directly and indirectly. But with unemployment increasing, we cannot simply wait for economic expansion to start producing its effects in the medium or long term. We must maintain an unflagging search for ways of stimulating demand for labour, making recruitment easier, and eliminating difficulties caused by administrative formalities, legal requirements and traditions. Here too, the main work will be done in the Member States or in the regions. But the Community has its part to play, and in the coming months we will give proper shape to the ideas outlined in the mandate report and the subsequent communications. We will begin by working out a common approach on matters such as vocational training and the reorganization of working time to support whatever action is taken in each of our countries and preclude any distortions of competition.

The rules and operation of our major structural funds will then have to be reviewed so that they can be better tailored to meet present-day needs. You have our proposals for reform of the Regional Fund. We are also seeing how the rules of the European Social Fund could be similarly revised and we expect to be able to present proposals to you in the next few weeks.

Finally, we must together do something specific on the employment front along the lines of the project already proposed by the Commission, which is designed to offer young people between the age of 16 and 18 an alternative to unemployment in the form of vocational training, further schooling or concrete job experience.

These, then, are the main lines in the battle for employment and investment. The Community is confronted today with a need for change which is almost as pressing as after the Second World War. What is at stake is its ability to maintain its position among the industrialized nations, to transform the widespread feeling of resignation which currently prevails among the young into a will to win, and to find the way forward once again in pursuit of common objectives.

I mentioned the EMS earlier, I can come back to it now. It is very important for three reasons. First of all, recent developments in international monetary relations have appreciably increased instability in exchange rates and interest rates; the Community must make it clear that it is determined to reduce this uncertainty. Second, the fact that the EMS has worked well since it was set up gives ample justification for strengthening the system. Third, it will pave the way for an institutional development later.

The action which the Community will have to take is on two fronts. Firstly, on the internal front, there will have to be greater coherence within the system, the use of the ECU will have to be promoted and tangible progress must be made in achieving convergence of economic performances. For any strengthening of the

system will be doomed to failure if the method and the results of coordinating policies are not considerably improved, and there have not been sufficient improvements in recent years.

But there is an external dimension to development of the EMS, which is particularly critical in the present world situation: the gradual establishment of effective monetary cooperation, organized in the first instance with the United States on exchange rates and interest rates, is now a necessity that all the Member States acknowledge. For months now the Commission has been pressing for talks on changes to be made in relations with the dollar: today the need for these talks is more urgent than ever.

For the Commission, this restatement of European monetary identity has a double symbolic value since it affects both mutual solidarity and discipline. I am pleased to report that the discussions we had in the Commission yesterday, 15 February, on the basis of the ideas and concepts we have been promoting untiringly for a number of months are fairly encouraging. There is at last evidence of a real determination to make progress in a vital area which I see as a test of our capacity to take decisions together and hence of our political cohesion.

This view of the economic policy requirements will guide the Commission in making whatever proposals are necessary.

The Community's external relations: our external relations remit is particularly important this year with the economic crisis sharpening tensions on the international scene and East-West relations under strain.

The credibility of our external relations policy is a function of our internal cohesion and our ability to act consistently on behalf of the Community. We must all accept one basic fact: as soon as there is the slightest suspicion that we are not operating from an agreed position, our policy is weakened. This is why the Commission's ability to negotiate varies from one set of talks to another. If the individual Member States conduct parallel discussions, the Community's negotiating clout is obviously reduced.

(Applause)

For instance, the Commission carries more weight in international discussions on steel and agricultural products than it does in talks on energy and monetary matters.

This general observation applies particularly to relations with Japan, a country which is exceptionally competitive in so many areas.

Japan and the Community are equally bound by internationally accepted rules. The Community is justifiably concerned by the imbalance in the development

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of its relations with Japan and by the worsening of its trade deficit. If Japan is to face up to its responsibilities as a major trading power, it must help to make the international economic system work, accepting the constraints along with the very substantial advantages. It owes it to itself to open up its domestic market, and I am thinking here of economic activity in general, not just trade. In banking and services, for instance, the Japanese should allow our firms the same degree of access as we allow theirs. Furthermore, Japan must recognize the need for voluntary restraint on certain exports, for it stands to gain if we succeed in putting our economic house in order. This is the philosophy underlying the present negotiations.

The Commission genuinely welcomes the market liberalization measures recently announced by the Japanese Government as a step in the right direction. But it feels that the obstacles to exporting to Japan are still formidable. This is why a new initiative is called for. It has therefore proposed to the Council that negotiations with the Japanese be actively pursued within GATT, under Article 23. Only if the Community acts as an entity — perhaps in concert with other GATT members — can it hope for positive results.

In the long term our success in meeting the Japanese challenge will depend on whether or not we are capable of providing the Community with an industrial strategy that will favour the emergence of competitive European firms.

The development of our economic relations with the Eastern bloc has been put in jeopardy by the drama in Poland and by East-West tension; all the difficulties latent in close relations between two such different political models and the ambiguity this inevitably engenders on the economic front have suddenly been brought to the surface. We have a difficult choice ahead of us.

It is clear that there can be no question of business as usual after the tragic developments in Poland last December. We condemn the brutal stifling of the hopes of the Polish people. The Community must support any moves to end the present oppression.

(Applause)

Today progress towards the normalization of relations between the Community and Eastern Europe — a development which we supported — has unfortunately been halted through no fault of ours.

But perhaps our main concern is the deterioration of relations with the United States, a country with which we have so many links. Our differences — it must be said — could escalate into something much more serious than the present trade dispute which has been exacerbated by the economic crisis and by domestic problems. We get the impression that Europe and the

United States are beginning at times to doubt and hence distrust each other.

This development can be traced back to unfavourable interpretation of reactions on both sides of the Atlantic to recent political crises in various parts of the world. It also reflects the changes which have radically reshaped American and European society since the war, influencing new generations and giving birth to new ideologies.

Against this background, trade tensions in steel and agriculture, though not new, are assuming an added dimension and becoming more difficult to deal with on their own merits. They are the rock on which the commercial and economic pact which has linked us for so long with the United States could well founder.

I am deeply convinced, rightly I hope, that with the help of meaningful dialogue the strong ties of common values, strategic interests and a shared destiny will enable us to preserve a strong and balanced alliance.

This does not preclude keen competition between Europe and America. The strategy worked out with the United States is quite clear: preservation of an open trading system and strict compliance with the GATT rules. We will not waver in our determination to ensure that the rules of the game are applied without distinction by one and all.

But our differences with the United States are more than purely commercial. Of particular concern to me are our divergent views on North-South relations and on the form and substance of future dialogue.

American economic and monetary policy and its corollaries — a budget in deficit and high interest rates — are imposing enormous burdens on the entire world economy. The countries of the Atlantic Alliance have now reached such a degree of economic interdependence that the preservation and development of trade within the Alliance is not feasible without closer coordination of economic policy. Failing this, increasing economic hostility would soon lead to political tension, something we obviously want to avoid.

The economic crisis is undoubtedly generating and aggravating tensions in Community relations with East and West alike, but there is no escaping the fact that its real victims are the developing countries.

The current deadlock in the North-South Dialogue makes the consolidation and expansion of cooperation between the Ten and the various groups of developing countries more urgent than ever. If the Community does not wish to run the risk of losing the political credibility built up on the strength of its development record, it cannot afford to abandon its objectives for the North-South Dialogue, as set out in the report endorsed by the European Council in June last year; it

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can act either on its own, or in conjunction with its Western partners or in association with like-minded oil-producing countries, but act it must.

Ten years ago the Paris Summit laid the foundations for the Community's development policy. Preparations for the renewal of the Lomé II Convention are about to start, and this is an opportunity for rethinking the aims, geographical bias and instruments of action on this front. The Commission would like to organize a debate, involving Parliament and the Council, to formulate the nucleus of its development policy for the 1980s. It will present the relevant proposals by the summer. At the same time it will press on resolutely with the campaign to combat hunger in the world, notably by means of the plan of action adopted by the Council at its instigation last November.

There is a lesson to be learned from all these facets of our external relations, and it is this: more than ever before, the Community must speak with a single voice on the international scene, to defend its legitimate interests and affirm its political and cultural identity.

I should like to say something now about the institutional problems facing the Community today. Some call for immediate attention; others are linked to its long-term development.

In my programme address last year I stressed the supreme importance, especially at a time like this, of restoring good working relations between the Community institutions. It is, I think, inherent in the Community structure that Parliament, the Council and the Commission should vie with each other for influence: let us be realistic about this. But there must be sufficient cooperation between them to allow constructive solutions to emerge at the end of the day. This, as you know, has not always been the case — the budget is just one example, albeit a notable one, which you have often mentioned, Mr President. The Commission is glad that there are at last to be consultations between the institutions on the classification of expenditure and firmly intends to participate to the full. We are hoping for a political solution which will obviate the need for reference to the Court of Justice and will open up the prospect of a trouble-free budgetary procedure.

But apart from this esoteric squabble about the budget, what are our real problems? Anyone who keeps abreast of Community affairs knows the answer, but there is no harm in repeating it: they are Parliament's inadequate powers — I say that in all sincerity — and above all the Council's inability to take decisions.

(Applause)

This House envisaged a number of ways of strengthening its role in the resolutions it adopted last July. But the immediate course of action open to us is to improve and strengthen the conciliation procedure.

Last December we sent a proposal to you and to the Council. We will continue our efforts, Mr President, to see that the Presidents of the three institutions consider the matter and reach a decision before summer.

It is of fundamental importance to the Community that the Council conquer its inability to take decisions at a time when there are so many important decisions to be taken.

(Applause)

We must convince public opinion of the importance of our governments and nations renewing their political commitment to European integration. But in the everyday running of the Community, things would be so much easier if the rules of the Treaty were applied — by this, of course, I mean the use of majority voting in the many areas where it was intended. Wider use of majority voting is indeed coming back into favour, and I ask you to help see that it stays that way. Mr Tindemans has made his intentions on this subject very clear and the Commission will stand by him and do everything it can to persuade members of the Council, in other words the governments of our Member States, to face up to their responsibilities.

When we tackle our immediate problems, we should never lose sight of our longer-term objective.

Mr President, the Commission's views on European Union and its commitment to the idea are well known to this House and I will not repeat them here. We have welcomed the recent initiative taken by Mr Genscher and Mr Colombo, many of whose priorities coincide with mine. The Commission will play its role in the examination of the Genscher-Colombo initiative and be guided by the following considerations: we need above all to preserve and develop what we already have. In developing new ways of working together, such as extending the activities of intergovernmental cooperation as proposed in the draft Act, we must ensure that the integration process is safeguarded and strengthened, and the cornerstone of that process is, and must continue to be, the Treaties.

The Commission is obviously in favour of extending political cooperation to areas not previously covered. But it does not believe that this can or should be regarded as a substitute for progress in developing common policies or used as a pretext for failing to tackle real policy difficulties.

(Applause)

I would like to say one final word about your new Committee on Institutional Problems. We welcome this initiative, Mr President, and are fully aware of the difficulty of the task undertaken. We are prepared to go with you along this path. We will give you all the

Thorn

practical and technical assistance we can and will involve you fully in deliberations on political issues.

I would not like to leave you with the impression that the Commission will devote all its attention to the major issues I have just discussed, neglecting the rest of its outline programme. This would be quite false. There is obviously no question of, say, fisheries and enlargement taking a back seat. Indeed, the Commission will make a determined effort to ensure that concrete progress is made in these two areas before the year is out.

It is clear from my analysis that the Commission has a special mission at this juncture: to convince the Member States and, more important, the general public that there is no alternative to the Community, that it is the only effective remedy for the ills that plague us. The Community has two options: it can admit defeat in the face of centrifugal forces, or it can fight on to attain a higher level of integration and hence of development.

The Commission pledges itself, Mr President, to do all in its power to carry on this fight and to refuse to accept any paralysis of the splendid undertaking over which it has the honour and the task of presiding. In the furtherance of its efforts it knows that it can always count on the backing of your Parliament.

(Loud applause)

IN THE CHAIR: MR DANKERT

President

President. — I thank the President of the Commission for this address on the work programme for 1982. I feel that his address was marked most of all — and I am very happy about this — by a total rejection of that spirit of supine resignation of which he spoke in his concluding remarks.

6. *Rural development and regional balances —
Mediterranean plan — Social and economic situation
(continuation)*

President. — The next item is the continuation of the debate on regional policy.

I call Mr Kyrkos.

Mr Kyrkos. — *(GR)* Mr President, in the light of the comments which the President of the Commission has

just made, I think that the Faure and Pöttering reports contain interesting points which I support and I should like to stress the need for us to consider them not just in general terms but also to give attention to the specific details. I represent a country which is amongst the least developed countries in Europe having a low degree of industrial development, an abundance of small and medium-sized undertakings which employ one and a half million workers, it is a country with acute structural problems as regards its agricultural economy which is dominated by scattered small holdings and cooperative infrastructures are particularly weak. Consequently, I should like to point out the special importance which the implementation of integrated programmes, as envisaged in the Faure and Pöttering reports, has for us and for European countries at a similar level of development.

However, I should like to place the same emphasis on the fact that attention should be given to the problems of small and medium-sized farmers and, in particular, to supporting cooperative organizations so that they can establish strong economic units and undertake mechanized agricultural activities.

As regards agricultural development in particular, it is clear that a solution to the problem lies in income support within the framework of a prices policy for small and medium-sized farmers in the Community's less-developed countries. I must take this opportunity to express on behalf of the Communist Party of Greece (Interior) the strong protest of farmers in Greece against the prices which are being introduced by the Commission without regard to the massive wage erosion which has taken place in the last three years because of an annual inflation rate of 25% which has literally brought small and medium-sized landlords to their knees.

Mr President, just as it is true that the under-development of certain countries has fuelled the development of others, what Mr Pöttering said is also true, in other words support for the less-developed countries will also benefit developed countries and only in this way will it be possible for the Community to make convincing strides forward.

IN THE CHAIR: MR PFLIMLIN

Vice-President

President. — I call Mr Kazazis.

Mr Kazazis. — *(GR)* I should like to praise the extensive report of Mr Pöttering and I think it would be useful to make four clear comments.

Kazazis

The major products of the less-developed Mediterranean regions are in hard-pressed competition with similar products from third countries with which the Community has concluded special and preferential agreements. The Community's foreign policy should therefore be shaped and brought into line with regional policy objectives and, likewise, a similar policy of harmonization should be pursued in respect of all measures aimed at agricultural restructuring in the Mediterranean.

Second, the Community's Mediterranean regions have so far been the traditional source of migrant labour to the richer regions of the Community. Owing to the continued depression and unemployment, this somewhat harrowing escape-route no longer exists with the result that economic and social decline in these regions is occurring even faster.

Third, regional inequalities and imbalances should not, in my opinion, be evaluated at Community level only, because there are significant and serious inequalities within national boundaries and every effort should be made to harmonize Community and national measures.

Four, special importance should be given to the geographical aspect of the regional policy of the Member States. The Mediterranean countries of the Community and the applicant countries have regions which are geographically at a great distance from the Community's developed regions and dynamic centres of economic power with the result that the communications infrastructure is of a particularly crucial importance as regards economic development and the reduction of regional inequalities. In these circumstances, and given that the communications infrastructure and transport policy are amongst the most important objectives of economic development, I think that the creation of a Mediterranean development fund, in conjunction with more general regional policy, can bear positive results.

As regards the problem of reducing regional inequalities and the need to avoid creating a Community with two different rates of development, the only possible solution, when all is said and done, is to transfer resources from the Community's richer regions to its poorer regions.

President. — I call Mr Alavanos.

Mr Alavanos. — (GR) Mr President, nobody could object to the aims of Mr Pöttering's report. Despite this, the Communist Party of Greece has important reservations as regards the substance of the report. The problem for regional development in the Mediterranean countries of the Community is not an institutional problem or, at any rate, it is not simply and chiefly an institutional problem. Funds exist, a budget

exists, nevertheless the inequalities within the Community are widening because the principle of unequal development in the pursuit of western European capitalist aims has neither changed nor is it able to change. In Greece, when disincentives or restrictions are placed on the production of beet, oranges, oil, in other words the most important agricultural products, when small and medium-sized undertakings are uprooted by competition, when the steel furnaces close, then what can limited regional aid do apart from coating the bitter pill produced by the effects of the Community's basic policies?

Mr President, the Greek people neither want pity nor charitable funds. What they want is to construct the prerequisite conditions for independent economic development for the benefit of the people and this cannot be achieved with Marshall plans as presented in Mr Pöttering's proposal. No thank you, Mr Pöttering. It was the Marshall plan which promoted the model of dependent, distorted and irrational economic development and brought about the present tragic consequences which, to a certain extent, the Commission's report accepts when it points out that the ratio between the Community's rich and poor regions was 1:7 before Greece's accession but 1:12 following Greece's accession. In an interview in a Greek newspaper, Mr Pöttering explained the political basis of his Mediterranean programme. He said that it aimed to support Community policy in the Mediterranean and to deal with the threat from Socialist countries.

Gentlemen, 80% of our agricultural products, of citrus fruits which are today going through a critical period, are consumed by Socialist countries. These countries have a series of constructive proposals for industrial cooperation similar to the proposals of other non-aligned Arab countries in the Mediterranean.

In closing therefore, I should like to point out that lurking behind the bait of certain peripheral grants to the Mediterranean countries, there are definite obstacles to our relations with our other neighbouring countries, both Socialist and non-aligned countries. Greece is prevented from participating on an equal footing in international relations and consequently Greece's major problem — that of the regions — continues to get worse.

President. — I call Mrs Boot.

Mrs Boot. — (NL) Mr President, I should like to begin by commenting on the Delmotte report, which concerns the first periodic report on the social and economic situation in the regions of the Community. It is, of course, important that this report should at last be available. It is the outcome of a Council resolution which dates back to 1979. As you have already heard from various speakers this morning, the fact that this report has been drawn up is to be welcomed, but the

Boot

outdated statistics it contains do not form an adequate basis for political choices.

The regions which have been considered come under Class II. The original 114 have grown to 123 since Greece joined the Community. It is all the more regrettable that the statistics are so out of date because, together with the regional development programmes and the research into the regional effects of Community policy, this report forms the basis of the coordination of regional policy at Community level. In view of the inadequacy of the data on which this report is based and the qualitative inadequacy of the regional development programmes, I would therefore ask the Commissioner to look at these reports with some care in connection with the plans for the reform of the Regional Fund. In one respect, this Commission report is forward-looking. This is where it discusses the development of the labour market. It would be appropriate for this policy to be amplified, and I would recall in this context an initiative taken by the Commission at the time of the Werner plan. It was proposed at that time that an economic research office should be set up at European level. This would give us sufficient basic data for future programming and planning at European level.

Secondly, I should like to say a few words about the Pöttering report. This report refers specifically to the financial resources that must be made available for Europe's southern flank. Our discussions on this plan in the Committee on Regional Policy and Regional Planning take the form a North-South dialogue in Europe, as it were. We therefore urge the Commission in particular to ensure that this proposal is in fact followed by plans for submission to the Council, and I would draw particular attention to the need for a stronger administration. I believe that, if the flow of credit to southern Europe is not accompanied by an improvement in management, it will not have the desired effect either. It might even be said, Mr President, that southern Europe can look forward to a fascinating future, when we remember that it has more solar energy than northern Europe.

To conclude, Mr President, I should like to draw attention one again to the fact that we need a European government.

President. — I call Mrs Theobald-Paoli.

Mrs Theobald-Paoli. — (*FR*) Mr President, as a European and a Corsican I should like, on the occasion of the presentation of the report on the establishment of a Mediterranean plan, to call Parliament's attention to the special situation of the islands of the Mediterranean.

These marvellous countries, where life is so good provided you can find work, have need of our soli-

arity. They expect of us that we should think of them other than as places to go to enjoy their sunshine and natural beauties. The numberplates of cars that can be seen all over Corsica show clearly that Europe, and especially northern Europe, is prepared to enjoy its leisure facilities. But let us also be prepared to help our islanders achieve their aspiration, which is to live and work in their own country. The French Parliament recently accorded Corsica special status as an island, in recognition of its long-standing wish to be able to do without assistance and be given the means of shaping its own destiny. I am asking Europe to take account of this by giving priority attention to these island regions in order to ensure a more harmonious development in the Community. Mr Geronimi, a compatriot of mine, is worried that Corsica might sink into abject poverty. He is perhaps forgetting the cry that has been heard repeated over the past several years: 'Corsicans, arise!' Faced with difficulties, Corsicans do not lie down, they fight!

President. — I call Mr Lezzi.

Mr Lezzi. — (*IT*) Mr President, I wish to express my complete satisfaction with Mr Pöttering's report. We can see in this report the inspiration of Commissioner Giolitti, for whom the policy for the south — as, indeed, the regional policy as a whole — is not a policy of mere aid but rather an economic policy aimed at overcoming the economic efficiency gap still visible today in the various regions of the Community.

Mr Pöttering, I much appreciated the portion of your explanatory statement dedicated to the role of the Mediterranean as the historical point of contact between the Community and the countries of Africa and Asia Minor, as the crossroads of civilizations which have played and will continue to play such a large part in the history of humanity. I believe that we should confirm this approach in the resolution.

Mr Pöttering, you mention the need for the Commission to present proposals aimed at dealing with the problems which will emerge for the Mediterranean countries not belonging to the European Community after enlargement to a Community of twelve. Vice President Natali is aware of these problems; we ourselves have had direct contact with them — in the context of the ACP-EEC relationship, we encountered the protest of the ACP when we were dealing with the issue of the definitive accession of Greece to the Community.

I believe that the Community should forcefully renew its overall Mediterranean policy, not for the sake of a mistaken Third World bias, but rather in order to align itself with the new international division of labour while proceeding with the industrial and agricultural restructuring of the region of southern Europe.

Lezzi

Finally: complete agreement on the European Agency for Development. It is very important that Parliament present the Commission with concrete proposals like this one. Point 7 of the motion for a resolution should be strengthened, however, for I don't think it right for Parliament to leave the Commission to decide whether or not this initiative is a valid one. Parliament was the one to formulate this new instrument, and Parliament must be the one to approve it: the Commission's task is to be able to express its agreement.

I believe it would also be useful to stress the part of the explanatory statement where you, Mr Pöttering, assert that this Agency should be instituted *in loco*. We must demonstrate, also in a physical manner, that Community Europe is turning towards the Mediterranean and towards southern Europe. I have no difficulty in saying, for example, that it would be a good idea to establish this Agency in Naples — which is certainly one of the great cities of the Mediterranean basin. I offer this idea quite objectively, for Naples possesses a large university, facilities for scientific research, a fine department of agriculture, a department of economics; it has accommodation facilities, which could make it a true meeting place for the Community and the countries of the Mediterranean, a point of contact between different cultures.

President. — I call the Commission.

Mr Giolitti, Member of the Commission. — (IT) Mr President, I think it was a very good idea to combine in a single debate these three reports and the respective motions for resolutions, which, as the debate has demonstrated, do indeed converge in their analyses and in their suggestions. I can clearly state that the Commission fully agrees with the general orientations which are contained in these documents and which have arisen during the debate.

I will speak only of the two reports which are most closely connected: that is, the Faure and Delmotte reports. I think Parliament did well to turn its particular attention to the problems designated under the heading of 'rural development' which Mr Faure illustrates in his report and further examines elsewhere.

In regard to these problems, I think we can perceive a frequent correspondance between the action already taken by the Commission in this field and the proposals found in the resolution. In particular I will point out that, concerning the contribution of agriculture to rural development in the context of the 'mandate,' the Commission has carried out an in-depth analysis of the common agricultural policy and has projected the adaptations necessary for integrating this policy more effectively with an overall policy of economic recovery and convergence.

The Commission feels that the solution indicated in the report on the mandate concerning the reform of the agricultural policy — that is, the establishing of production objectives, participation by producers, a better relationship between the prices of the various agricultural products — will in fact permit the pursuit of this objective. The proposals concerning the fixing of prices for agricultural products and the related measures for 1982-83 contain a series of measures to this effect which I will not go into here.

On the other hand, the regional approach of the policy on agricultural structures, which was initiated in 1975 with the directive on mountain agriculture, has been continuously increasing in importance. In 1978 and in 1979, in fact, the Council, acting on a proposal from the Commission, implemented a series of measures for the agricultural development of the Mediterranean regions, and in 1980 and 1981 another series of measures in favour of other disadvantaged regions with primarily agricultural economies was adopted — this with the proviso that the means of action provided for in the productive approach must correspond as specifically and as concretely as possible to the needs of the regions involved.

At the same time, and using the same method, measures for three integrated programmes in three geographically limited areas were adopted. The integrated programmes prepared by the Commission on behalf of the Mediterranean regions represent a substantial development of this new and more effective way of dealing with the problems of agricultural development and with the general development of backward areas.

As for the other aspect — let us call it that — of the question of a development policy adapted to these areas, that is, the development of activities other than agricultural, the Commission is convinced that the specific measures for regional development now being implemented in the context of the so-called 'non-quota' section of the Regional Fund, are already playing an important part in the rural areas in difficulty which are involved in these measures.

In the Mezzogiorno, in the south-west of France, in the border zones of Ireland and Northern Ireland in particular, the projected measures will serve to encourage activities complementary to agriculture, rural tourism, for example; more generally, they will serve to modernize and strengthen the economic fibre of these areas through the development and organization of artisanship and of small and medium-sized undertakings — whose importance has been unanimously stressed in this morning's debate.

Finally, the mobilization of inherent developmental potential will find a new stimulus in the reform of the regulation for the Regional Fund, which was mentioned several times. The Commission proposes to broaden the Fund's range of activity to include

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measures in favour of small and medium-sized undertakings, artisans, and rural tourism.

At the same time, however, the Commission is convinced that Community action should be more concentrated in order to avoid a scattering of resources and in order to pursue more effectively the objective of the reduction of disparities, beginning with those which are most serious and most urgent. The Committee on Agriculture has expressed the same concern in its opinion on Mr Faure's motion for a resolution, which Mrs Barbarella presented to us yesterday.

The Commission's report on the Community regions, the first periodic report and therefore the one which will serve as a basis for those to follow (and it is already significant that we had to wait until 1980 to furnish a report of this kind) unfortunately demonstrates that the Community has lagged behind in dealing with these problems. In any case, the analyses made in this report coincide with the considerations I have mentioned in regard to the Faure report.

Some gaps and weaknesses in this report have been pointed out; it was also recognized, however — Mr Delmotte, who is not here today, went over these aspects yesterday — that, firstly, the Commission, and, if you permit, I personally, as the one most directly responsible in this matter, have both declared explicitly from the beginning that this report, being the first one, cannot be wholly faultless. We are perfectly aware of certain defects — for example (I will remind you of the principal ones to show that I have listened attentively to the observations made here and that I intend to correct these errors), an insufficiently specific regional grouping, that is, a distribution of the regions according to the so-called level two, which refers to 120 regions, while we indeed are the first to believe that it would be better — and we propose to do this — to use 'level 3', 747 regions.

Certainly, along with a greater degree of disaggregation, we need a greater homogeneity, and, therefore, a greater comparability between these regions. The undertaking is not a small one, however, and much depends on data which can only be provided by the Member States.

A certain ambiguity has been pointed out in the report between the use that has been made, for comparative purposes, of the exchange rate, on the one hand, and of purchasing power on the other. I believe that both these criteria should be employed.

I am still convinced that the yardstick of the rate of exchange better illustrates the factors relative to economic performance and therefore gives a more direct picture of the problems of economic development in the regions concerned. The criterium of purchasing power better illustrates living conditions and social aspects. These aspects must therefore be

kept in mind, for they are important, I repeat, in asserting that the fundamental objective, the central objective of regional policy should be to create the conditions for indigenous development and prospective self-sufficiency for the regions receiving aid: we do not want to create a situation of permanent aid for these regions; we must set in motion the mechanisms to fuel the process of development.

As Mr Delmotte pointed out, it is certainly necessary to bear in mind the contingent aspects of each particular situation. A word of warning, however: the problems to receive priority attention must always be the structural ones. For this reason — given the structural importance of agricultural economy in the disadvantaged regions — the connection between regional policy and Community agricultural policy and the introduction, so to speak, of the regional dimension in agricultural policy are extremely important. This appears to us as an essential aspect of a Community regional policy which is not to be limited to mere transfer of financial resources through the Regional Fund.

Therefore, the overall evaluation contained in the Delmotte report is that the Commission's report is more in the nature of an X-ray than a diagnosis. We can accept this image as an evaluation of the limitations of this first report.

In this X-ray, however, we find sufficient elements to furnish us not only with a diagnosis, but also with a more effective treatment than that previously applied. This is especially due to the use of the two fundamental criteria mentioned in our document on the priorities and orientations of regional policy — those of concentration and operative coordination of the various instruments, whether national or Community.

These, Mr President, are the observations, necessarily brief, which, for such a broad range of material, I considered it indispensable to communicate to Parliament as the opinion and orientations obtained by the Commission from these reports and from this debate. Obviously, what I have said just now in no way exhausts the subject.

I would only like to add a brief remark on an observation often repeated during the debate, that is, the fact that our report furnishes statistics which are not sufficiently up to date. I wish to say that we are perfectly aware of this, and that an effort will certainly be made — I hope with better success — to correct this fault in the next report.

In any event, in respect to the reform of the regulation and the criteria which inspired us in our proposals for the concentration of the activities of the Regional Fund, we were able to use more recent statistical data which gave a more accurate picture of the problems we have to face.

IN THE CHAIR: MR ESTGEN

Vice-President

President. — I call Mr Harris.

Mr Harris. — Mr President, I am very grateful for an opportunity to say just a few words and I do apologize for not being in my place earlier. As some Members of the House know, a memorial service was held yesterday in my constituency for the eight brave lifeboatmen of the Penlee lifeboat who lost their lives in that tragedy which, I believe, was reported all over Europe just before Christmas. I felt that I had to be at that memorial service. Indeed I have travelled all through the night to be here now. So I am very grateful to you, Mr President, and also to the Commissioner for this opportunity to say just a few words on two reports.

First of all I wish to speak on Mr Pöttering's excellent report. My group is very happy to support him in the report, but, as he knows, we do have some reservations about some of the details of the report. I believe — and my group believes — that the explanatory memorandum, if it were followed, would spread such a fund too widely, I have an amendment which suggests that there should be a concentration of the fund's resources. Indeed that is a principle which the Commission has itself put forward in a revision of the Regional Fund.

I also have reservations about that part of the motion for a resolution which asks the Commission to consider the advisability of establishing a European development company. I believe personally that we should not set up new organizations but that we should work within the existing structures. There is provision in the proposed revision of the Regional Fund for the Commission to make expertise available where this is needed, and indeed I believe it will be needed in some of the new countries which will, we hope, be joining the Community. We do, however, give a general blessing to this report as a belated recognition that we must do something to make it easier for the new countries in particular to take their proper place inside the Community.

I would like also, with your permission, to say just a few words about the Delmotte report. Here I should make it clear that I am speaking rather more in a personal capacity than as my group's spokesman on regional affairs. I do again have very serious reservations, not about the Delmotte report, but about the report it reports on, i. e. the first periodic report on the economic and social conditions of the regions. This attempt to draw a true comparison between the various regions of the Community is a laudable exercise, but in my opinion it has failed. It is flawed in two major respects.

First of all, the first periodic report is not comparing like with like. In the United Kingdom, for example, it is dealing — because it is working on Level 2 statistics — with very big areas, completely artificial areas. For example, in my part of the world, Cornwall and Devon, the problems of Cornwall and Devon are completely hidden by the statistics for a huge artificial area of the south-west. Figures for that area make the region look relatively prosperous, whereas in Cornwall in particular we have very serious problems of high unemployment and the lowest income rates in the whole of the United Kingdom. That, I believe, is a very serious flaw in the first periodic report.

Another serious flaw, a fatal flaw, is one referred to by the Commissioner himself, and that is the outdated nature of the statistics, going back in most cases to 1977. Unfortunately, with the recession, areas which appeared prosperous in 1977 are now in a very difficult position indeed and have again very high unemployment. We are not dealing, Mr President, with an academic exercise here. That first periodic report, with its findings and its attempt to draw a comparison, will be translated, if the Commission's proposals go forward, into the selection of regions.

President. — I call Mr Gendebien.

Mr Gendebien. — (FR) Mr President, I would like to ask Mr Giolitti to be very specific on this point. He did acknowledge that there were flaws in this first report published by the Commission. The main flaw is that it is based on figures going back to 1977-1978; however, he did indicate that some updating had been done. This is an extremely important point and I want to ask him if he is prepared to publish these updated figures, together with the precise classification of the regions resulting from this scientific analysis.

The question is important because, as we know, it is on the basis of the results of these studies that the Commission will decide which regions are eligible and which are not eligible to receive funds from the ERDF.

I am therefore asking him if he is prepared, in the interests of clearing the air of any suspicions or accusations, to publish as soon as possible the updated figures and classification.

President. — I call the Commission.

Mr Giolitti, Member of the Commission. — (IT) I can answer very briefly that the updating to which I referred obviously concerns certain aspects only, and not the entire complex of problems. It does, however, confirm the trend recorded in the report, and the different degrees to which problems are felt in more or less underdeveloped regions. This is natural, for we

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are looking at the structural aspects: for example, we refer the unemployment index to a three-year period or to a period of a certain duration. Therefore, in these updated statistics we find concrete confirmation of the diagnoses we have made. When we eventually do have available to us a coherent body of updated material, we can then consider publishing it. Naturally, we will not publish the fragmentary data which we are able to gather from time to time. Only when we have gathered a sufficiently organic body of facts would we consider it worthwhile to publish them.

Mr Natali, Vice-President of the Commission. — (IT) Mr President, I wish above all to thank Mr Pöttering not only for having drawn up his written report but also for having presented it so forcefully yesterday afternoon. In my thanks I include my appreciation of the excellent work done by him and by the Committee on Regional Affairs, and of the opinions expressed by the various committees.

I thank them all, especially because they made a substantial contribution to the discussions of an issue which we all believe to be of extreme present importance at this moment in the life of the Community.

Mr President, we agree with the motives which lie behind the Pöttering proposal: first, to prevent the tendency towards disparity between the more and less favoured regions of the Community from becoming even more marked; second, to encourage the integration of the candidate countries under the best possible conditions, bearing in mind their Mediterranean characteristics. These appear to be the principal aims of the proposal.

I would like to point out, Mr President, that, based on an analysis similar to that made by Parliament, the Commission, in 1978 in a document called 'L'Affresco', which contained general considerations on the problems of enlargement, already projected supportive measures in favour of the Community Mediterranean regions and Community action to prepare for the accession of the candidate countries. These ideas — for example, the ones concerning the Mediterranean Community regions — were also implemented in some proposals which were approved by the Council of Ministers. Some of these now being applied concern measures in favour of the Mediterranean Community regions and the candidate countries, Portugal in particular, and provide for pre-accession aid. We are unfortunately obliged to admit, however, that the Council has not always accepted the Commission's proposals, which were always supported by Parliament.

The correction of the developmental gap between the various regions of the Community is therefore, as Commissioner Giolitti has just said, a sustained policy on the part of the Commission, which is pursuing the same objectives as those proposed by Mr Pöttering. As

Mr Giolitti pointed out, this policy was recently applied in the proposal to reform the Regional Fund and in the approaches presented to the European Council in the context of the mandate of 30 May regarding integrated programmes in favour of the Mediterranean regions.

These programmes now in preparation, which will be presented to the Council and to Parliament over the next few months, will include, roughly, those sectors given priority in the motion for a resolution. Including — Mrs Boot — a discussion of the administrative aspects.

The Commission's approach calls for the use of all the financial instruments available to the Community — structural funds, the European Bank, the New Community Instrument — because it believes it is important to guarantee for the future the rhythm of increase in the financial resources available for the Mediterranean regions. This coincides with what was indicated in the resolution.

This brings me to the problem of available resources and to the creation of a new financial instrument. I must say first of all that I cannot agree on certain of the motives which led Mr Pöttering to propose a new instrument which admits the possibility of including the candidate countries as of now among the beneficiaries and of making a long-term decision unconnected with the annual debate on the budget.

The fundamental question is doubtless that of the financing of the Fund. One of the arguments in favour is that of eventual self-financing through the repayment of loans and through interest. The objective indicated in the report is the attainment of an endowment, in the years 1995-2000, of 14 000 million ECU at 1980 values, which would correspond to 0.7% of the net domestic product of the Community. This is analogous to the goal set by the industrialized countries for aid to developing countries. The Commission has therefore been requested to determine the resources to be projected for 1983 in order to attain this objective within the desired time-limit.

But how will the Fund be financed at the moment of its creation, considering that its increase through self-financing can only be effected through an initial endowment in non-reimbursable funds? The first estimate, a very approximate one, which we have been able to make, leads us to believe that an initial provision must be made for fairly large non-reimbursable appropriations for the financing of the loans. In various sections of the report, moreover, mention is made of measures which must in any event be financed with endowments aimed at creating particularly favourable conditions. There is talk of low interest rates, rates lower than market levels and not indexed, with a margin of postponement for beginning repayment. It appears, therefore, from an overall viewpoint,

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that all the operations of the Fund call for a large initial endowment.

We also have some questions of a more specifically technical nature. The Fund is to finance measures which are presently financed by different instruments, administered by various institutions, and chosen according to definite criteria based on the specific objectives to be attained. The combination of these different types of measures in one instrument, as well as the desired recourse to purely financial criteria of selection, confuses us insofar as — for example — financial criteria do not appear to be applicable to some measures which are, however, of fundamental importance for the Mediterranean regions. We believe it would be better to use the various instruments already in existence and the bodies that administer them, while intensifying their coordination, both on the level of the institutions and at the level of the definition of the policies within which the variations must be inscribed, as was suggested by the Committee on Social Affairs and its rapporteur, Mr Barbagli.

It is clear that the creation of a new Fund will call for as much political will and will necessitate the solution of as many political, economic, and institutional problems as will the adaptation and strengthening of the existing instruments, which moreover are to a great extent already pursuing the objectives mentioned in the resolution.

Certainly, as I mentioned previously, the Fund would have the undoubted advantage of automatic and continuous action in favour of the Mediterranean regions over a long period of time. But all this depends upon the actual possibility of initiating such action, and I believe that the proposal is too complex to be exhaustively studied in a single discussion. Indeed, I think that the conclusion of the Pöttering report is precisely an attempt to look at these instruments more closely.

We will therefore continue to study it, for we believe it to be a fundamental contribution to the consideration being given within the Community to the Mediterranean problem, which, though an old one, is perhaps only today perceived in all its ramifications and fully understood by non-Mediterraneans. Furthermore, we know that this problem cannot be solved by means of this prospective instrument alone.

Mr Pöttering's report shows clearly that the solution of the Mediterranean problem, beyond the Community frontiers as well, is an issue which concerns the Community as a whole, and not only a few Member States or a few regions. It is an issue which touches the consciences of those who believe that the Community should be more than a simple relationship of numerical or financial forces; of those who think that the Community should represent and exemplify a certain ideal of justice, hope, and progress, also for those most disadvantaged. Let us not

forget that this problem is one which involves our stability and security in a world suffering from serious tensions, where economic and social crises can once again result in an irrevocable political crisis.

It is for this reason — apart from the practical factors about which I expressed some doubts, and which we are ready to clarify and examine in collaboration with you, Mr Pöttering — that we can only state our agreement with the political objectives presented by the authors of the motion for a resolution and assure them of our full cooperation in the attempt to discover the best means to attain them.

President. — The joint debate is closed.

The vote will be taken at the next voting time.

7. Fifth economic policy programme

President. — The next item is the report (Doc. 1-687/81) by Mr Herman, on behalf of the Committee on Economic and Monetary Affairs, on

the communication from the Commission to the Council (Doc. 1-460/81) concerning the fifth medium-term economic policy programme drawn up in accordance with Article 6 of the Decision of Convergence of 18 February 1974.

I call the rapporteur.

Mr Herman, rapporteur. — (FR) Mr President, the Commission's proposals to the Council concerning the fifth medium-term economic policy programme has, broadly speaking, met with the approval of the Committee on Economic and Monetary Affairs.

We have commended the Commission for not limiting this Fifth programme to an analysis and projection for the next five years, with pious recommendations to the Member States, and for regarding it as a political act involving a commitment on its part and on the part of the Community as a whole. We trust that the Commission will find the strength and the courage to honour its commitment.

In the difficult situation that all our governments are experiencing today it is true to say that only a medium-term Community strategy, centred primarily on an active policy to reduce costs and to promote technological research, investment and exports can serve to revive economic activity and reduce unemployment without fuelling inflation.

I mentioned a Community strategy. In fact, in an economic area theoretically without frontiers, national economic policies, if they are not to cancel each other

Herman

out, must be, if not integrated, then at least coordinated in such a way that measures to support demand in one country are not frustrated by the deflationary measures in another. In other words, the policies of a Mrs Thatcher and the policies of a President Mitterrand are liable to cancel each other out to the extent that purchasing powers and incomes pass from one country to another. It is essential for all the countries of the Community to adopt a common approach, specifically the one outlined by the Commission, which in any case is very flexible and, as we see it, adapted to a situation in which there are so many variables and constraints. There is no room therefore for any exclusively Keynesian or exclusively monetarist approach. Monetary instruments, when used to the exclusion of all others, are likely to get out of hand in democratic societies — as recent history has served to prove — especially without adequate control of exchange rates and interest rates.

On the other hand, repeated experiments have undermined the belief in the virtues of the policy of supporting overall demand through deficit financing and, by the same token, experiments in reducing working time that have been tried so far have not been successful, to the extent at any rate that they have not been matched by a proportional reduction in incomes. It does seem to be an accepted fact, however — at least that is what has been shown in the case of Japan and a dozen or so other countries in South-East Asia and the Middle East — that it is not possible to maintain or return to a sustained growth rate without a significant increase in the level of investment and, in the developed economies, one cannot expect to see an increase in investment without increased application of scientific or technological research.

This implies, in the medium term, a different allocation of available resources at the expense of public and private consumption. These results will be achieved most rapidly by limiting social transfers and by a significant reduction in incomes, always provided of course that these reductions can be compensated for by an increase in the demand for investment and in the demand for exports. Otherwise it would simply result in deflation and bring growth to a halt.

I should like at this point to reply very briefly to some of the objections raised, particularly by the Committee on Energy and Research.

The first of these objections is as follows: The readjustments which are advocated will not be brought about solely by market forces and private initiative. The report does not lay down specific rules for the conduct of national policies. The general guidelines remain valid regardless of the legal status of the economic operators involved, private or public. In this respect, whether the undertaking is nationalized or not is irrelevant, the economic argument applies equally. It must be able to meet its costs, it must export and it must retain its share of the international market,

no matter what its legal status: the need to ensure an adequate cash flow in order to finance research and investment remains the same. We therefore leave it to the governments to use their own judgment in deciding how best to implement these guidelines. The important thing is to avoid infringing, under the cloak of nationalization, the principle of free competition and unity of the common market, which is the doctrine on which we can build a policy of economic expansion.

When we talk about developing research and increasing the levels of investment and exports, and when we urge moderation in costs and incomes, it must be understood that these things can be achieved either by market forces or by more deliberate measures by the governments; what matters is that it should be done, how it is done is of little consequence!

The second objection concerns investment policy. Some of my colleagues believe that investment should be planned and decided according to carefully laid down criteria, based on a scientific appraisal or in-depth analysis of the markets. I should like to indicate my scepticism on this point. Investments decided upon by public authorities according to such criteria are based on so-called scientific projections and not on any assessment of market prices. They are rarely a success. I need only point to Concorde, the Gaz Graphite affair, the Calcul plan, the abattoirs in La Villette, to quote just the best-known examples, in a country where the authorities are said to be better organized than anywhere else.

The third objection has to do with employment policy. Some people feel it is not talked about enough. May I point out that Parliament has already had three long debates on the employment problem and there seems little point to me in repeating something a fourth time when everything there was to be said has been said three times already.

To conclude, I should like, as the President of the Commission, Mr Thorn, has just done, to refer to the institutional problem. We shall never have a concerted policy for a revival of the Community, we shall never have coordinated national policies, as long as things stay as they are at the decision-making level. Until such time as the Community increases its decision-making capacity, more specifically, until such time as the Community goes back to majority voting within the Council, it is to be feared that most of the resolutions we pass here, with a greater or lesser degree of conviction, will remain a dead letter, because they can never be translated into political decisions at Council level, decisions which cannot be reached without majority voting.

(The sitting was suspended at 1 p.m. and resumed at 3 p.m.)

IN THE CHAIR: LADY ELLES

Vice-President

President. — I call the Socialist Group.

Mr Moreau. — (*FR*) Madam President, this debate on the Community's fifth medium-term economic policy programme comes at a critical time for the process of European integration. It is impossible for us today to discuss this programme without considering it in the context of the current situation, in other words, without reference to the difficulties being experienced by the Community in resolving the problems connected with the mandate of 30 May and in stimulating an economic, monetary and social revival of the Community.

What we should have had is a major debate in the course of which everyone, taking all the available data into account, could have made his individual contribution in terms of analyses, options and proposals. Unfortunately, as happened all too often in this Parliament, we have a debate that is too short and cannot encompass all the issues involved. This is regrettable, for Parliament is thereby prevented from expressing its opinion on the Commission's proposals with sufficient clarity or breadth of view. Mr Ortoli, you want to make the adoption of this fifth programme a political act. We are prepared to go along with you there. But first we have to know what is involved in this act. The decision submitted for approval by the Council is highly ambiguous. In effect, the fifth programme is made up of two separate parts: a foreword by the Commission and the draft of the fifth programme as adopted by the Economic Policy Committee. The two texts are not intrinsically the same, the former being clearly enough an interpretation of the ideas put forward, to the point where in several places the language is no longer exactly the same.

Here and there we detect the influence of the discussions that took place in the context of the work on the mandate of 30 May, as well as of events occurring in the second quarter of 1981. The Commission, in its foreword, also takes account of the Luxembourg Summit. Now, the Council of Ministers has to adopt the whole, that is to say, both the foreword and the Economic Policy Committee's text.

In these circumstances, Mr Commissioner, I fear that this act will carry less weight than you might have wished. We may legitimately ask ourselves, what pattern is economic policy really expected to follow over the next five years? Is there not a danger of our discussions today becoming no more than an exercise in rhetoric, knowing that the policies and decisions of the Community and the Member States are going to be strongly conditioned by the debates on the 30 May mandate and everything to do with it? The

Community's main stumbling-block is the failure to achieve closer convergence between national economic policies. Our group has often stressed the need for voluntary action to attain this objective. We are still far from attaining it today. The foreword testifies to the Commission's desire to pass beyond the debate on the respective roles of supply and demand. But there is in fact an inadequate balance between measures to do with supply and measures to stimulate demand. The imbalance is clearly substantially more marked in the draft than in the foreword. As we see it, what is required are parallel measures to deal with both supply and demand. Obviously the effects will not be felt simultaneously and undoubtedly that presents a problem which will have to be overcome. However, over the coming years, in order to be able to cope with the present worsening situation in all our countries, the Community and its individual Member States will need to be able to reconcile a selective boost in demand with a reinforcement of the means of production. The steps taken in this direction are extremely tentative and we deplore the fact that Mr Herman's report on behalf of the Committee on Economic and Monetary Affairs does not go far enough. The goal we must all of us pursue is to cut unemployment and gradually return to full employment. The Community numbers ten million out of work and all the indications are that the employment situation will get worse between now and 1985. We are therefore faced with a formidable challenge, one that we must take up. We are not forgetting, however, that the fight to reduce inflation and a sustained improvement in competitiveness are essential concomitants of the measures on employment. That is not to say that the measures on employment are any less important than measures on inflation or measures on competitiveness. These ideas are beginning to gain ground and the Community is coming round to a different way of thinking. We believe nevertheless — and this applies as much to the Commission's text as to Mr Herman's report — that this priority should be given more prominence and that overall economic policy should be to a greater extent centred around it in the years to come. Otherwise, the economic and social dangers of a further deterioration in the situation would most certainly have disastrous consequences for the continuity and integrity of the construction of Europe and for each of our countries. In saying this, I am not simply repeating Socialist slogans. Any overall policy designed to restore the Community's drive and initiative in the world today must embody a clear commitment to the priority of measures on employment. It cannot be Community strategy to expect a return to full employment to come about as a result of the policies being pursued, instead this must be the primary objective at the centre of the strategy as a whole. We are quite aware that such a policy takes time to bear fruit. It is based on a different analysis of certain of its aspects to that put forward by Mr Herman in his report. It questions the somewhat exclusive reliance on market mechanisms, whose importance in the allocation of resources we do not

Moreau

deny. Each of our Member States has at its disposal procedures which enable it to put into effect measures of a more deliberate and more effective kind. In these times it is vital for the Community and its Member States to embark on a determined policy of work-sharing by a general and gradual reduction in working time, in consultation with both sides of industry. This is a controversial point with some political groups. And Mr Herman's report bears the mark of these differences of opinion. We believe that a bold policy can be worked out and conducted in this area provided we can avoid having a kind of trench warfare and provided we can finally agree to face realities. Work-sharing is not an easy thing to formulate, but we hope that the Commission and the Council will finally break through their reserve and come up with some effective proposals in this area. We believe that it is by adopting this approach that the measures advocated in the fifth programme and taken up by Mr Herman's report in relation to common monetary measures, growth in productive investment, particularly in energy projects, and the exploitation of the internal market and the European dimension can have their full effect.

In conclusion, I should like to stress the need to act quickly to strengthen the internal market, in particular by introducing European standards. But at the same time, and by the same token, we have to have an external commercial policy, based on Community principles, which will allow our nations to look to the future with confidence. The need for an industrial area, the need for a monetary area, the need for a social area — many are agreed on these imperatives, but are the Commission and the Council willing to work towards this end? If the budget is anything to go by, they are not. Little enough money has been set aside for this policy. In the light of events, bearing in mind the debates taking place within the Community institutions, we should have preferred the fifth programme to be reformulated before being submitted to the Council. I am disappointed that Mr Herman's report should not have advocated such a decision. In the circumstances, we cannot give it our support. Our decision is reinforced by the declarations of the President of the Commission, affirming the Commission's determination to give employment priority in its thinking and programme of work. If we wish to live up to the expectations of the citizens of Europe we cannot be content with conventional solutions. We must clearly state our priorities and frame our policies around the ideas expressed in the foreword.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr van Rompuy. — (NL) Madam President, I agree with the general tenor of Mr Herman's report on medium-term economic policy. Only a medium-term strategy geared to the pursuit of an active policy on research, competitiveness investments and exports is

likely to make a fundamental contribution to durable economic recovery in the Community. The Member States of the Community have confined themselves far too long to short-term demand management. This report rightly stresses the need for a long-term policy geared to supply. The very low rate of investment in the economies of the European Community is a serious threat to the Community's competitive position. The report reveals that the rate of increase in investments here is only half that in Japan. Technologically, we have fallen further behind in the last decade, and with the rise in oil prices, the decline in industrial activity has resulted in serious balance-of-payments deficits and a substantial devaluation of the European currencies against the yen and the dollar.

More than ever before the European Community needs to adopt a joint approach. I therefore find the operation of these programmes in the medium term disappointing. As a macroeconomic scenario for the future, with non-binding guidelines and declarations of intent, this programme is incapable of exercising any influence over actual day-to-day policy. It is restricted to an intellectual analysis. An assessment of the results of the fourth medium-term programme shows it was completely below par. The growth rate achieved was not even half that projected. Inflation in the Community as a whole was twice as high as estimated and the unemployment level was badly underestimated. There has been no convergence of economic policies. In fact, there has been further divergence in this area. We find in the Community today various forms of policy, ranging from a monetarist policy in the United Kingdom to an expansive Keynesian policy in France and a policy geared to supply in West Germany, where the reorganization plan is designed to permit selective industrial recovery within the limits imposed by monetary stability. Even the relative stability of the EMS will be threatened by these divergent policies.

Since the EMS came into being exchange rates have become more stable. This was not the result of a coordinated, deliberate policy but of the chance coincidence of such factors as the weakness of the German mark and high interest rates in the United States. As unemployment is likely to continue to increase over the next few years, the dilemma about the policy to be pursued — an anti-inflation policy with a reduction in financing deficits or an employment policy which produces results in the short term — will grow. This does not make it easier for the Member States to pursue a coordinated economic policy. Against this background, the fundamental imbalances among the Member States cannot be expected to disappear within a short space of time. As time passes, therefore, the likelihood of exchange rate tensions within the EMS will increase again. Nor is an interest rate policy likely to exert sufficient counterpressure. The EMS therefore appears to be facing a difficult time.

Rompuy

I therefore urge greater convergence of the economic policies and consequently condemn those Member States which do not abide by certain recommendations that have been made by the Commission. In this connection, I regret the decision taken by the Belgian Members on 19 May 1981 to dissociate themselves in some respects from the medium-term recommendation. In particular, the Belgians expressed some reservations about a policy of incomes moderation and reorganization of government finances. I can, however, confirm that the present government coalition has made a resolute break with the previous government's policy and plans to take greater account of the Commission's recommendations by changing certain aspects of the indexing system and limiting the country's deficit.

I should also like to take this opportunity to endorse the Commission's policy on competition. The rapporteur, Mr Herman, has rightly warned of the increasing danger of disintegration of the Community market as a result of competition being distorted by technical and administrative obstacles and national subsidization machinery, which are increasingly leading to unequal conditions of competition for undertakings in the Community. Even though it may hurt some Member States, this policy must be continued. The European authorities cannot be strict enough in this connection, otherwise we shall be heading resolutely for the disintegration of the common market.

Like Mr Herman, I regret the shortage of funds available for the pursuit of a common policy on development and research, which must form the basis of a new industrial policy. Without a dynamic common policy in this area, a permanent solution to the unemployment problem in the Community is unlikely.

Finally, I hope that a number of suggestions relating to employment can be translated into reality under the fifth medium-term programme. The Community cannot go on meekly standing by here. Pessimism must never form the basis of a political position. I therefore hope that this fifth programme will contribute to the better management of economic activity. Another failure — and in this I endorse what Mr Herman has said — will be seen by the public as a serious setback for the European Community.

President. — I call the European Democratic Group.

Sir Brandon Rhys Williams. — Madam President, my group has asked me to convey its warm congratulations to our rapporteur on his admirable report. It is, in fact, a matter of great satisfaction to me personally to be a member of a committee which has produced the report that our rapporteur has launched today. I think it is a brilliant and subtle analysis, and insofar, as my group has certain amendments to propose, they are really only to strengthen it in ways which, I think, the rapporteur himself will approve.

As one looks through his headings, one realizes that he has sought to tackle the major problems of the European economy today: reducing inflation; strengthening monetary cooperation; reviving investment; conducting an active employment policy; contributing to the development of the world economy and affirming the European dimension with particular reference to the completion of the internal market (one might, perhaps, have used the word 'protection' of the internal market in view of the dangers posed to it by protectionist developments at national level which are making themselves felt); and the adoption of common dynamic policies. We are meeting at a very grave moment in the history of twentieth-century Western Europe, and indeed of our Community, because of the unemployment, the obsolescence of our industries, the stagnation of our investment programmes, the growing social tension and the doubt about the world economic outlook, which is being felt on all sides.

Obviously, there are particular targets for our economy, and it is difficult to decide which is the most important: lengthening the time-span of investment so that business people can make decisions with a reasonable chance that they will prove right; improving our relationship with the dollar, which is going through a time of particular instability and looking inwardly to American problems, rather than conducting itself as a world currency — the dollar in all its manifestations, in particular the OPEC surpluses, which are still a troubling and inflationary element in the world economy; meeting Far East and emerging world competition — that is to say, finding ways to stimulate the reorganization of Europe's older industries at the same time as launching new ventures with a reasonable chance of success and expansion; and playing a constructive role in the world economy.

Western Europe must never seek to solve its problems in isolation from its world role. If one can say anything about all those difficulties, it is that they cannot be overcome by individual Member States' seeking to solve their own problems through old-fashioned measures of economic nationalism. If we are going to solve these problems, we must do so together; we cannot do it at national level. Stability and confidence and good judgement in the disposal of funds, both public and private — these are things which can only come from the will to work together as a Community.

Our rapporteur says a few words about the role of the Commission: to bring governments together in policy-making and budgeting at national level; to provide accurate up-to-date market information; to create an informed investing and business community which is aware of what is actually happening in the Community; and to progress towards the creation of a genuinely united European market for capital. These are things we have to look to the Commission to achieve. In his paragraph 35, our rapporteur says that

Brandon Rhys Williams

he judges that the Commission is failing to rise to the challenge of its responsibilities in this respect. One has to goad the Commission, as a Parliament, to these responsibilities, and in my committee, and, I think, in this Chamber, we are aware that the electorate expects us to carry out that function. Europe is a great democracy, and the Commission must recruit the electorate to its support in the campaigns that it has to wage to deal with our economic problems.

President. — I call the Communist and Allies Group.

Mr Bonaccini. — (*IT*) Madam President, ladies and gentlemen, we evaluate the report in question in the context of the series of internal and external issues which characterize the EEC crisis and the stagnation of the process of integration.

This morning President Thorn spoke of the incalculable social price our countries are paying, and we must not forget that the Commission presented its programme as a document aimed at defining the philosophy of renewal for the EEC. From this viewpoint, we think that the report suffers from what the English call 'over-simplification', that is, 'no' to Mrs Thatcher's ideas and policies and 'no' to those of Mr Mitterand; or, in theoretical terms, 'no' to monetarism and 'no' to Keynesianism. This way we run the risk of remaining in a limbo of abstractions where, although we can perhaps avoid making errors, we also take no political action or responsibility.

On the contrary, now is the time for all the institutions to assume greater responsibilities; Parliament must also do so, if it is to avoid the crisis over its identity mentioned this morning by Mr Thorn. This is why the Italian Communists see some interesting signs of innovation in the medium-term programme presented by the Commission: the open admission of the failure of preceding Community experiments in this area, the wise abandonment of certain traditional triumphal gestures, and the introduction of a spirit of caution and reserve in scanning the future. Indeed, this caution is carried further than it should be: no statistical predictions are made and no precise forecast supplied for the prospective growth rate of the GDP.

Generally positive proposals are advanced to prepare for the development of the EMS, and commitments, albeit modest ones, are determined for the policy on investments and the creation of jobs. Similarly, we must stress that for the first time the measures in favour of employment are no longer presented as deriving from the growth in the GDP, but rather as an objective of this growth. The application of economic policy in its various manifestations is therefore conceived of in a coherent manner. This is a vague chorus of feeble voices, but at least it shows an awareness that our economies have reached the breaking point and are no longer able to tolerate this serious

situation. This is borne witness to by the desire, indicated in the introduction to the programme, to attempt to formulate a policy of employment and to restrain at least the greatest excesses of the policy of restriction and recession. These indications are certainly still inadequate, but they constitute small rays of light in the tunnel where the Community finds itself.

The report approved by a majority of the Committee on Economic and Monetary Affairs extinguished even these feeble hopes. We agree upon the importance of the fight against inflation, but the report once again gives unilateral emphasis to the problems of the undifferentiated control of the monetary mass, frustrating the attempt to establish a different balance between the fight against inflation and the stimulus for recovery implied in the draft programme. In short, monetarism, rejected by Mr Herman, slips in silently between the lines of the report, while no mention is made of the lack of risk capital in the policy of investments. It is not a question of crying over the corpse of Keynesianism, but rather of grasping the true significance of the report presented to us. Mr Herman, moreover, with his characteristic and praiseworthy frankness, said this morning: 'we have already discussed employment three times; why should we do it again?' I would like to answer our colleague: because unemployment is growing — this is why we are discussing it. Employment policy now seems to be part of the political mythology of too many governments which cynically believe that protracted unemployment can make workers more docile and induce them to move backwards down the road of social progress, giving up some of the conquests they have made.

For this reason we cannot vote in favour of this report, and we hope that many others will make the same decision, giving proof that the European Parliament is capable of dealing with the tasks it faces today.

President. — I call the Group of European Progressive Democrats.

Mr Deleau. — (*FR*) Madam President, needless to say my opinion of Mr Herman's report will be rather different from that of my good friend Mr Bonaccini.

I do not think it is any exaggeration to say that in the period covered by the previous medium-term economic policy programme none of the objectives set was achieved; Mr Herman actually makes this point himself in his excellent report on the fifth economic policy programme and I just wanted to say it again.

I must, however, congratulate him on his excellent critical yet realistic analysis of the situation in which the Community finds itself as we come to the last of a series of medium-term programmes, the first of which goes back as far as 1966.

Deleau

The Community has become bogged down in an economic crisis with no sign of improvement in spite of all the efforts of the individual Member States. Quite the contrary, the situation has got worse. Inflation and unemployment have reached unprecedented levels. The increase in investment is virtually nil, just 0.7% per annum, far below that of our formidable competitors Japan and the United States. The dangers of this situation cannot be overestimated and place on the Member States a compelling obligation to take whatever steps may be necessary. It is not enough simply to manage the crisis: the situation calls for a freely adopted policy and for a stricter economic, monetary and financial coordination of policies. That is, without a doubt, the price of salvation.

We know very well the reasons for the deteriorating economic and social situation in the Community, the external pressures from which, let us face it, it was difficult to escape, but also the internal factors, for which certain Member States have to accept a share of the responsibility. The failure of previous programmes is attributable to the lack of options and the failure to lay down priorities, and when I say options I mean not only as regards principles but also as regards priorities. We are told, of course, that successive energy crises and dollar fluctuations rendered it impossible to make forecasts and, therefore, impossible to lay down common measures. Confronted with this situation what we should have done is jointly defined our objectives and insisted on greater restraint at national level and a closer convergence of our economies, which is in fact what Mr Gaston Thorn was saying this morning. But it also needed the Commission and the Council to make full use of the powers vested in them by the Treaties and full use of the various budgetary, financial and administrative instruments at their disposal to implement common policies, particularly in relation to energy, research and above all the industrial sector. I should like, on this last point, to refer to a document drawn up by the Commission in the context of the mandate of 30 May and entitled 'A Community strategy for the development of industry in Europe', as well as to the document dealing with the principle of industrial innovation. Why were these excellent recommendations not written into the fifth medium-term programme? Especially since both these documents stress the importance of reviving productive investment, which we in our group see as an absolute priority.

In fact, it is the Community's industrial policy as a whole that is wrong, and I would even go so far as to say that the problem is that we have no common industrial policy. To reduce the rates of inflation through proper financial management, to encourage industry to carry out substantial investment programmes which are vital if the competitiveness of the Community economy is to be improved, production increased and unemployment reduced — these are the objectives, but more than that, we need to see an improvement in financing techniques, particularly

for the small and medium-sized undertakings, an important source of new jobs, by offering them Community loans with guaranteed protection against exchange rate fluctuations until such time as these become more stabilized.

Let me end by making what I consider to be a crucial observation. Any measure that might have the effect of reducing the competitive potential of undertakings or of increasing production costs must be scrapped. If European industry wants to succeed in the face of increasingly severe world competition, it must be in a position to improve its productive capacity and re-establish its profitability in order to make its contribution to improving working and living conditions. But let me utter a word of warning: If we are successful in achieving certain balances we shall have to remember that these will always be fragile and require us to exercise prudence.

There, Madam President, are just a few thoughts prompted by Mr Herman's report on medium-term economic policy, and provided the report is not substantially altered by amendment, the Group of European Progressive Democrats will vote in support of it.

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Bøgh. — (DA) Madam President, if we are to believe the Herman report, the Commission, in what it proudly calls its strategy, has discovered an economic remedy equidistant from monetarism and Keynesianism. There is no need to prove its distance from Keynesianism, since the EEC, by depriving the Member States of economic controls, has helped to produce a situation where the public sector can no longer be used as a thermostat for the national economies.

On the other hand it is not very convincing to reject monetarism and then put forward an out and out monetarist programme with hardly an original idea in it.

It is simply a carbon copy of the monetarism currently being practised by the bourgeois parties to a greater or lesser extent in all countries, and which reigns supreme with such disastrous consequences in the USA and Britain.

For those wishing to set themselves up as strategists and sages it is not enough to offer medium-term cures. They should also be asking themselves what sort of a society would be left, assuming that it survived the cure. They should be asking themselves what side-effects their medicine would produce, and whether the risk of the patient losing his identity is not too great for them to risk their treatment.

Bøgh

With a little knowledge of history one can predict that the strategy being proposed will almost certainly produce the following changes in society.

Firstly, the sharing society, and thus the approximation to true democracy established in the Keynesian era, will give way to a divided society in which some people are very rich and a great many people are poor and deprived of their rights. Societies based on inequality have always been attractive to capital, which the Commission is banking on. But it is no good thinking that after this treatment there can be any return to economic democracy. Secondly, it is hypocrisy for the Commission to oppose the growing public sector. Every high-productivity society requires and establishes a large public sector. It requires massive infrastructural spending on transport, energy supplies, research and education, and establishes a large public sector by its spending in combating pollution and the attrition of nature and man, which devolves on the public sector.

Radical change and cuts in the public sector mean transferring public functions to financially stronger bodies, first and foremost the large multinationals. That is what we see in Japan, which the authors of the Commission's fifth medium-term plan and the Herman report both fear and admire.

That pattern of society is not foreign to those parts of Europe having a strong tradition of feudalism, cultures in which a weakened State transfers public functions to financially stronger bodies, recompensing them by privilege.

I should like to know when the social-democratic parties, whose imperishable glory in history has been the creation of the Welfare State on the Keynesian pattern, are going to campaign seriously against this bad, monetarist report in the medium term, and to fight for a human, social and democratic way of thinking in the longer term.

President. — I call the Committee on Energy and Research.

Mr Ippolito, draftsman of an opinion. — (I) Mr President, ladies and gentlemen, the economic analysis carried out in the Commission's fifth medium-term programme and summed up in its political aspects in the first chapter 'Summary and Conclusions' can be considered, in the light of the scope of the economic problems concerned, as an extremely important document. It must be said however that the text in question contains a series of incongruencies between overall analysis and proposed strategy, between the diagnosis of the situation and the suggested remedies, which the Committee I represent has identified and which must now be discussed.

In the face of the exceptional nature of the present situation, the document proposes a series of measures especially designed to provoke a spontaneous recovery entrusted substantially to the free play of the market. The principal orientations of the proposed strategy are, in fact, defined in relation to two objectives: the reduction of inflation and the improvement of stability; the promotion of structural changes to accelerate growth and increase employment. Nevertheless, in the light of the solutions proposed, involving the adoption of the classic instruments for combating recession, the second objective remains only a declaration of principle.

We believe, in fact, that the announced policies for stabilization, although they are, in their various possible modes of implementation, an essential condition for the improvement of the long term structural position, do not in themselves offer any possibility of activating a renewal of growth and in increase in employment. The slow-down in growth is not connected solely with the variables on which the programme is primarily intended to act. It should instead be traced, as the analytical section of the document rightly makes clear, to a general alteration in profit expectations due to the changes which have occurred in the conditions of exchange in the international economy over the preceding decade.

Therefore, along with the problems of stabilization which particularly concern public expenditure and the cost of labour, other questions must be raised, above all that of the rising cost of energy and raw materials.

A policy of cost reduction should also allow for the inefficiency inherent in the maintenance of an industrial system based on a usage of resources which no longer corresponds to reality. Otherwise, behind the defense of a so-called energy policy, there might lie a conservative industrial policy unsuited to bring about an increase in employment.

Stabilization measures should be accompanied by changes, particularly in regard to the allocation of investments in the various industrial sectors.

The role of public expenditure must be considered in the light of these problems. Such expenditure should certainly be drastically reduced in the current account, but qualified where investments are concerned, by means of incentives in the sectors to be encouraged in increased support for the social infrastructures essential to their development. It is surprising in this regard that an institution like the Commission of the EEC, which should be culturally oriented towards innovation, gives nothing but vague phrases to the fields of technological development and research.

As a consequence of the economic approach outlined above, which often restricts the field of action to a pure and simple stabilization, the energy problem is dealt with almost exclusively from the viewpoint of

Ippolito

supply and the diversification of sources. We believe that, even if it is impossible to estimate the amount of time necessary to effect changes in the industrial structures of the European countries, such changes should be borne in mind over the medium term. The absence of a detailed analysis of the problems connected with the industrial transformations necessary for the conservation of energy leads to a series of general attitudes and not to precise political indications. In other words, we feel it is useless to speak of energy savings if no mention is made of the precise and widely differing aspects of this concept in the context of industrial reality.

It is therefore of importance to understand up to what point transformation is actually being accomplished in the EEC countries and in what forms, what kind of impact this type of energy investment has on the economic system, what is the relationship between energy costs and industrial structure and, finally, what should be the objectives of a public investment policy in favour of energy conservation in the general context of public finance.

The energy models established by the Community should constitute the point of departure for an analysis of the situation.

The Committee on Energy and Research, on the basis of the considerations I have just reviewed, has proposed certain amendments to the motion for a resolution contained in the draft report drawn up by Mr Herman's Committee on Economic and Monetary Affairs, amendments which underline the criticisms which I have just made.

President. — I call the non-attached Members.

Mr Pשמזוגלוא. — (FR) Madam President, I too wish to express my appreciation of Mr Herman's extremely valuable analysis. I believe we now have a better understanding of the problems and an opportunity to evaluate the options available.

Having said that, I believe that an analysis of this kind would have been of much greater value if it had been accompanied by a forward-looking assessment of the impact of this policy over the next five years, rather than an analysis that relates simply to the past. I wish therefore, as a contribution to the restructuring of the Community which is in the process of preparation and on which, I hope, a political decision is forthcoming, to suggest just such an approach, that is to say an approach based on a political decision and an analysis, with Parliament's participation, with regard to the medium-term policy to be implemented over the next five years. It is much more important to have a forecast, that is to say, a political decision and a debate on the policies to be implemented during the coming period than an analysis of what happened between 1974 and 1979.

That said, I would like to propose an institutionalization of medium-term decisions taken within the Council of Ministers and in the course of our debates in the European Parliament. I also feel that I must say a few words about the observations that have been made and about Keynesianism. It seems to me that, apart from the ideologies and general differences in political attitudes, one could agree on the need for a disciplined Keynesian approach. In these circumstances I feel that, once agreement has been reached on the whole range of policies to be implemented, one could venture to do a lot more than has been done hitherto. An overall approach on these lines could liberalize the attitudes of the governments and the Community as a whole to the budget and to the allocation of appropriations. In particular, our long debate on regional policy and Mediterranean policy could constitute a springboard, an opportunity to revive economic growth within the Community.

Unless we can bring about a return to economic growth, all our debates on unemployment are essentially meaningless. One cannot deal with unemployment by resorting to palliatives of a corrective and more or less short-term nature. The essential thing is to create the right conditions and to stimulate economic growth, and this can only be done in the context of the European Community as a whole.

I believe therefore that it is reasonable for me to suggest that our thoughts should move towards a disciplined Keynesian approach, given the need to observe a budgetary discipline and discipline in regard to our policy on the allocation of appropriations, but without pre-established limits. It is essential, in particular, to implement a policy for growth and economic revival and to develop rapidly the less developed regions of the Community, and I have in mind specifically the regions of the Mediterranean countries. It seems to me that by such an approach it is possible to ensure growth within the Community and at the same time take effective action to reduce unemployment and inflation.

President. — I call Mr Giavazzi.

Mr Giavazzi. — (IT) Mr President, the first point to be appreciated in approaching this medium-term programme is the realism with which the Commission has dealt with it. This realism arouses no optimism in the face of a diagnosis of little growth, high unemployment, and inflation which can be reduced to acceptable levels only by means of serious sacrifices. The judgment on such realism, in my opinion, can only be a positive one.

The second point is that a strategy is necessary in order to attain the objectives presented as essential by the Commission: firstly, to reduce inflation and improve economic stability, secondly, to promote the

Giavazzi

means necessary for speeding up growth and increasing the employment level. In my opinion, this declaration is also worthy of approval and positive comment. It is the sign of a new awareness; particularly, as has already been said, it means that the Commission has given this medium-term programme a more political slant than it gave to the preceding ones.

The third point is, in my opinion, the fundamental problem: how will the Community be able to apply this strategy? It will only be possible if, firstly, the Member States act in the context of a common will for unity and solidarity, and, above all, if the Member States can be brought to follow the general policies of the Community on a compulsory basis, while retaining their own freedom of action.

Secondly, such strategy can only succeed if adequate means are available and directed towards regional rebalancing and the necessary social measures.

Finally, all this must be done without undue loss of time.

These three factors are emphasized in the Herman report, which, in my opinion, does not soften the Commission's approach, as the last speaker asserted, but rather underlines it. In this situation, especially in the light of the well-founded and disturbing observations made this morning by President Thorn on the inadequacy of internal cohesion and the lack of broad Community external policies; in the light of recent events — equally disturbing — which reveal the pressing need for a more effective external Community policy and herald the reappearance of protectionist tendencies in certain Member States, Parliament is obliged to call upon the Commission to follow this strategy.

If this strategy, which is rightly considered essential by the Commission itself, is not adopted, what should be our position?

I believe that, while waiting for these elements to materialize, we should call for a declaration of the institutional positions among the Community bodies and a more effective policy concerning the Community's principal problems, working above all for a coherent common approach to be shared by both Community policies and the policies of the Member States. All of us, of whatever institution, should work for the reduction of imbalances as a necessary goal. Only if effective and timely action follows a diagnosis supported by suitable programmes can the question we asked earlier be adequately answered.

Europe needs this action and these positive and concrete responses, today more than ever before.

President. — I call Mr Frischmann.

Mr Frischmann. — (FR) Madam President, the Commission's communication and Mr Herman's report on it could, as we see it, be summed up as a recipe for even greater austerity.

In fact, both the communication and the report have only one single criterion which justifies their content: the financial profitability of undertakings, regardless of actual social needs or of national economic needs.

Thus, wages and expenditure on public and social services are regarded as burdens. Well, if the means of subsistence and the incomes of the citizens of our countries or if social needs are not essential criteria of economic management, then I should like to know what economics is all about! Much is said about competitiveness and costs and also investment. But has sufficient thought been given to the cost of unemployment in terms of public expenditure and the economy as a whole? Now, everyone knows that the waste involved is enormous!

And how can anyone claim that a genuine revival of investment is possible if there is not the demand to sustain it, that is to say the highest possible level of consumption based on increased wages and incomes? And how can we honestly talk about competitiveness? We are told that increases in wages and social insurance contributions have an adverse effect on it. However, and that is a known fact, there are countries where competitiveness is high and yet, relatively speaking, so are wages.

It must therefore all be a question of productivity! But productivity today is suffering through lack of investment and lack of research. If the level of investment is low it is because of austerity policies which interfere with economic growth; if research is suffering it is because production is based on the criterion of an immediate financial return and not on profitability in terms of social and economic benefits, particularly for employment.

What we have here, therefore, is a veritable crisis spiral of which the austerity policies and the pursuit of quick profits are the direct causes. That is where we have to make some changes, for this sort of logic is bringing us both unemployment and inflation. We have to abandon the simplistic doctrines of reviving the economy either through demand or through supply. What is needed, in fact, is both a higher level of investment and more consumption. There is also a need for structural reforms which will allow us to equip ourselves with the resources for a solid and decentralizing economic and industrial policy that would enable us to win back the internal market, above all at national level, and to conduct an investment policy designed to create jobs, which would be achieved through growth, by a reduction in working time and through the use of advanced technologies. It is worth noting that what is happening in France today is very different to what the Commission is proposing.

Frischmann

Of course there are difficulties, mainly due to the situation we inherited, but the approach is a positive one. Needless to say, it is not based on the same guidelines. And so the French Government could append its own position to the Commission's report. It has already formulated the necessary reservations. There can in fact be no question, whatever Mr Herman's report may say, of the fifth programme being an instrument of policy enforceable throughout the whole Community, since France is already committed to a different policy.

The resources that the Community has available can be used to help each country of the Community to pursue its own policies. Besides, we do not in any way claim to speak for the other countries.

Community loans, everything that can possibly be done through multilateral cooperation in relation to the search for new ideas and in relation to industrial co-production, for example, are measures to be used in a constructive fashion. In fact, if there is a need for new ideas, there is also a need for the political will to act differently and to consider the economic question in the light of criteria different from those which have brought the countries of Europe to the present crisis. There is no reason why this should not be possible.

And it is because we believe in this possibility that we could never accept the report which has been presented to us.

President. — I call Mr von Wogau.

Mr von Wogau. — (DE) Mr President, ladies and gentlemen, I welcome Mr Herman's report and have just one or two points to add that I consider important.

If we intend to win the battle against unemployment in Europe, our first task must be to improve the competitiveness of European undertakings. In my view, the most alarming fact revealed by Mr Herman's and the Commission's reports is that investment rose by only 0.7% in the European Community between 1973 and 1980, the increase in Japan being three times that figure.

A second major factor that is slowing down investment is the level of interest rates. Before we can break away from the United States where interest rates are concerned, we must improve our competitiveness. This should be reflected by the balance on current account, since it is our weak current-account position that ties us so firmly to interest-rate levels in the United States.

I should now like to ask what contribution the European Community can make here. As I see it, the most important thing is to open up the European market at long last. On this I completely disagree with the

previous speaker, Mr Frischmann. He placed the emphasis on winning back the national markets. What we must in fact do is together win back the European market. There is as yet no European market in the key technologies.

Let us take microelectronics as an example. Jobs will be lost in this sector in the future. But jobs will also be created, because this new equipment does, of course, have to be manufactured and maintained. But if the present trend continues — only 8% of all microprocessors are made in Europe, the remainder coming from the USA and Japan — we shall find that these jobs are not being created in Europe. They will be lost in Europe and created in Japan and the United States.

What can we do about this? Opening up the European market means changing consumer habits in Europe. The most important consumers in this sector are authorities, i.e. telecommunications, the post offices and the defence authorities. What we still have here are ten completely separate European markets. A firm that has its headquarters in one country and bids for a contract in another does not usually stand a chance as things now stand. This is where the decisive competitive disadvantage lies for European firms, particularly the small and medium-sized ones, compared with their rivals in the United States, who have a larger domestic market from the outset. That is why we must concentrate our efforts on making contracts Europe-wide in this sector.

A second point I should like to raise concerns the role of small and medium-sized undertakings in the Community. If we want to safeguard and create jobs, we must assure these firms of fair conditions of competition. If we want to eliminate unemployment, we do not want more civil servants but more self-employed people. We need more young people who are willing, once they have completed their training, to take the risk of going it alone. There has been a shortage of such people in recent years. All the statistics show that the new jobs are created not in the large nationalized undertakings but in small and medium-sized industry. We must take account of this in our regulative policy.

To conclude, I should like to make a practical suggestion: we of the Commission and Parliament should consider how it can be ensured that the Europe-wide contracts, which already exist in the building sector, give small and medium-sized firms a chance as well as the large groups.

President. — I call Mr Kyrkos.

Mr Kyrkos. — (GR) Mr President, taking Mr Herman's report as a whole, I should like to point to what are, in my opinion, certain negative key points which affect the report's overall argument.

Kyrkos

The report's main priority is the fight against inflation and not unemployment. Second, in order to reduce inflation it proposes a reduction in public expenditure, a reduction in wage increases and price control. Third, it is essentially opposed to the trade unions' proposal for reductions in working time. Four, while it accepts the need for increased Community resources it does not stress the full importance of combating unemployment and of revitalizing the Community's economy and regional development. It also proposes that the fifth programme should be considered as a political act involving a commitment on the part of the Community as a whole, while at the same time it calls for the extension of the practice of majority voting within the Council of Ministers and states that the Member States economic policy must not contravene the guidelines defined at Community level. Consequently, it is quite clear that there is an attempt — and I hope I am not being unjust to the report — to impose the new liberal formulae contained in the document which give expression to the policy of European conservative powers.

In my opinion, the report outlines a strategy primarily aimed at supporting the squeeze on public expenditure and labour costs and, secondly, the operation of market forces to increase the rate of economic development. This is unacceptable to us because it throws the weight of the continuing crisis on the workers and farmers without making any provisions whatsoever for institutional and structural changes aimed at improving their position in the decision-making process, and because it ignores the problems of development of the less-developed countries in the EEC and therefore in Greece.

As far as we are concerned, the emphasis of the Community's medium-term economic strategy should be completely different aimed at combating unemployment on the one hand and reducing regional inequalities on the other hand. The chief method for achieving this should, we believe, be increased public investment in selected areas. Integration in the internal market cannot, in our opinion, be self-fulfilling as the Commission sees it nor can it be achieved unless it is linked to measures to support the less-developed regions and economic sectors.

IN THE CHAIR: MRS DE MARCH

Vice-President

President. — I call the Commission.

Mr Ortoli, Vice-President of the Commission. — (FR) Madam President, I feel as though I was on

board the Europe Express, because here we are, seven months after the submission of the Commission's report on the medium-term outlook for the Community; discussing it in just 90 minutes. Now it so happens that in the debate we have just had some of the very real problems we are going to have to tackle have been mentioned and I am not about to deal with them in ten minutes. I neither can nor have any wish to. That is the first thing I wanted to say.

My second point has to do with the fact that we are discussing three reports at once. First we have the medium-term policy programme drawn up by the Medium-term Economic Policy Committee. This is an important and serious document which the Commission has recommended for adoption to the Council of Ministers. Then there is a foreword by the Commission, to which I shall be returning and in which we have sought to put in a more direct manner — and this is not a criticism of the medium-term policy programme — the problems that we have to cope with. Finally we have Mr Herman's report. I understand that, as is quite legitimate in Parliament, one should begin by talking about Mr Herman's excellent report and then go on to express agreement, or otherwise, with a certain number of ideas that he develops. You will forgive me, however, if I tell you what was in our own minds.

The third thing I wanted to say is that, listening to the debate, I had something of the same feeling I had the day we published the foreword to the medium-term policy programme. I was at first surprised and then delighted, because it is really quite funny to read in the same newspaper that I was at once a Keynesian — not a disciplined one as Mr Pasmazoglou would have wished but a backward one — and a monetarist, not as enlightened as monetarists sometimes claim to be but obtuse. It grieves me to tell you that I am neither and I believe unfortunately that we shall not solve our problems through any sort of 'isms'.

I should like to say briefly, Madam President, what it is that we have tried to do. We have tried to say that, today, the prospects are not brilliant and that, even though we did not actually give any figures — since we are dealing here with a five-year forecast we could go on arguing over them indefinitely — we found our figures disturbing. And we found them particularly disturbing in relation to employment. That is the first paragraph of the foreword, not the last, and I am very familiar with this foreword since it was I who wrote it. We have said that as of this moment the essential objective was to bring the situation around and that we would have to take whatever measures may be required and have the political courage to say so. I believe I even wrote: 'if it is an essential aim to restore conditions for a level of growth that will then bring with it a healthy employment situation, the Council must say so'. That was my second point.

Ortoli

Third point: We have not tried to resolve the major problems by once again adopting a doctrinaire approach, but we have tried instead to introduce a certain number of theoretical discussions which in reality take us away from the everyday-type measures, collective-type measures and consensus-type measures that we need to combine if we are to come out of a very difficult situation.

No one can deny that part of our problems are due to external factors over which we have no control. I wish we did have, I wish we were able to call the tune, I wish we could control the energy crisis, I wish we did have the raw materials, I wish we did have the incredible aggressiveness of some of our competitors.

Where, then, have we focused our attention? On what we can do together. What can we, as a Community, do? I have been careful not to enter into doctrinal debates, or rather I have entered into them simply to say clearly that, for example, when one is speaking of demand, one must consider it carefully, gauging how much room for manoeuvre we have, and to suggest that the Community, by harmonizing its policies, should give itself a little elbow-room, that is to say generate for itself a little extra growth. It is not much, Madam President, but it is still growth and it is in a way the answer to some of our problems. We are also proposing to look at the problems of the world market, which for years has been carrying us along, because when we were showing a growth rate of 5 or 6% the world market was also going along at 5 or 6%.

What can we do? Just how far can we go in this area? These are vital questions which I should like to see discussed at some time.

We have asked that consideration be given to the budgetary aspect. There are cases where the budgetary margin for manoeuvre is non-existent. Where it does exist it should be used, but to what end? Broadly speaking, to give us the means for growth, for investment. And of course I mean public investment, for I am certainly not one of those who believe that public investment is not an investment for development as well. Something will have to be worked out, that is obvious, but I feel certain that some change can be brought about in our collective approach which would enable us to provide ourselves with the means for growth and development.

So, what have we tried to do? We have tried to go for a certain number of sectors where we felt that, without too much discussion and regardless of which side of the House or the Commission we were on, we could come to an agreement. Are we interested in achieving a greater degree of monetary stability, that is to say, in preventing the disappearance of a world in which people can work more or less normally, knowing where they stand? Are we interested, looking now outside the Community, in seeking ways of stabilizing

the international monetary situation which would give us a little more security? Have we then a common language that we can use and what is this language? In 20 lines we have attempted to write it down and I am sorry to say we are pessimistic.

Is it a fact that, whatever our differences on certain aspects of economic policy, we need to invest in order to meet — what? To meet demand such as it is, for most certainly the demand does exist. Can we imagine a world in which there is no demand? But it is demand such as it is that we have to meet, in a world that is changing. Consequently, some of the measures which we call measures for demand, do generate demand but elsewhere, outside our own markets. That is a problem that we need to think about.

When we talk of demand in areas of investment like energy projects, new technologies, research development, in other words those areas where we know the needs exist and which we cannot neglect, we have to act forcefully, and there we have a common objective at European level.

It is necessary to recognize the objective, to hold the resources available, and to deploy them. That is what I expect Parliament to do. One could go on indefinitely discussing the problems of demand and investment, but where energy is concerned, Madam President, the problem is an extremely simple one. At the present time, because of our dependence on outside energy sources, we are giving away a large proportion of our wealth which we need to promote our own energy projects. I am not criticizing the oil-producing countries, I am merely stating a fact. Is there some way we can remove this constraint? Yes, and the energy sector holds the key. And let me say to Mr Herman that there is public investment or rather public responsibility in these areas because the public authorities are involved when it comes to legislation and instruments, not to mention all the various public corporations and national organizations which are insisting on a diversification of energy sources or an expansion of their capacity. You cannot divorce the public authorities from the problem since it is they who have control over it.

Where new technology is concerned, where research is concerned, what major international public authority can afford to remain aloof from aid to research and ignore the power of its own market, not in a protectionist sense, but simply by using it in whatever it does itself? That is one of the reasons why we have proposed a coordinated use of public authorities. Who today can be unaware how necessary a large market is? We are forever talking about Europe, we are forever talking about the continent of Europe. We are first and foremost a continent because we have a very large market with its economics of scale and the means to mobilize a certain number of elements. If we do not do it, I am not sure that the battle can be won. If we

Ortoli

do it, then truly we shall have exploited the European dimension.

What is it that we have tried to say in our foreword? Let us focus on three or four points on which clearly we have together to make some progress, because that will help to bring about a fundamental improvement in our position, which is not entirely due to the present economic situation nor to microeconomic structural policies; nor is it entirely due to structural policy, in which any conjunctural policy must at the same time take medium-term policy into consideration. This is what we have tried to get across, not in the language of the economic theorist but, if I may so put it, in the language of the political fighter.

I believe that one of the maladies we are suffering from today, faced as we are with a worsening unemployment situation and economic stagnation, is a sort of feeling of being pursued by fate. This is a feeling we have to rise above; personally, I do not believe in fate at all. I was 20 years old in 1945; had I believed in fate I certainly would have left my country to go and seek my destiny elsewhere. But I had the belief that we could build something different, and it is something along those lines that I would like to say to Mr Herman. You spoke earlier about public authorities — and you are familiar with my economic ideas — and about a number of programmes which either succeeded or failed. One can in fact challenge many large-scale programmes, but I was the originator of one of the ones you mentioned and I do not believe, in 1982, that it was absurd then to imagine that the problems of data processing were essential for Europe and that there was a need to introduce what has been called the Calcul Plan. This plan was perhaps badly written, maybe my pen was at fault, but the idea was sound. If you consider that we had to deal collectively with one of the problems of the future, with the participation of the public authorities — and in cases like that no one asks whether you want it or not — I believe that in itself the project was a pretty good one. To conclude, I should like to say that a great deal is said about the role of Parliament and the Commission, and about political will. In a matter such as this, it seems to me — and I go along with many of the points you make in your report — that the role of Parliament is to say that there is a battle to be joined and that it can be won in favour of employment.

Secondly, there are a number of courses that we can follow together which do not in fact call for a metaphysical debate. It is simply a matter of getting down to work.

So, what do we mean by political will? A lot is said about it and a lot of nonsense is said about it, too. Political will means first of all having a policy, that is to say knowing whether one is prepared, on a small number of points, to work together and do everything to win one's way. If you have no policy, even if you have the will it will be somewhat dissipated. A former

teacher of mine used to say that man is an intellect at the end of a will. Political will means the will to pursue a policy.

Do we agree that we want a more stable monetary environment? If so, say it loud and clear with us and let us fight together to achieve it. Do we want to utilize the full potential of our market, not just in terms of large markets but in terms of technological power? If so, let us say so and get on with it. Do we believe that we need to invest a great deal more and that there are areas in which clearly we can and must invest? If so, let us say so and get on with it.

It seems to me that the time for talking is long gone, it is time now for us to act. But there is another thing that Europe should strive for. That is to have a range of measures to choose from that is wide enough and clear enough in the eyes of public opinion to attract a second benefit. The first benefit lies in being able to do better, because we are together, things that we did less well apart. There is nothing very new in that, La Fontaine said it! To put it more simply, our measures have a greater potential when they are applied on a European scale, and this is true at internal level and also in its impact outside the Community. The second thing we can do — and that is one of the tasks of Parliament and the Commission — is give our measures a kind of symbolic quality, a collective will very clearly expressed and precise enough as to its application to enable the citizens we talk about so often to feel that the people here, on both sides of the table, are in fact working side by side to resolve the problems, not through words but through actions.

So that is what I have tried to convey in this programme. I am not absolutely sure that I have succeeded but if you, when you pass your opinion, can tell our peoples 'Those are the measures we can work on together, which stand a good chance of succeeding in restoring the Community's capacity for growth and resolving its employment problems', I believe something useful will have been achieved. I am sorry, Madam President, that I have had to be so brief and talk in such general terms. I should have liked to be much more specific in the way in which we see the problems, but Mr Thorn did give enough indications on this point when he spoke this morning.

(Applause)

President. — I call Mr Bonaccini.

Mr Bonaccini. — *(FR)* May I ask if there will be one vote or two, on the programme and on the report?

President. — The vote will be taken only on the report.

President

The debate is closed.

The vote will be taken at the next voting time.

8. *European Monetary System*

President. — The next item is the report (Doc. 1-971/81) by Mr Purvis, on behalf of the Committee on Economic and Monetary Affairs, on the European Monetary System.

The oral question with debate (Doc. 1-965/81) by Mrs Scrivener and Mr Delorozoy, on behalf of the Liberal and Democratic Group, to the Commission will also be included in the debate:

Subject: European Monetary System

For some months now we have been witnessing a renewed outbreak of monetary and budgetary strains on the international financial markets.

This situation is largely due to the divergence between the economic policies pursued in the various Member States of the Community, and this has weakened the European Monetary System accordingly.

Given this situation, what can the Commission do to strengthen the European Monetary System and enable it to maintain and increase its effectiveness?

Does the Commission still think it possible for the ECU to be used as a payment currency on the international markets?

I call the rapporteur.

Mr Purvis, rapporteur. — Madam President, may I crave your indulgence, to start with, for three minor changes in the report to correct misprints which occurred between the time the Committee passed it and its appearance here. Perhaps they could be recorded in the minutes. I was informed that this was the simplest way to do it.

In paragraph 2(d), it should read 'well being' and not 'will being'.

In paragraph 4(c), the last word should be 'conditions' and not 'considerations'.

And in the second line of paragraph 8 it should read 'increased' and not 'increases'.

Madam President, in this report perhaps the most important thing that the Committee on Economic and Monetary Affairs does is to reaffirm its complete commitment to the goal of European monetary and economic integration. We would like to think that we could get the same firm reaffirmation from the Council of Ministers and that then they will be prepared to carry through into actual fact and action.

As far as it has gone the European Monetary System can be rated a success. The volatility between the currencies involved has been reduced; there is even some signs of a concerted position emerging relative to external events and to the US dollar in particular. In this regard I suppose you could say the environment for our industry and our economy has been improved.

But there are also disappointments. The economic performances and policies throughout the Community are still widely divergent; and so the inflation rates and the interest rates are also widely divergent. So we need every now and then to face up to a realignment in the EMS. If the EMS is to proceed further, the economies must converge voluntarily to permit the narrowing of the margins. Now we in the Committee consider this — and this is the pious conventional wisdom — to be eminently desirable, but politically unlikely of fulfilment in a reasonable time frame; and we cannot talk of years. The EMS, as it is currently constructed, is a wobbly stepping-stone on a way to something much more fundamental, and if it does not keep moving it could well disintegrate.

It is a first cause of disappointment that the United Kingdom has not joined the exchange rate mechanism. Not only has the extreme volatility of the pound — in fact in 1980 the monthly variation of the pound against the other currencies was six times that between the full member's currencies — made life particularly difficult for United Kingdom businessmen, farmers and fishermen, it has also made management of the UK economy difficult and it has had repercussions on the Community's policies such as establishment of a reasonably stable internal market. It has made intra-Community trade more difficult and the long-term planning of investment and capital flows on a Community basis unpredictable.

It is difficult to have a currency determining the basket but not maintaining a stable relationship with the other currencies.

However, we do note that, of late, the British authorities appear to have been managing the foreign exchange rate with a more stable relationship to the Smithsonian basket. Perhaps this is a first step towards their joining the EMS exchange rate mechanism. It would be unfortunate if sterling were not a full participant when the next steps are made.

Consequently, in the resolution we urge the United Kingdom to join the exchange rate mechanism and urge the Commission to initiate discussions to this end. We also urge the Commission to negotiate appropriate conditions for Greece and the other applicant countries to join the EMS when the time is right. We recognize the successes but are very concerned at the delay and reticence in taking this further.

The present status of EMS is only a means to an end, and we fear that if it does not go forward, it will

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become even more precarious and risk breaking down altogether. This would be a tragedy: it would set Europe back by years.

Certainly we would urge advance to stage two: but all the signs are — unless Mr Ortoli can give us greater hope today — that our Member State governments are hesitant about this. Much of this hesitation, we recognize, is due to the imagined national sovereignty which is inherent in managing one's own monetary policy, even though the extent of this sovereignty is limited by the level of overseas exposure that there is in the economy concerned. Much of this exposure for our Member States is now to other Member States, but very much is also the US dollar — the currency in which much of our trade is denominated, especially in basic raw materials such as oil, to take only one example. The US dollar is, in fact, our alternative currency: our economies are being managed from Washington. Is that real sovereignty and independence in monetary policy? We must get round this natural, if unreasoning, attachment to the paper trappings of national sovereignty.

In my report, the Committee on Economic and Monetary Affairs sees the ECU as playing a vital role. Compare the EEC passport: we tried to converge nine or ten documents into one; the difficulties of colour and wording were almost insuperable; and we have ended up with a mouse, a mouse of little real utility. But if the EEC had just issued a simple travel document for travel within the Community, to be taken up voluntarily insofar as it was useful and convenient, and then had negotiated reciprocal rights with non-Community countries, I suggest we should have circumvented the difficulties. Citizens would have used either their national passport or the Community's plastic card as they saw fit; and if the Community's document was simple, useful, unbulky and cheap, I am sure it would have been popular — probably the more popular. The only requirement of the Member States would have been to make it acceptable at the border control posts.

We in fact have an ECU. Its use is developing slowly, but it is hampered by the technicalities of making up the basket every time a transaction is effected or liquidated. There is no borrower or lender of last resort. The ECU does not stand in its own right. Even the Member State governments are less than persistent in using it in their international transactions. And yet it could have great advantages, representing the combined economic power of the world's largest economic and trading bloc.

This is why the Committee has supported the proposition that a European Currency Authority be set up to issue, manage and popularize Europe's currency unit. We ask the Commission to come forward with proposals for this body, having a special regard to the level of autonomy and political control, its capital structure and the role of its directors.

There is no intention to abolish national currencies; these will continue as long as they seem useful to their citizens. We still consider it desirable to pursue the path ordained in the EMS towards economic and monetary union; but we feel that by establishing the ECU as a real European currency which is useful to our governments, our industrialists, our farmers and fishermen and our citizens and which will also be attractive to those involved in international trade and investment, whether in Europe or the surplus-oil States or the less-developed countries, we shall have provided one important prerequisite for Europe taking its proper place in the world: we shall have helped to restore to Europe sovereignty over its own economy.

So, in asking for support in the Parliament and in the Commission for what is perhaps a bold initiative, I hope only that we shall have charted a way forward to making this Europe — with all its undoubted promise — into a reality for its people and the people of the world. It is for us in the Parliament to keep driving forward both the Commission and our tremulous Member State governments in this vital venture. It is we who must instil the courage, the boldness and the ambition.

President. — I have taken note of the comments you made before beginning your speech. The necessary corrections will be made.

I call the Socialist Group.

Mr Ruffolo. — (IT) Madam President, we much appreciated the competence shown by Mr Purvis and the effort of elaboration and synthesis which went into the preparation of this motion for a resolution, which I was able to discuss with its author at a meeting of the Committee on Economic and Monetary Affairs.

We also understand the fundamental motive behind it: to get out of the EMS impasse without waiting for the Godot of a second phase which the governments are reluctant to initiate and the Commission apparently unable to promote. For the most part, the proposals drawn up by Mr Purvis are acceptable to us. We feel that we cannot, however, approve the resolution as it now stands, for two important reasons which explain our reservations and inspire the amendments proposed.

The first is the incomplete evaluation given of the EMS and of the causes of its internal fragility — due, in the last analysis, to the lack of a balanced Community programme of economic development — and of this external fragility — due to the lack of a common European policy towards the dollar.

The second is that the proposal to use the ECU without waiting for the onset of the System's institutional phase can only be accepted if the times and

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modes of the second phase are clearly defined. We cannot begin to build without being able to see the opposite shore. The fact is that we cannot and we should not attempt to bypass with technical expedients a problem which is and will remain essentially political.

The European Monetary System was born at the same Summit which initiated the election of this Parliament. Both these decisions were presented at that time as the beginning of a new historic phase for the Community. Indeed, there appeared to be a profound connection between the two: the creation of a common currency, of a monetary *force de frappe*, is, in fact, a political option which necessitates a democratic sanction.

Today little trace remains of this intention, if indeed it ever existed. I think that, given the evident inability of the other two Community institutions to go on to the true 'constitutive' phase of the system, it is up to the third institution — this Parliament — to address them with two precise questions. First: has there been a change of direction? Second: what are the reasons and the consequences of the impasse?

The first question refers to the idea, advanced for some time now by various experts and recently taken up again in Community studies and echoed in this resolution, of a 'short cut' towards monetary union. Because the creation of the ECU through political decisions is proving difficult, they propose to create not a basket of European currencies based on a common monetary fund, but rather a parallel currency indexed on a basket of goods, with its own independent value resulting from the normal play of supply and demand.

In short, the *ratio* behind the proposal is this: it is easier to yield national sovereignty to the invisible forces of the market than to the visible forces of a supranational authority. This is a monetarist and free market logic which is coherent in itself but unacceptable to those who believe that currencies are made for people and not vice versa; that social relationships should be regulated not by blind forces but by the democratic will; and that the markets function well only when they are integrated in a context of rules and objectives dictated by political choices.

We Socialists have always maintained that monetary union should be effected in the framework of an economic union, with objectives and rules set down in a programme for development. This does not mean that we are against the adoption of immediate measures for monetary cooperation, as long as they stimulate a broader process of integration. For this reason we are disposed to favour the entry of the ECU on the markets and its use for internal and external Community transactions, on two conditions: that the ECU itself be introduced, and not a new supranational currency liable to create a 'black cloud' wandering freely through the skies of Europe; and that each tran-

sitory measure be a part of a planned process for the total realization of the System.

This brings us to the second question: reasons for and consequences of the impasse. There are no real technical obstacles. The objective need for a common monetary policy has never been so pressing: to meet the American monetary offensive; to control anti-inflationary policies; to extricate the Community from the blind alley into which it has let itself be driven, from the narrow space of its present policies and resources whose extreme expression is the dispute on financial refunds, which is turning a system of cooperation into a system of blackmail: not a second generation Europe — as President Thorn expressed it beautifully this morning — but rather a degenerating Europe.

For more than a year the development of the European Monetary System has been at a standstill, and this not due to prudence, but rather to a lack of will on the part of the governments. In regard to the Commission, I am unfortunately obliged to say that it still is not acting up to its capabilities. When we read the numerous documents in which, for more than a year, the need for proposals is declared, we are reminded of the theatre where those who are loudest in urging that the show begin are the very actors who are to participate in it.

We would be pleased if the Commission, bringing this inconclusive phase to an end, would give brief and candid answers to the following questions: (a) what practical measures will it propose for the concertation of the monetary policies of the Member States; (b) what proposals will it make for an effective defense against the consequences of the American monetary policy; (c) upon what conditions it believes that the UK and Greece may join the System; (d) what measures should be taken to stabilize the value of the ECUs already put out in respect to gold and to the dollar; (e) what concrete measures will it adopt to promote the use of the ECU within the Community and beyond it; (f) what proposals will it make to regroup the present instruments for short and medium-term credit under FECOM; finally, and above all, what proposals does it intend to make, within what period of time, for the accomplishment of the institutional phase in its three fundamental aspects: minimal conditions of economic convergence, structure and function of the monetary fund, function and circulation of the ECU.

I believe that each of the Community institutions should totally fulfil its responsibilities in so serious a situation.

The European Council and the governments should explain to us why they have blocked the EMS precisely when it is most needed. The Commission, without waiting for instructions from the governments, should make its proposals and assume its

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responsibilities according to the role laid down for it in the Treaties.

Parliament should express its opinion of the actions of the governments and its judgment on those of the Commission.

The time has come — I believe — to find out whether the relationship of mutual trust between Parliament and the Commission should be reconfirmed.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr von Bismarck. — (DE) Madam President, ladies and gentlemen, my group is very grateful for the initiative that has been taken with this report and for the basic optimism it expresses contrary to all expectations. We must — and I agree with Mr Ruffolo that the monetary system we have devised serves a useful purpose — all bow before the achievements of this system in the last three years, contrary to all the predictions, this being due in particular, of course, to the persistence of the governors of the central banks in working together in a given direction. After all, it has been possible to alleviate the problem of currency fluctuations quite considerably. Now we must look to the future. In the four minutes I have, I can only comment on the decisive point raised in paragraph 2 in conjunction with paragraph 10. I do not completely agree with Mr Ruffolo: what is called for here is not that something be done *prematurely*, but that plans be made so that something can be done at the *right* time, and I am really very sorry that our Socialist colleagues do not want to endorse this.

As a means of exchange, money — seen from the outside, the currencies of the countries — is the most important service undertaking of a system of running a country that is based on the market economy, or freedom. It is the very heart of freedom. If kept stable under sound conditions of competition, it daily, in fact hourly, performs the miracle of adapting our national economic opportunities — what the national economists call resources — to demand in almost optimal fashion. Only this means of exchange, money, reasonably adjusted to the opportunities, in other words kept in short supply, can make it possible to achieve such important objectives as social redistribution, protection against risks, provision for old age and so on in a world based on the division of labour.

If a currency is corrupted, or devalued, by inflation, as a result either of the conduct of the State or of exaggerated demands by its citizens, the benevolent miracle changes into a scourge of the nations. Loss of competitiveness, unemployment, loss of savings, discrimination against the weaker members of society — in short, injustice and poverty are the inevitable consequences of this corruption.

In the relations between States, currencies play four principal roles: firstly, they reveal strength and weakness and thus affect the prestige of governments. Secondly, they can be misused, but effectively so, to transfer the evil of inflation to others, making weaker neighbouring countries pay for one's own mistakes. Thirdly, basic conditions and opportunities, but also disadvantages, are distributed with currencies and their relative valuations. This possibility also leads governments into temptation. And fourthly, interest rates, the price of money, are closely connected, whether we like it or not, with the health of currencies and the relationship among the currencies, actively or passively, as a burden or an aid. This is also a reference to our constant complaint about America.

To summarize, our currencies — the present monetary system with which each of us has to live and also the future system — are the nervous system of our freedom. What conclusions can we draw from this? Firstly, a market economy with social obligations, as prescribed by the Treaties of Rome, cannot exist without performing a function that produces prosperity and social justice. With the international division of labour we have, however, nothing can be achieved and nothing can be maintained without a sound, a genuine monetary system in which price is a true indication of what is in short supply and what is available in abundance, and without a genuine monetary system that is able to stand its ground against political influences. The European Union cannot be achieved without a sound monetary system, nor will it result in prosperity and social justice, which also includes regional justice.

That is why the development of a European monetary system with above all, as the essential final objective, an autonomous authority responsible for the stability of the European currency, the ECU, is a task of the utmost importance for today and tomorrow. In it lies the key to the freedom and prosperity of our Community, and woe betide us if we entrust this key entirely to the governments.

President. — I call the European Democratic Group.

Sir Frederick Catherwood. — Madam President, the European Democratic Group most warmly supports this report on the EMS. We were delighted to hear the priority which the President of the Commission gave this morning to the need to strengthen the EMS, to develop market intervention and the European currency unit.

Madam President, the postwar economic expansion that produced a greater increase in wealth than at any time in the history of the world was based on the lowering of trade barriers through GATT, currency stability through the IMF and Third World development through the World Bank. For the last 10 years

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we have tried to hold fast to freedom of trade and Third World development, despite the failure of the United States to support the world's key currency — the dollar. The current economic regime in the United States gives no hope of support there, and we really have to recognize that they have now finally abdicated the role of economic leader of the democratic world. If we do not take over that role, no one else can.

In the absence of currency stability we may not be able to avoid protectionism or continue to help in trade and aid to the Third World. Of these three pillars, one has gone and the other two may not be able to stand on their own. We may not even be able to avoid the rise of protectionism within the Community and the balkanization of the Community market. If, on the other hand, we can build on the success so far of the EMS, then we can provide the necessary base of currency stability for our own economic re-expansion and we can begin to talk from a position of strength with the United States and Japan, with the aim of recovering once more a relation of stability with the world's other two major currencies. So who can be against this particular report? The Left cannot plan their economies without currency stability, and the market economy depends absolutely on currency stability. It was the unstable relationship between the dollar and the pound which wrecked Laker Airways.

The European Democratic Group has put the case for British membership powerfully and reasonably to our colleagues in the British Government and in our own country. The Community wants us to join. The present President of the Commission and his predecessor have asked us to join. The Chancellor of Germany wants us to join, the President of the *Bundesbank* and so on. In our own country the *Times*, the *Financial Times*, the *Guardian* and the *Daily Telegraph* — the four heavy papers — are now in favour. So, we hear, are the Bank of England and the Foreign Office, and so is that worldly-wise and experienced body, the House of Lords. We hear rumours that the British Government may make up its mind next month, and I hope that this report will encourage it to do so, not just on the merits of the case but because, as this report shows, the EMS must move on. It is now easy for Britain to join. It may be much more difficult as the EMS develops and the eight member countries come closer in their currency cooperation.

We understand the problems of economic sovereignty in Britain and elsewhere, but no isolated national economic policy can begin to touch the present level of 10 million unemployed in the Community; and all the signs are that unemployment will go on rising if we do nothing about it. The depression is an international depression caused by international factors and has got to be put right internationally. The international factors were the huge oil price increase following the floating of the dollar and the movement of the vast waves of speculative petro-currency chasing interest rates around the international currency markets.

Part of the answer must be the agreement proposed in our report on the Gulf States, which was accepted not only by the Parliament but by the Commission and Council. However, if we are to attract petro-currency into long-term funds that can be spent on industrial investment and energy — and I agree with those priorities given by President Thorn this morning — then we must guarantee some greater stability of value for those investments than the Gulf States have had so far in their dollar and other investments. If we can get some guarantee from them on the oil prices as a *quid pro quo*, then we have removed the major external cause of inflation and we are left with internal cause of inflation to deal with; there too the discipline of a fixed currency will help. External instability has triggered internal inflation, raised inflationary expectations and put one country out of line with another in its inflation. In an industrial structure where money wages always go up, it is extremely damaging and destabilizing to introduce external inflation.

The EMS shows us a way out, and national governments, especially the British, should develop the EMS with vigour and give us, as a Community, a basis from which we can begin to expand again and put our people back to work.

President. — I call the Communist and Allies Group.

Mr Bonaccini. — (*IT*) Madam President, ladies and gentlemen, I also would like to express my appreciation for the careful and serious work done by Mr Purvis. The report we are discussing is destined to give a new vigour to various resolutions already approved by our Parliament, and a new stimulus to the activities of the Commission, of the States already belonging to the EMS, and of those who do not yet belong.

We consider this problem in the general framework of the tasks which characterize the critical moment of Community activity, and we therefore include also those aspects, present in Mr Purvis' report, which have a vaguely Utopian flavour. After all, even political action sometimes needs a Utopian element to direct our will towards the attainment of certain objectives.

As I mentioned in my previous speech on Mr Herman's report, we approve of the part of the report dedicated to the concrete measures to be adopted in the near future and to the EMS, its improvement and the extension of its functions.

Also in regard to the matter in question, we do not believe that the convergence of the national economies can be entrusted to currency and to the improvement of the EMS alone, however much we hope for this improvement to be effected. The operation must be more general, and should be viewed in the framework I have already described. Obviously the fulfilment of the mandate of 30 May, the positive solution of the problems it raises, and the implementation of common

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industrial and energy policies will work together with the monetary measures to further this process of convergence. These considerations, however, in no way lessen my appreciation of the report presented by Mr Purvis, whom I once more congratulate.

President. — I call the Liberal and Democratic Group.

Mrs Scrivener. — (*FR*) Madam President, the report before us today is, I believe, of quite fundamental importance for the future of the European Community, because only a Community instrument that is able to ensure real monetary stability in Europe can allow harmonious economic development among the various countries of Europe.

No one can deny that all the currencies forming part of the monetary system have been subject to less pronounced fluctuations than the dollar, the yen or sterling. However, for some months now we have been witnessing a fresh outbreak of monetary tension and a worsening of inflation and unemployment. It was a situation such as this that produced growing economic distortions among the various European countries, so much so that the very goal of an economic and monetary union was threatened. And it was this fear that gave rise to the European Monetary System. Why?

Above all, because convergence of monetary policies is essential if there is to be a genuine common market based on common economic development policies, which alone will permit the normal and harmonious development of commercial relations among the countries of the Community.

But, as the rapporteur, Mr Purvis, stresses, the unstable and unpredictable nature of exchange rates make it difficult today to transact business across monetary frontiers and to implement medium-term investment programmes. Excessive fluctuation in national exchange rates increases the difficulties encountered in the fight against inflation since, along with the impact of the variation in exchange rates on interest rates, it makes it almost impossible for undertakings to calculate their cost prices. In time, this will also affect productivity and investment and in the end the fight against unemployment.

Of course, our resolution would be unreasonable if it was our intention to use the European Monetary System to reduce all variations in exchange rates straight away. The economic traditions and the political choices in the various countries will not allow this. However, extreme variations should be avoided if the economic media are not to be deprived of the fruits of their efforts by excessive variations in exchange rates.

How are we to achieve this? To answer this question, we must recall an axiom derived from the observation of economic activities. I say axiom because some

people may object that there is no cause and effect relationship between the depreciation of a currency and the deterioration of the economic situation. But experience has shown that the depreciation of a currency on the exchange market is sooner or later followed by its internal devaluation. Internal costs and prices rise as external exchange rates fall. If this situation continues for any length of time, the country concerned must adopt strict austerity measures such as limiting the freedom of trade and imposing export quotas, which, of course, reduce economic activity and increase unemployment. The Liberal and Democratic Group therefore regards it as absolutely fundamental that the European Monetary System should be strengthened and its effectiveness improved. To do this, it is important first of all that the Community institutions should do everything in their power to set out on the final stage of the EMS, so that Europe can act as a single entity in its dealings with third countries.

It is essential for Europe, the largest entity in the world, to be able, through a common monetary system to which all the Community countries, including the UK and Greece, belong, to derive maximum profit from its exports. Adopting an effective monetary system means opting for an offensive strategy, which alone will enable progress to be made towards genuine economic and monetary union in Europe. For this reason, we consider it essential for all the Member States to join the present system, for the intervention margins to be the same for all countries and for intervention by the central banks to be obligatory as soon as the variations in parity values have been exceeded. Furthermore, action should be taken to permit payments among the various Member States and between the Community and third countries to be made in ECU, without it first being necessary to convert national currencies.

Only when the ECU has finally assumed the role of a reserve currency and a payment instrument, can the monetary difficulties that lie at the root of the speculations and the present economic instability be overcome. The report drawn up by Mr Purvis, which has been submitted to us today, contains the basic ideas for which the Liberals have been fighting for several years, both in their respective countries and in the European Parliament. That is why we support this report, although we intend to keep a careful watch on the Council and Commission to see whether the various aspects of the Purvis resolution are destined to remain dead letters, because the future of the European Community is at stake.

President. — I call the Group of European Progressive Democrats.

Mr Deleau. — (*FR*) Madam President, ladies and gentlemen, our Assembly will be aware of the import-

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ance of this debate on the European Monetary System, and the work that has been done on this subject in the Committee on Economic and Monetary Affairs and the excellence of the report presented to us by Mr Ruffolo on the same subject some months ago bear witness to the importance of the matter. He expressed his dissatisfaction at the decision not to continue to the second stage. He regretted the absence of practical measures with regard to the convergence of the Member States' economies to facilitate the move towards greater monetary integration. On this last point, he is perfectly right.

We have before us today a report by Mr Purvis on the EMS, the second version, we might say, because the original report presented by Mr Purvis in committee was radically amended, but not enough to enable us to vote for it in committee: we abstained.

This EMS entered into force in March 1979 and has therefore been in existence for three years now. The plan was that a second stage was to begin after two years. This was not and is still not possible. There are risks in setting out on the second stage while the first stage of economic construction remains unconsolidated. Some of the things the Purvis report says are undoubtedly excellent, and even if I do not agree with all his proposals, I must congratulate him on the high quality of his work.

But I feel that some of the proposals Mr Purvis makes are somewhat premature. There is no denying that the Member States of the Community must achieve an adequate and harmonious rate of economic growth, secure from international monetary disturbances so that they can fight unemployment. There is no denying that economic convergence must increase. This is also one of the requirements that must be satisfied to provide an impulse for the process of European Union. But we cannot overlook the fact that not a single practical measure has been taken to further this process of gradual convergence, which would then have facilitated the move to a stage of far more advanced monetary integration. The rapporteur proposes the creation of a European Currency Authority, with a high level of autonomy, which would issue and manage the ECU, destined to become, in the future, legal tender in all the Member States, which would result in the Member States relinquishing some of their independence to a common decision-making and management body. That is a very ambitious objective in the present economic situation in the Member States and having regard to their respective policies. In fact, their economic policies represent one of the means they have of attempting to solve the problems caused by the crisis. It is a political problem, but does this political will exist?

I listened very closely to what Mr Ortoli said a few moments ago. Can the Member States which have joined the EMS be expected to give up some of their sovereignty while the two Member States of the

Community which have not joined, the United Kingdom and Greece, retain all their sovereignty? This would create a distortion that would be harmful to certain Member States. The matter will come up again as soon as the United Kingdom and Greece join the European Monetary System. But as long as we are in this situation, I see no chance of Mr Purvis's proposals being implemented.

I must add that the instability of sterling, due to Britain's non-membership of the EMS, has badly affected its economic relations with its partners, particularly Ireland, more than 50% of whose trade is with Britain, and imported inflation can be put at almost 9% in two years. In other words, there is an urgent need for all the Community countries to be in the EMS. Until then, I find it premature to make forecasts about the possibility of introducing the ECU and to want to make it a full Community currency.

Mr President, ladies and gentlemen, that concludes the few remarks I wished to make on behalf of my group on Mr Purvis's report. We could have made many more, but time has unfortunately run out.

IN THE CHAIR: MR DANKERT

President

President. — I call the Commission.

Mr Ortoli, Vice-President of the Commission. — (FR) Mr President, I should like to begin by saying that it is a pleasure for me to speak before you for the first time, and then I wish to say to Mr Purvis how highly I value his report, which I feel bears witness not only to a very good knowledge of the technicalities of the European Monetary System, which did not surprise me, but also to an attempt at an overall concept, to which I am prepared to subscribe. But I should like to add a few remarks, which will show that, while we agree on the objective and on many of the procedures, I do have some doubts about the timetable.

I will begin with a brief remark, following all the speeches that have been made. The first thing that ought to have been said is that the European Monetary System is surprisingly successful. Despite various unexpected monetary disturbances and the divergence of economic policies and results in the first three years the system has been in existence, without our being able to start on the second stage as planned, the goal of monetary stability has been achieved, as the figures clearly reveal. In the last three years, the divergence, owing to the realignments of the currencies within the

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European Monetary System, has been half that in the previous three years. In other words, basic stability capable of contributing to this collective feeling of less insecurity through the monetary system has been achieved. This is true of the currencies within the system, and it is true of the relationship between those currencies and currencies outside the system, which have been subject to far more pronounced variations. It is obviously true when we consider the variations in the value of the dollar, for example, against the ECU, the fluctuation being 45% between July 1980 and August 1981. This should be remembered, and it should not be said that the European Monetary System has been a disappointment. We can say that the collective will has found expression day after day and that the system has worked better than many people had expected, even as regards its flexibility, that is to say, through the realignments which were successfully made and were regarded as acts of sound monetary management. That is the first observation I wish to make.

I now go the other extreme, the ambitious plan developed by Mr Purvis and, in a different way, by Mr Ruffolo for the creation of a European Currency Authority. I must say straight away that, when we come to the second stage, the institutional stage, we must, of course, see what it comprises, under the terms of the Bremen and Brussels agreements, that is to say, the consolidation in a monetary fund of all the credit mechanisms that exist today and also the active promotion of the ECU so that it becomes a real reserve currency in some way. I shall explain in a moment that some of these things are being done, even though the phrase 'second stage' is not used. But I would also say to Mr Purvis and Mr Ruffolo that unfortunately — do not put this down to a lack of ambition: I shall come back to our ambitions in a moment — I do not think it possible to establish a European Currency Authority at present. I do not think so firstly because, until all the countries of the Community have joined the system, which is a kind of framework for our future economic development, the wisdom of an institutional stage must be questioned. Then Mr Purvis tells us to start negotiations. My answer to Mr Purvis is that I am counting on his conviction and that of the members of his party to enable us to open a dialogue, but it takes two to open a dialogue. I am convinced that there is growing awareness in Britain of the contribution the common monetary effort is making to the success of the collective economic policy. I do not believe I have read anywhere that the British are ready to join the European Monetary System at present. I do not want to delve too deeply, but that is a fact. I must therefore say that this seems to me to be an obstacle to a decisive step committing us all to the creation of a currency authority.

The second obstacle or the next two obstacles are two points on which we agree and on which almost everyone here has commented.

Firstly, it is true that we have not yet achieved the level of convergence of policies and results that would permit us to enclose ourselves in a system from which we would derive some flexibility. So we must do everything that is needed to ensure convergence of policies and results, but this is a genuine obstacle. Secondly, it is true that the international monetary environment does not allow us to take more than a certain amount of joint action. It is then, of course, easy to say that this shows a lack of ambition on the Commission's part. My reaction to that — this is absolutely and definitely untrue. Let me first reassure Mr Ruffolo: we have not been dreaming about changing the ECU, about linking it to some basket or other, which, if I understand correctly, would include raw materials. We have not done that at all, and I have not myself given a moment's thought to such a thing, I am sorry to have to tell the experts. On the other hand, there are things we have to be able to do, and I would appreciate Parliament's support in proving that they are not minor matters. I believe that politically — as Mr Thorn said this morning — we have an interest in confirming that we regard our monetary venture as a serious matter, with which we are determined to press ahead. I feel this must be said, and I feel that words are not enough; we must take action that commits us more firmly. Personally, I believe that action must be taken in three ways, which you will find grouped under four headings. I group these things rather arbitrarily, but I regard three courses of action as fundamental, and you will see that they tie in nicely with the second stage.

The first area in which action should be taken concerns the strengthening of the role and place of the ECU in the system, both within the system itself, in the mechanism which is the goal of the central banks, and as a financial instrument on the private markets, and for this many provisions are needed, technical in nature, but whose introduction would enable the ECU to be given — progressively, because nothing in the monetary field, especially where it is a question of creating a new monetary instrument or a new currency, is done quickly — the kind of strength, the kind of vigour and the kind of future for which all those who have spoken here today have called.

That is the position we have adopted. I am not about to tell you that we are dreaming all this. Not only is that the position we have adopted: it is also what was accepted by the Council of Ministers yesterday. What you have described, Mr Ruffolo, is not the scene this evening but the scene the night before last. Yesterday it was agreed within the Council of Ministers that this was a valid objective and that the means must be found to achieve it.

Secondly, the convergence of policies. Mr President, we cannot unfortunately discuss these problems at length because, as you know, the Commission has only 30 minutes to talk about the medium-term policy programme, the monetary policy and small and

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medium-sized undertakings. I therefore apologize to Mr Ruffolo for being unable to refer to more than half of the list he proposed as a programme just now. Where convergence is concerned, we must go further. You will recall the debate we had on the meaning of the word 'convergence' some months ago or over a year ago. I take the meaning you give it in the amendments you have tabled. By this I mean all the discipline that will permit convergence to make the system successful. I am convinced that considerable progress must be made, and I believe it must be made in three directions.

Firstly, closer coordination of monetary policies, which means a far more serious debate on the intermediate objectives set at a given moment to ensure the success of national monetary policy. The latter must be aligned with the collective monetary policy, whose consistency must be ensured. This cannot be done with regulations. It must be a strong, rigorous, demanding course of action, demanded by the Council of Ministers and by the governors of the central banks.

Secondly, when we all decide that at a given moment the time is ripe for Europe, taking the countries individually, we must have fixed objectives and, at a given moment, we must look to see if the means have actually been provided or if there is an expression of will in the policy pursued. In other words, we must have a kind of policy with an in-built warning system or a policy that accounts for any discrepancies, and this again must find expression through a certain type of action.

Thirdly and finally, a greater effort should be made to achieve convergence of policies towards third-country currencies. I would say of relations with third-country currencies the same as I have said about negotiations on this or that Member State joining the monetary system. It is obvious that alone we cannot achieve the coordination of policies. The discrepancies we find in relations with third-country currencies are partly of our doing. But they also stem from the fact that a certain monetary or economic policy, as pursued by the United States in particular, does not regard as very important objectives two elements which we consider essential, exchange rates and reasonable variations in these rates and interest rates, which, even if they are real, should be neither too high in real terms nor too volatile.

How, then, can we launch this kind of dialogue?

I believe our first duty is to make a clear decision on our own positions on the substance of the matter. What precisely are the offers of cooperation we want to make, with regard to their substance and the techniques used and not simply in terms of their political objective? Forgive me for speaking technically, but do we want there to be intervention or not? It is this kind of problem that, at a given moment, will form the subject of what is being called the dialogue.

Secondly, we must find the means of engaging in this kind of debate, which should not simply consist in general statements or bilateral contacts but in the expression of a policy at Community level.

With regard to these three points, as I have said, we have the same ambitions as those expressed in the Purvis report. As you know, the Council of Finance Ministers met yesterday and decided that it was important to make progress, that this had political value and that it would serve a technical purpose. Such are the lines it adopted for its next deliberations in March. I would ask this Parliament to take account of the movement that is being made, not to welcome what has not yet been achieved: I am not naive. Let us wait and see what happens in March. But if, in your debate on the European Monetary System, you would recognize that the Commission is trying very hard to develop the system and that certain solutions will necessarily have to be found along the lines I have described, I can tell Parliament and particularly those Members who have been involved throughout the drafting of the Purvis report that together we may be able to exert greater influence on the Member States and the Council.

Come what may, Mr President, there is one criticism I will not accept, and that is that the Commission has not shown extreme tenacity in this matter. I can tell you that I am sometimes tired of hearing it repeated everywhere that joint action can be taken, that this action must be ambitious and even if it does not fulfil all our dreams, it can at least provide in some way what is today essential in Europe, a form of assertion which goes beyond discussion and shows that we do in fact want to make progress with various commitments and joint action. That is what we are trying to do. In these circumstances, I would ask you not to use a debate like this — I do not believe this is what Mr Purvis and other speakers want — to make it seem as if you are saying that nothing that is being done is enough. If we manage to achieve various things in March and if the European Council in March could say 'Yes, we want a monetary Europe' and 'We have taken some significant steps', I do not know, Mr President, whether Parliament would be content, but I for my part would be very happy.

(Applause)

President. — The debate is closed.

The vote will be taken at the next voting time.

9. Small and medium-sized undertakings

President. — The next item is the report (Doc. 1-854/81) by Mr Deleau, on behalf of the Committee on Economic and Monetary Affairs, on the situation of

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small and medium-sized undertakings in the Community.

The oral question with debate (Doc. 1-964/81) by Mr Beumer, on behalf of the Group of the European People's Party (Christian-Democratic Group), will also be included in the debate:

Subject: Fixed prices for books

1. What progress has the Commission made with its study of the various systems of fixing book prices called for in a resolution unanimously adopted by Parliament?
2. Is the Commission's decision to refuse a derogation to the Netherlands and Belgian Book Trade Associations, thereby making it possible for pricing agreements to be breached by parallel imports, not contrary to an express request in that resolution?
3. How can this decision be reconciled with statements by the French and Netherlands Governments in favour of a system of fixed book prices to protect the specific cultural function of books and to encourage as wide a selection as possible?

I call the rapporteur.

Mr Deleau, rapporteur. — (FR) Mr President, ladies and gentlemen, before presenting this report on small and medium-sized undertakings and their economic situation in the Community, I should like to thank all my colleagues on the Committee on Economic and Monetary Affairs for the help they have given me in drawing up this report and for the suggestions they have made. They have shown a very lively interest in this category of undertakings, and I think you will appreciate this joint effort, this team effort which I am presenting to you on their behalf.

This report on the situation of SMUs in the Community, which I have the honour of presenting to you today, is, I feel, worthy of your attention. In the difficult period we are going through, SMUs represent one of the major opportunities for Europe. In a industrial world that is undergoing constant development, the SMUs have an undeniable potential for adaptation and innovation and are therefore capable of making a fundamental contribution to the recovery of the economy and thus to the reduction of unemployment.

Since Mr Notenboom's excellent report appeared in 1978, we have not discussed this question in its entirety. We should therefore do so today. Furthermore, we are prompted to do so by various motions for resolutions tabled by Mr Newton Dunn and Mr Combe in 1980 and 1981 and referred to the Committee on Economic and Monetary Affairs and also by the Commission's communication of 18 November 1980.

This report has not been simply drawn up to pay ritual homage to a certain category of businessmen. That is

no longer enough today. On the contrary: from the outset and in the most practical terms, we have set out to make of this report something which the European Parliament will see as a Community programme for SMUs and, I would stress, a constructive programme which could be implemented immediately.

The question arises as to what is meant by small and medium-sized undertakings, but it seems obvious to me that a definition of these categories of undertakings is an impossibility. But I hope that no one, not even the Commission will take the absence of a definition as a pretext for evading the questions we shall be raising. There are in any case definitions in the Member States which should be borne in mind. SMUs have certain features in common, which were also discussed in Mr Notenboom's report, to which I referred just now, but in any case the absence of a definition is no obstacle to the establishment of a policy towards small and medium-sized undertakings.

It was impossible to envisage all the aspects of a policy on so diversified a category of undertakings as SMUs in the Community. This report thus concentrates on three major areas of action in favour of SMUs.

Firstly, it is important to ensure the financial promotion of SMUs. Priority should be given, it seems to us, and I am sure you will agree, to the financing of SMUs. In all the Member States in one way or another, these undertakings come up against either excessive prudence or a certain lack of comprehension in financial circles. A major effort to promote SMUs financially must be made in the Community to eliminate the principal handicaps they suffer in financing.

I shall quote only a few essential points included among the measures enumerated in this first section of the resolution. First of all, financing for establishing and maintaining SMUs must be improved and increased. The European Investment Bank has assumed a wider role in this field, and we can thank it for this. Its role should be increased even further. But we have also proposed that a special tranche of the NCI should be allocated to the financing of the establishment of SMUs. Perhaps Commissioner Davignon could reply in this and give some more details in this respect. Encouragement should also be given to innovation, which is so essential to the competitiveness of our economy and its recovery. In this context, the proposal for the creation of an industrial innovation and cooperation fund made by Mr Delorozoy in his recent report on industrial policy has not always received the reception it deserves, which is extremely regrettable. As regards export financing, we still consider it essential to seek, at Community level, a solution to the problem of exchange rate risk cover, in the form of a system of Community guarantees against exchange rate risks, for example.

In general, improving the financing of SMUs will require a review of the financing procedures. If

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Community funds are to be distributed promptly, in optimal fashion and on a decentralized basis, there will have to be national staging posts, national establishments specializing in the financing of SMUs or mutual security societies of the French type. It is also important that the Commission should encourage the banks in general to adopt a more determined and harmonious attitude and the creation of financial institutions to provide SMUs with equity capital, where such institutions do not already exist.

The second major concern expressed in this report concerns the management of SMUs with particular reference to two aspects: the improvement of the training of SMU managers and workers and the improvement of the information available to the managers of these undertakings. The report contains several proposals for an improvement in the training of SMU managers and workers. In particular, it was proposed in committee that the Social Fund should assume a wider role in this field, so as to make it a more important tool in the efforts to create jobs for young people in small and medium-sized undertakings. We also recommend that SMUs should be provided with sufficient information on the economic situation and on the state of the markets, without which these undertakings miss valuable opportunities every year, that their access to data banks should be facilitated and that the Community should encourage the training of the managers of these undertakings in the new information technologies.

Thirdly, the integration of the SMU must be encouraged. Because of their size, they suffer far more than other undertakings as a result of the imperfections and inadequacies of the Community. The perfection of the internal market is absolutely essential for the SMUs. If they are to be better integrated into the European Economic Community, various measures must be taken to improve their environment. They must not encounter pointless technical and administrative barriers, they must enjoy equal conditions of competition in the EEC and they must have equal prospects of participating in tendering for public-sector contracts. The establishment of a European Cooperation Grouping and of a European Company could also provide the SMUs with useful legal tools, where the legal environment of these undertakings is concerned.

Before concluding the presentation of this report, I should like to stress one very important paragraph. This is paragraph 13 of the resolution, which lists various very important measures designed to improve the fiscal environment of SMUs. There must be significant tax relief on profits reinvested in the undertaking. They must have the possibility of adequate amortization. And there must be an appropriate fiscal arrangement for the transfer of ownership in SMUs. I have mentioned only a few headings: there are many others. In short, what is needed is a fiscal policy which encourages SMUs rather than penalizing them. We also call on the Commission to pursue a general policy

of simplifying the administrative charges on SMUs, so that they can retain their dynamism and ability to adapt. The report also suggests that the Business Cooperation Centre should progressively assume the role of the SMUs' ombudsman in some way.

Ladies and gentlemen, that is a general summary of the report I am presenting to you. You will have realized that it is a practical report and that it outlines a genuine Community programme for SMUs in the next few years. The public should be more aware of this programme and, more generally, of the situation and role of SMUs.

In this respect, the resolution tabled by Mr Combe calling for 1983 to be declared the year of the craft industry and the SMUs seems completely justified to us.

The report contains a number of suggestions on how this year should be organized: the organization of festivals, colloquies, meetings of a Council of the Ministers responsible for SMUs. It would be useful if the Commission could immediately inform us of projects it might envisage being implemented in 1983. It is essential that the European public should be in a better position to appreciate the opportunities open to SMUs and that those in positions of responsibility should become aware of the urgency of the problems that arise.

The idea of making 1983 the year of the SMUs will, of course, serve no useful purpose unless it is a reflection of genuine political will on the part of the leaders at national and Community level to implement in a practical and rapid manner the proposals I have just mentioned.

To conclude, I can only hope, ladies and gentlemen, that many of you will approve this report, which was unanimously adopted by the committee and represents a new practical contribution by your committee and this Parliament to European economic construction.

By adopting this report, the European Parliament will show itself, in the context of the year of the SMUs, 1983, to be an initiator of a European policy on SMUs.

Before concluding, I should like to thank the Commission for its vigilance with respect to this category of undertakings. I hope that it will continue to work in the same direction, and I should like, as rapporteur and on Parliament's behalf, to consult with the responsible Commission officials as soon as possible on this category of undertakings, whose contribution to the construction of Europe will be obvious to everyone.

President. — I call the Socialist Group.

Mr Mihr. — (DE) Mr President, ladies and gentlemen, the report submitted by Mr Deleau on behalf of the Committee on Economic and Monetary Affairs concerns an extremely important subject for European economic development. There can be no doubt at all that small and medium-sized undertakings form a particularly dynamic element of our economy. It is therefore only right that we should give pride of place to these undertakings in the formulation of a European policy of economic promotion. The remarkable process of concentration of undertakings, which is not always advantageous to the markets, cannot conceal the fact that small and medium-sized undertakings continue to be an essential factor in the markets for goods and labour.

Although we face a tremendous employment problem today, we must not deceive ourselves that this depressing situation can only be overcome with employment policy measures in the public and large-scale industrial sectors. This is the very area in which the small and medium-sized undertakings can and must play an active role. This has apparently been realized by the new French Government in its economic policy. We should pay particular attention to the measures that have been taken in France to promote investments in this sector. Action is being taken in a strategically important area. It is to be hoped that the small and medium-sized undertakings take up the proposals that have been put to them and accept the support they have been offered. This is the only way in which the necessary impulses can be provided for the revival of economic activity.

The national economic policies of almost all our countries did not rediscover the small and medium-sized undertakings until a few years ago. For far too long these policies were subject to the illusion that all technical and economic progress was achieved by the large undertakings. We now find that the small undertakings in particular retain their innovative ability. They have the wealth of ideas that is needed to stand one's ground in the market. Large industry exploits the innovations of small and medium-sized industry to a considerable extent.

Now in particular, at a time of rapid technical change, the small and medium-sized undertakings are assuming an increasingly important role. To a certain extent, they play the role of development centres in industry and the economy. They must be strengthened, if Europe is to stand up to international competition.

The competition with Japan shows us almost daily how essential are ideas and inventive courage to economic performance. For far too long we have all depended on the undisputed successes of the traditional capacities of our industries. We have long since lost the lead we once held. In some areas we have even been overtaken.

One of the causes of mass unemployment is that our industries want to and must make good today what they failed to do yesterday, by whatever means, and the economy and society are unable to offer any convincing defence against the implications this has for employment. It must therefore be in everyone's interests to improve our competitiveness through purposeful sectoral promotion on the one hand and support specifically for small and medium-sized company structures on the other. This improvement must not, however, be achieved — as is undoubtedly the case in some of our countries — at the expense of social stability. Here lies the specific purpose of a promotional policy coordinated at European level.

I should now like to take up a number of points I consider particularly worthy of emphasis in the report drawn up by Mr Deleau, whom I should like to thank for his excellent descriptions of the problems and their implications.

The report rightly calls for the strengthening of the proposals put forward by the Commission. Without a broadly based Community programme, it will not be possible to achieve any real improvement in the scope small and medium-sized undertakings have. Particularly serious in this respect are the problems connected with financing, to which Deleau has also referred. The capital coverage of these undertakings is extremely thin. They are particularly hard hit by the policy of high interest rates adopted by the national banks, which inhibits investment. We should endorse the proposals the rapporteur makes here to improve the financing possibilities, especially those proposals which are designed to encourage innovation and to alleviate exchange rate risks. Furthermore, when resources are made available, we should not overlook the role small and medium-sized undertakings should play in training. Here again, there is a great need of innovation in the sense of adjustment of training to technological and labour market trends.

We also feel the following is important in this context: when additional resources are made available, there must always be a labour market objective. The millions of unemployed find no consolation in the prospect of improved structures and new jobs in 1990. When resources are made available for small and medium-sized undertakings, it seems important to me to ensure that new jobs are created, particularly with Social Fund resources. This would also reflect the major importance of these undertakings for the labour market. Along with the improvement and modernization of training, I am convinced that it will strengthen the competitiveness of these undertakings. This could include aid specifically for the improvement of the training of managers. The direct responsibility they bear in such undertakings, not being hidden away in large managerial staffs, requires a high level of professional skill constantly adapted to changing circumstances.

Mihr

We must take a close interest in the multiplicity of our economy. This multiplicity must be present if we are to retain and improve our abilities. I therefore place special emphasis on the rapporteur's call for the early adoption of the regulation on the preventive control of the concentrations of undertakings.

To conclude, I should like to comment briefly on the proposal, undoubtedly well-intended, made by the rapporteur and ultimately the committee that 1983 should be declared the year of craft industry and of small and medium-sized undertakings. Even at the committee stage I was sceptical about this proposal. All too often in the past these years have been used not to solve but to push aside the problems, as a sop to the conscience, at it were. We should avoid giving anyone the opportunity of distracting attention from the problems and his own inactivity by making a solemn declaration of this kind. At the very least, it should be ensured that this does not happen too often. Nonetheless, the Socialist Group approves this report, and we thank the rapporteur for the forward-looking and thorough work he has done. It is to be hoped that all the suggestions fall on fertile ground.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Beumer. — (NL) Mr President, let there be no misunderstanding: my group supports the efforts being made to counter restrictions of competition wherever possible, because that is in the consumer's and the Community's interests. But in the case of cultural goods, which are often replaceable to only a limited extent, this may result in a serious cutback in supplies. It is not for nothing, therefore, that the publication and distribution of books are protected by a system of fixed prices. In Germany books are the only exception, and in France this exception has just been introduced.

Can the Commission deny that, where this protection does not exist — in Canada, Australia, Sweden and so on — the geographical spread of the small and medium-sized book trade, for example, has fallen behind? And did Sweden not have to introduce a system of subsidization immediately after abandoning fixed prices to compensate for the marked quantitative and qualitative deterioration of this last link in the distribution chain, which is what we are after all talking about?

The report calls for a closer examination. In view of its answers to questions put by Mr Beyer de Ryke and Mr Van Miert in 1981, for example, will the Commission provide the information it promised quickly, will it ensure that this reflects the object of the studies and will it also provide a review of earlier studies on concentrations, including those in the press industry? When can we look forward to receiving this information? How, furthermore, does the Commission intend

to take account of the cultural aspects, which it says it appreciates? In its answers to these questions it does, after all, say that it will study the positive and negative aspects of book prices, both from an economic and from a legal angle. That is what it has said. On 10 August 1981 the Commission stated that, as soon as the results of the studies were known, it would put forward its conclusions. But has the Commission not anticipated this with its decision? I am referring, for example, to the interpretation of Article 85(3) of the Treaty. I am struck by the fact that the greatest importance was attached to factors relating to price competition, while far less attention was paid to significant aspects, qualitative aspects such as range, ordering services and expert and explanatory information, which I consider to be at least as important. The Commission says that it objects to the present collective forms of price-fixing, but why did it then reject, for example, the proposals made by the countries concerned on 13 December 1980 for an individual form of price-fixing?

In its press release of 25 November 1981 the Commission says that it recognizes the important role played by books as a cultural medium. It also recognizes the importance of improving and differentiating distribution. But it feels — and this is important, Mr President — that this must all be done without collective exclusive arrangements in trading or systems of collective vertical price-fixing across frontiers, meaning, therefore, without the protection of private associations. The Commission has thus created an opening, and I believe that it did so consciously. My group therefore appreciates this. Does this mean that the Commission would not object to a statutory price arrangement between countries covering the same language area?

You yourself have said in a radio interview, Mr Commissioner, that you would object to import arrangements if they affected the present protective systems. How, in this context, do you judge the provisions on this aspect, in the French and German legislation, for example? Could a statutory, protective provision relating to a transfrontier language area, with respect to a product manufactured in that area in the language concerned, not act as a basis? Would the Commission also exclude the possibility of its taking action under Article 87 of the Treaty to protect specific cultural interests in this sector?

Mr President, even after the decision that has been taken, my group still endorses the resolution that has been adopted, although our goal remains the achievement of a qualitatively optimal result with as few restrictions as possible. But we still fail to see how satisfactory protection can be ensured without some system of fixed prices and internal subsidization. We should therefore appreciate an answer now or as soon as possible.

President. — I call the European Democratic Group.

Mr Tuckman. — Mr President, I thought a debate was a continuing talk about the same subject and I didn't quite get how that last one fitted in. But I dare say it just escaped me; probably you get it better.

President. — Well, Mr Tuckman, it is an oral question with debate that is woven not into but next to the small and medium-sized enterprises. So I hope that in the structure of the debate now, we shall have first finished with small and medium-sized enterprises and then the speakers will come in on the books.

Mr Tuckman. — We in the European Democratic Group welcome this report and I particularly welcome the fact that it has support across the House so that it doesn't become, as so very often, a football between the parties, which I find is very unconstructive.

I would also like to pay tribute to Mr Notenboom and to Mr Deleau for the very hard work that has been done.

Now why are we interested in small businesses? I think for three reasons. Firstly, to see whether they can make a contribution to abolishing or reducing the high unemployment in the Community, secondly, whether they can make some further contribution — more than up to now — in improving our competitiveness *vis-à-vis* the United States and *vis-à-vis* the Far East because in both these areas we are in grave difficulties, and my country, of course, more so, than the other Community members.

I think underlying this there is a lack of European vitality which perhaps we can cure if we allow people a better chance of starting their own businesses, of being their own bosses as opposed to having to work within larger corporations. That means I see it as a partnership between the small and the big.

Now in the United Kingdom we have had a tremendous three years of enlivening activity in this sector. It has been furthered by government; it has been furthered remarkably by big businesses who have made available executives, money, time and buildings in order to make this sector more lively, more fruitful and to mop up people who would have been unemployed otherwise.

Also the local government authorities, whom one would not have expected to be so full of initiative, have taken a very substantial hand in getting the whole scene moving. So it looks healthy now.

But one has to keep in mind that there is an enormous danger in pulling people into small business when they don't know what they are doing. The good craftsman is not the good managing director even of a small business, and the danger that he will stumble into a financial crisis or not understand that he hasn't really got a market is enormous. Therefore, I welcome the

previous two speakers' stress on the need for training. But it is difficult to provide training for men who are struggling in the quite new situation of trying to run a business. They don't feel in a learning mood while they are there.

I also see an enormous opportunity for the small business as sub-contractors, possibly in a way where we could emulate the Japanese, where the sub-contractor is faced with far fewer restrictions, especially on the labour scene. These people do have jobs, even if they are not as comfortable and well-protected.

Above all, the answer lies in a long-term, consistent, steady effort rather than a fits- and starts thing. Here I go along with Mr Mihr, and I am now expressing a personal view. I am rather worried about a gimmicky year of the small business; I am not terribly sure what it will achieve — I think it might bring the sector into disrepute rather than be of any practical help and therefore I am unhappy about it.

I also want to stress two points which represent amendments put forward by my group. First, I would like to see a figure put on the reserved sector, i.e., positive discrimination for small businesses. I would like to see 20% of public contracts, be they from public authorities or governments, offered to small businesses so that they get a good chance of business.

Finally I would like to take issue with Mr Deleau the rapporteur, and I am sorry that he is not here. He praised the Commission. Mr President, are you aware that this subject, which every Head of State has stated to be of major importance if we are to get Europe's economy moving again, apparently merits only 125 executives in the Commission. This means that out of 8 000 people in Brussels or a total of 16 000 employed by the EEC, this major subject is accorded 125 people. Now I am not a great one for saying let us shovel in personnel but 125 is inadequate — nobody can make any impact that way, and I would like to see some movement on that front.

President. — I call the Communist and Allies Group.

Mr Adamou. — (GR) Mr President, small and medium-sized undertakings in Greece have played and still do play a very important role in Greece's economic and social life. In view of the dependent and entrepreneurial character of the Greek economy resulting in the problems and backwardness of industrial development in Greece, small and medium-sized undertakings are literally one of the main economic bulwarks both from the point of view of their number and the employment they create. There are in all 374 700 small and medium-sized undertakings in Greece today in the processing, commerce and service sectors employing a total of 1 037 000 employees or, in other words, almost half of the working population

Adamou

of Greece. Their economic and social importance is therefore quite clear, especially if one takes into account the decisive contribution they make to meeting market demands as well as the role they play in reducing the damage done to the Greek countryside since these undertakings are scattered throughout the whole of Greece unlike the large industrial units which have been centralized in Athens, Piraeus and Thessaloniki.

Consequently, the need to support small and medium-sized undertakings in Greece so that they can be preserved and improved is of vital importance. Indeed, the present government has announced certain measures and has promised to take further measures, and we do not wish to call into question its good intentions. However, the problem is more widespread and more acute and we do not believe that either the measures proposed by the government or the promises in the report drawn up by Mr Deleau on behalf of the Committee on Economic and Monetary Affairs can support the small and medium-sized undertakings in Greece which are today threatened with extinction.

With Greece's accession to the EEC small and medium-sized undertakings lost all protection and most of them lost all hopes of survival and development. With the abolition of customs duties and the introduction of free movement of capital in the Member States of the EEC, small and medium-sized undertakings are facing destructive competition from foreign monopolies operating in the Greek market and their ability to export their products is being drastically reduced.

Their position is made even more alarming by the high rate of inflation which is running at 25-30% in Greece and by the fact that they neither have modern equipment of a high technological standard nor advanced specialized production techniques to allow them to compete with the developed economies of the other Member States of the EEC.

If, in addition to all this, we take into account the well-known trend towards the centralization of capital and production which is the *modus operandi* of capitalism, it is quite clear that for the overwhelming majority of small and medium-sized undertakings in Greece accession to the EEC is tantamount to economic ruin and extinction. Consequently, the problem of under-employment and unemployment in Greece and the decline in the standard of living of the Greek people will become even worse. These dangers, which have now become reality, were pointed out before accession to the EEC by the Greek operators of small and medium-sized undertakings who, exactly two years ago, called a general strike and closed their businesses requesting that Greece should not enter the EEC. In view of these facts, we take a very sceptical view of the efficacy of the measures proposed in the Deleau report as regards small and medium-sized undertakings in Greece.

President. — The lateness of the hour obliges us to interrupt this debate.¹

10. *Topical and urgent debate (announcement of list of subjects to be included)*

President. — In accordance with Rule 48(2) of the Rules of Procedure, the list of subjects for the topical and urgent debate to be held on Thursday, 18 February between 10 a.m. and 1 p.m. has been drawn up.

This list contains 11 motions for resolutions tabled within the appointed time limit.

(The President read out the list of subjects and the allocation of speaking time)²

I call Mr Forth.

Mr Forth. — Could I ask you to clarify whether you are seriously suggesting that we can contemplate six or seven debates in the space of three hours? I am very disappointed. I would have hoped that you and the chairmen could come up with a smaller list because you are trying to fool both yourselves and the House if you are suggesting that we can get through all these items in three hours. I do not believe it.

President. — I understand your concern, Mr Forth. I think that the order in which the items are to be dealt with already indicates that it will be difficult to get to the third one because they are rather wide-ranging. It is up to the political groups to allocate time effectively to their speakers. If time allows, the fourth item will be reached. I think that is the easiest solution but nevertheless we will see how it works. It is up to the groups to determine what their priorities are.

I call Mme Focke.

Mrs Focke. — *(DE)* Mr President, I should like to revert to the question raised by a Member a moment ago. Was I right in hearing that, after a number of joint debates on other matters such as steel, which are very important and urgent, the problems connected with flooding and other natural disasters are to be debated fairly near the end? This would also include the really very serious crisis in Madagascar, which, it is to be feared, we would not be able to debate at all. But these are life and death matters. I put in a plea for a change in the order, so that, before we turn to the other matters, we can discuss these questions, if only very briefly.

¹ *Decision on dates for the supplementary part-session: see Minutes.*

² *See Minutes.*

President. — Mrs Focke I should tell you that the Rules of Procedure provide that you may request to have the order changed, but this request, justified in writing, must be submitted by 3 p.m. tomorrow.

11. Votes¹

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

We shall begin with the *Faure report (Doc. 1-648/81): Regional balances in the Community.*

(...)

After Paragraph 1 — Amendment No 11

Mr Faure, rapporteur. — (FR) The committee cannot approve the amendment, since it has adopted this text.

(...)

Paragraph 2 — Amendments Nos 12, 15 and 20

Mr Faure, rapporteur. — (FR) Amendment No 12 seeks the deletion of paragraph 2. Of course, if this amendment is adopted, the others will fall. This paragraph is more in the nature of an explanatory paragraph, and the text as a whole will not suffer if it is deleted.

I therefore leave it to the Assembly to decide.

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, I should like to ask you to give the House the results of the voting more slowly so that the interpreters can translate them.

President. — I shall do my best.

(...)

After the rejection of the first part of paragraph 2

Mr Faure, rapporteur. — (FR) I must point out that, although no great harm has been done, the House has contradicted itself on two votes it has taken. It has

rejected the deletion of the whole of paragraph 2, but then it has rejected the main part of the paragraph which it has not deleted. In these circumstances, the last vote cancels out the previous one, and it would be better to regard the whole of paragraph 2 as deleted, because it is impossible to give the last three lines a sensible structure. This paragraph presents an alternative. A text cannot begin with 'either' since this is a reference to one of the alternatives. Let us say, therefore, that the first vote resulted in the deletion of the whole of paragraph 2.

(...)

Paragraph 3 — Amendment No 16

Mr Faure, rapporteur. — (FR) I thought that Mr Costanzo told me that he was withdrawing this amendment and that he was retaining only the amendment to paragraph 2 which has already been adopted.

President. — I call Mr Costanzo.

Mr Costanzo. — (IT) Mr President, it seems to me that since the second amendment has fallen, there is no longer any reason for having the third amendment.

Mr Faure, rapporteur. — (FR) This is not the same question at all, Mr President. I have seen paragraph 2 disappear without any great pangs of conscience, but I set great store by the retention of paragraph 3. Its meaning is very clear. It means that, when the price is not obtained, producers should not be obliged to pay for the money which a price they have not received costs the Community.

(...)

After paragraph 8 — Amendment No 5

Mr Faure, rapporteur. — (FR) I cannot agree to this because, as I would point out to Mr Gendebien, it contains too strict a formula in providing for rural land offices. There is nothing to stop the Member States from adopting this method, but that is outside our terms of reference. I therefore call on the House to reject this amendment.

(...)

Paragraph 12 — Amendment No 6

Mr Faure, rapporteur. — (FR) The wording is more complete, and I am in favour.

(...)

¹ This report of proceedings records only those parts of the vote that gave rise to speeches. For details of the voting the reader is referred to the Minutes of the sitting.

After paragraph 13 — Amendment No 13

Mr Faure, rapporteur. — (FR) I agree to this amendment. I have simply asked Mr Costanzo for stylistic reasons to replace the word 'correct' in the third line with the word 'sound'.

(...)

After paragraph 15 — Amendments Nos 9 and 10

Mr Faure, rapporteur. — (FR) I leave it to the Assembly to decide.

(...)

Paragraphs 17 and 18 — Amendments Nos 1/rev., 22 and 18

Mr Faure, rapporteur. — (FR) Mr President, I should like to say a few words about Mrs Fuillet's amendment No 1. I would point out to Mrs Fuillet that the wording she proposes is in no way excluded by the present wording of the text, but I would prefer it if this amendment was not adopted because it would prevent the adoption of any other procedure. I call for the rejection of the amendment on these grounds and not because I have any objection to the substance.

(...)

After the adoption of Amendment No 1/rev.

President. — The adoption of Amendment No 1/rev. causes Amendment No 22 therefore to fall.

I call Mr Forth.

Mr Forth. — Mr President, if you read my amendment, it is concerned to answer the question as to whether any additional funds should be found from existing Community funds or should be additional to existing funds. Are you telling me that the amendment that we have just passed covers that point? Because I do not think it does. It is very important for us to establish whether this money that we all want comes from existing funds or should be found additionally. Now, if you tell me that what we have passed covers that point, I am prepared to withdraw my amendment; but I do not believe it does, and I think my amendment should stand.

President. — I call the rapporteur.

Mr Faure, rapporteur. — (FR) The text proposed by Mrs Fuillet replaces paragraph 17. It covers the various

procedures to which reference has just been made, since the last paragraph, on which you voted separately, provides for other sources of financing. I therefore feel that this text covers the whole range.

(...)

Amendment No 18

Mr Faure, rapporteur. — (FR) I have no objections to this amendment myself, but it does not really have a place in the present text. I feel it should preferably be taken up in another debate, but I must say that I am not opposed to the substance of the amendment. I therefore leave it to the Assembly to decide.¹

(...)

President. — Explanations of vote may now be given.

Mr Alvanos. — (EL) Mr President, the fact that we are discussing agricultural development in terms of reducing regional inequalities at the same time that the Commission has put forward its well-known and unacceptable proposals to increase farm prices by 9% and the fact that the Council is discussing these proposals today, is not a coincidence, as far as we are concerned, but rather a hypocritical diversionary tactic by the Community. The Faure report is a prayer which binds nobody, whereas on the other hand the Commission's proposals and the Council's decisions commit farmers to a substantial decrease in their income and are leading the agricultural economy, at least in Greece, to a state of impasse. These paragraphs are the conclusions of Greek producers, especially citrus fruit producers, who met in the village of Alikiano Chanion three days ago and decided in favour of withdrawal from the EEC and the opening up of markets in socialist countries.

It would therefore be deceitful on our part towards these farmers to vote in favour of the EEC's various bombastic reports which, I repeat, are not binding on anybody, at a time when unacceptable commitments are being foisted up on farmers by the Commission and the Council. For this reason, the representatives of the Communist Party of Greece will abstain from the vote on the Faure report.

(Parliament adopted the resolution)

*

* *

¹ The rapporteur was also:
— in favour of Amendment No 20
— against all the remaining amendments.

President. — We shall now go onto the *Pöttering report (Doc. 1-736/81): Mediterranean plan.*

Title — Amendment No 2

Mr Pöttering, rapporteur. — (DE) Mr President, I am against this amendment because the deletion of the words 'Portugal and Spain' would deprive this report of all meaning.

(...)

Paragraph 2 — Amendments Nos 11, 8 and 9

Mr Pöttering, rapporteur. — (DE) I am against Mr Kyrkos's amendment. However, I could add the following to point 29 in the explanatory statement: Particular importance should be attached to the development of tourism in rural areas.

(...)

After the rejection of Amendment No 11

Mr Pöttering, rapporteur. — (DE) Mr President, there is a slight misunderstanding here. I should have explained in greater detail just now. I am in favour of Mrs Fullet's amendment as long as the following is added: 'Improvement of the vocational training of male and female workers and qualified managers and businessmen, particularly in small and medium-sized industry.' What Mrs Fullet wanted was the inclusion of the two words 'male' and 'female'. I am in favour of this.

President. — Mr Pöttering, what we have in front of us is the text of the amendment without the addition which you mention.

Mr Pöttering, rapporteur. — (DE) In that case I am against the amendment, although I would not have been opposed to a reference to female workers.

(...)

Paragraphs 4 to 8 — Amendment No 6

Mr Pöttering, rapporteur. — (DE) I ask the House to reject this amendment because, if adopted, it would deprive the whole report of any meaning.

(...)

After paragraph 4 — Amendment No 13

Mr Pöttering, rapporteur. — (DE) I am against this amendment because it would introduce into the reso-

lution something which belongs in the explanatory statement. But the explanatory statement already includes references to the definition.

(...)

Paragraph 7 — Amendments Nos 12 and 15

Mr Pöttering, rapporteur. — (DE) I am opposed to Mr Kyrkos's amendment because it calls for the establishment of a development company at this stage. We have said in our resolution that this matter should be considered. I am similarly opposed to Mr Harris's amendment, which goes to the other extreme in generally rejecting the development company. This would not suit the situation either. I therefore recommend the House to reject both Mr Kyrkos's and Mr Harris's amendment.

(...)

After paragraph 7 — Amendments Nos 1 and 10

Mr Pöttering, rapporteur. — (DE) I request separate votes on these two amendments. As regards Mr Barbagli's amendment, many of the points the Committee on Social Affairs and Employment would like to incorporate in the report have already been accepted by us, and we would therefore be repeating ourselves. A number of other points in the amendment would not fit in either. I could imagine, Mr President, that Mr Barbagli might want to withdraw his amendment.¹

President. — I call Mr Barbagli.

Mr Barbagli. — (IT) Mr President, this amendment does indeed have too great an impact in the context of the Pöttering report, and for this reason it would perhaps be well to withdraw it. This should be a reminder, however, to the committees with primary competence to wait for the opinions of the committees with secondary competence before making a decision.

(...)

President. — Explanations of vote may now be given.

Mr Puletti. — (IT) Mr President, ladies and gentlemen, I am speaking now, at the end of this debate, to acknowledge the nobility of the intentions which led Mr Pöttering to draw up this report and to respond at the same time to the declarations made this

¹ The rapporteur was also:
— in favour of Amendments Nos 10 and 14
— against Amendments Nos 3, 4, 5 and 7.

Puletti

morning by Mr Martin, who compared Mr Pöttering to a sort of incendiary who, after having inflamed — through his own support of Community enlargement — the prospect of a renewal of our institutions, then makes a vain attempt with this strategy to try to control the blaze.

I believe that during the course of the debate, which embraced not only the Pöttering report but also the Faure report and especially the Delmotte report, this Assembly showed a full awareness of the approaches to regional policy, indicating their inadequacies and pointing out the guidelines to be followed in the future.

Because of the importance which we attribute to the problem of Community political development, it is our impression that this report demonstrates a confidence that should now be reaffirmed.

Mrs Fullet. — (FR) Mr President, ladies and gentlemen, the members of my group can but hope that we see a reduction in the disparities among the various regions of the Community and an improvement of the situation of the least privileged among them. That is the basis of our philosophy. It concerns human beings and ultimately the Community.

We want to see harmonious development of economic activities throughout the Community. The enlargement of the Community has already created problems, both for the new Member States and for the Community as a whole. It would therefore seem that enlargement to include the countries of the Iberian peninsula cannot fail to increase the disparities among the various regions of the Community, particularly those in southern Europe. Hence the need to launch a Mediterranean plan which not only helps the Mediterranean areas but also makes for a better understanding of their problems. The Pöttering report provides for this.

As regards the scope of the aid plan, the idea is to retain the regions which have already been regarded as assisted areas. This criterion seems fair, since they are the regions which are already the hardest hit by the disparities in development, which are further exacerbated by an imbalance in intra-Community trade in Mediterranean products.

However, to allow for developments in the situation, it would be better not to consider this as a fixed criterion and therefore to plan for the possibility of extending the geographical area, which might be examined periodically on the basis of general objectives defined in the plan, these objectives being the creation of jobs in industry, the crafts and trades and the tertiary sector, a structural and radical reform of Mediterranean agricultural production, an improvement in the vocational training of the labour force and its adaptation to developments in production. It should be

strongly emphasized that the Commission and the regions concerned must collaborate as a matter of priority in the establishment of the programme and that this must be followed by cooperation between these two and the government of the Member State as part of a State-region planning system.

That is what the Socialists would like to see happening, and this is not formally stated in this report. Where financial instruments are used, the criteria of optimal utilization must be satisfied. It might therefore seem wise not to create a special fund attached directly to the aid plan. To avoid the duplication of Community financial instruments, thought must be given to more specialized intervention by the European Investment Bank, which would be called upon to administer this fund in the long term. Such intervention might take the form of a branch of the European Investment Bank specifically for the Mediterranean plan, whose task it would be to administer the loans granted and to grant long-term loans at low interest rates.

This would make it easier for the European Parliament to monitor the utilization of resources. The Mediterranean plan is not a pious hope, nor is it something we keep harping about: it is an urgent necessity. That is why the Socialists will be voting for this report.

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

Mr Beazley. — Mr President, may I ask you kindly whether that was a speech or an explanation of vote?

President. — Mr Beazley, we have studied the Rules, where there is no interpretation of what an explanation of vote is but which give a speaker on behalf of his group three minutes. And that is what happened.

Mr Alavanos. — (GR) Mr President, although the Communist party of Greece is in favour of withdrawal from the EEC, it would not hesitate to vote in favour of a proposal which pointed towards some improvement for the Mediterranean countries. However, we shall not do so in the case of the Pöttering report. The creation of a new special fund cannot guarantee resources which have not been found by so many other funds for so long, nor is it any more able to guarantee the undertakings that these resources will be made available in accordance with the national preferences of the Community's Mediterranean countries and not in accordance with the expansionist aims of big Western European capital.

It was therefore with great concern that we listened to Mr Pöttering's plea that the wealthy areas of Europe will profit because it will then be able to sell its goods.

Alavanos

Mr President, we will not risk our own description of Mr Pöttering's programme. We will borrow his own. 'A Community Marshall Plan for the Mediterranean.' It is precisely for this reason that we shall vote against it. One Marshall Plan whose effects we are still paying for is enough for us to vote against a second.

Written explanation of vote

Mrs Poirier. — (FR) Mr Pöttering is forced to admit the grave implications of enlargement for agriculture and the economy in many regions. But for fear of disclosing what is really at stake, he tries to camouflage the real problems behind what he calls a Mediterranean plan, the results of which would be just as illusory as those achieved with the ERDF since its inception.

Of course, he makes a display of laudable intention, but once the mask has dropped, he discloses his true objectives, which tie in with all the Community's restructuring policies:

- structural reform and rationalization of agriculture;
- encouraging farmers and farmworkers to move to other sectors;
- the transfer of fishermen to other sectors.

In all, a programme that is a plan for unemployment and rural depopulation, in both the Community and the applicant countries.

This 'Mediterranean plan' is also used in an attempt to oppose the sovereignty of the Member States. The regional programmes would be established in accordance with Community criteria over the heads of the Member States, and loans would be paid directly to the regions without passing through the national budgets, with publicity given to the European nature of the action taken.

An approach of this kind is unacceptable.

We shall therefore vote against the Pöttering for two main reasons:

- to express our rejection of enlargement;
- to prevent our regions, which we want to make into places of initiative and responsibility, from coming under the tutelage of Brussels.

(Parliament adopted the resolution)

President. — The Delmotte report (Doc. 1-825/81), the Herman report (Doc. 1-687/81) and the Purvis report (Doc. 1-971/81) will be put to the vote at the next voting time.¹

(The sitting was closed at 7.05 p.m.)

¹ *Agenda for next sitting: see Minutes.*

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IN THE CHAIR: MR DANKERT

President

(The sitting was opened at 9 a.m.)

1. *Approval of minutes*

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

Are there any comments?

I call Mr Johnston.

Mr Johnson. — A couple of points, Mr President. One is a very minor point. My name is actually Johnson and not Johnston. That is a minor point, Mr President. There is no 't' in it, is all I'm trying to say. The more important point, Mr President . . .

President. — Shall we deal with the less important point first. I take away that old Liberal Member of this Parliament and put in this new Democratic Member.

Mr Johnson. — Thank you, Mr President. Now the more important point is that it is not absolutely clear from paragraph 2 of the minutes that we did fairly clearly decide yesterday that we had not accepted Mr Clément's resignation. We said we had not accepted it and at the same time that the Committee on the verification of credentials was being consulted. That's the only point I want to make. It doesn't come out absolutely clearly and I think there is an element of confusion in the way the minutes are written. I think it should be more clear.

President. — Mr Johnson, the point is that we don't know whether we had to accept it or whether we did not accept it. Tomorrow, after the Committee on the Rules of Procedure and Petitions has thought it over, we'll decide on it. That was decided yesterday.

The minutes of proceedings are approved.¹

2. *Fifteenth General Report and work programme of the Commission — Mandate of 30 May — Measures proposed by France to win back its home market*

President. — The next item is the joint debate on the Fifteenth General Report of the Commission on the

activities of the Communities in 1981 and the Commission's work programme for 1982.

The following oral questions to the Commission are also included in the debate:

Oral question with debate (Doc. 1-969/81) by Mr Hopper and others:

Subject: Urgent need for progress on the 30 May mandate

1. Could the Commission inform the Parliament what further steps it intends to take in view of the continuing absence of Council agreement on the 30 May mandate?
2. In view of the apparent progress at Council level on those non-budgetary and non-agricultural aspects of the mandate which could contribute greatly towards restructuring the Community budget and promoting convergence, what does the Commission intend to do to ensure that this progress is not jeopardized by the lack of agreement in the other spheres?
3. In the light of the Council's failure to agree on a budgetary solution for one Member State could the Commission give a proper response to the repeated suggestions of Parliament for the establishment of a more general financial mechanism? Additionally what is the current status of the budgetary proposal made by the Commission in its mandate document of June 1981 and which would appear to have been overtaken by events?
4. Could the Commission inform the Parliament on how the implications of Community enlargement are being taken account of in the mandate discussion?

Oral question with debate (Doc. 1-968/81) by Mr De Ferranti and others:

Subject: Measures proposed by France to win back its home market

1. Does the Commission share our fear that the measures proposed by the French Government to win back its home market may lead to a walling-off of the French market from the other Community countries;
2. Does it share our view that the subsidies envisaged in these measures, in particular in the plans for the machine-tools, textiles, footwear, toys and furniture sectors, contravene the Community rules on competition?
3. How does the Commission view other French moves mentioned in the press, for example, the appeal to traders to undertake to reduce their imports, which could also affect those importing from Community countries?
4. What does the Commission intend to do, in cooperation with the French Government, to help reduce the uncertainty created by the announcement of these measures?

I call Mr Hopper.

¹ Documents received — Texts of treaties forwarded by the Council: see Minutes.

Mr Hopper. — Mr President, as the Parliament's rapporteur for the mandate exercise, I wish to confine myself to making two points. One of these is substantial and the other procedural.

My procedural point is that great confusion continues to reign in this Parliament about this exercise. The executive Committee has made it quite clear that there is a corpus of documents known as the mandate documents. These consist of their original response to the mandate, dated 24 June, and the ten supplementary documents. These are: (1) the internal market, (2) industrial renewal, (3) energy strategy, (4) technological innovation, (5) scientific research, (6) employment problems, (7) regional policy working guidelines, (8) a recast Regional Fund, (9) the common agricultural policy and (10) Mediterranean programme.

I take this list from a Commission document dated October 1981; and by the way I have omitted from the list the fifth medium term programme with which we are dealing separately.

However, Parliament's Bureau acknowledges the receipt of only four of these ten documents. I refer to a paper dated 29 January 1982 which was presented to a meeting of Parliament's Bureau this week. Six of the ten supplementary documents appear to have disappeared in the post between Brussels and Strasbourg.

Mr President, the internal market has completely disappeared, as has employment policy.

But if the postal arrangements between Brussels and Strasbourg are bad, they are as nothing to the postal arrangements between this Parliament and its own committees. It would appear that none of these supplementary documents has been officially transmitted to a competent committee. Thus confusion rules. Committees do not know on what they are supposed to give an opinion. Is it on the document of 24 June? Is it on the supplementary documents? And if on the latter, which supplementary documents?

May I call upon the Bureau to clarify this situation forthwith. It would seem to me that three steps should be taken. The first is that the Bureau or the President should make contact with representatives of the Executive Committee to establish a definitive list of mandate documents. Secondly, the President of Parliament should officially transmit these documents to the chairmen of the competent committees and thirdly, the committees should be informed that they are to report on (a) the document of 24 June and (b) the relevant supplementary document. I should be pleased to have your confirmation, Mr President, that these steps will be taken this week, so that Parliament may be in a position to debate this highly important matter in an informed manner in April or May at the latest.

I now turn to my substantial point. In all the encircling gloom pervading the mandate exercise I believe that we are overlooking the real successes that appear to have been achieved last year. The President of the Commission referred to them exceedingly briefly in his speech yesterday. The motion for a resolution which I have signed with the chairman of the Committee on Economic and Monetary Affairs and various other Members refers to it when it says that Parliament welcomes the tentative agreements which have apparently been reached on the non-budgetary and non-agricultural aspects of the mandate exercise. It is not surprising that little account has been taken in this Parliament of these developments when so little publicity has been given to them. I understand that some of the most important of these tentative agreements relate to a matter frequently referred to by my colleague, Mr de Ferranti, namely the internal market and type-approval tests. May I say this to the Executive Committee. Let us keep up the momentum of the mandate exercise. These important agreements must not be allowed to perish in the Donnybrook or general *bagarre* which is likely to accompany the price-fixing negotiations. Out of the mandate exercise can still come the most significant step forward that this Community has seen in a generation.

President. — Mr Hopper, you asked some pertinent questions and I shall try as far as I am able to give you some pertinent answers. First, the Bureau has already decided that the task of coordinating the whole mandate exercise will be entrusted to the Committee on Economic and Monetary Affairs. I can also tell you that the documents we received from the Commission have been forwarded to the specialized committees in this House and this means that those committees have been appointed. The only problem was coordination and it has now been decided, as I said, that the Committee on Economic and Monetary Affairs will be the committee responsible.

As to the validity of the documents I can say nothing. I think that this is a matter for the President of the Commission.

I call the Commission.

Mr Thorn, President of the Commission. — (FR) Mr President, without wishing to involve myself with the first part of Mr Hopper's question, which is addressed to the Bureau of Parliament, I would merely like to offer the help of our departments in checking this list and examining how efficiency can be improved and the wishes of Members of Parliament satisfied.

For the rest, I reminded you yesterday in my programme speech of the Commission's approach to implementing the 30 May mandate. Firstly, no purely budgetary interpretation. Next, a European revival programme in three parts. We have made proposals on three aspects: firstly, on the revision of the existing

Thorn

policies, particularly the CAP and the regional policy; secondly, we are making proposals for new policies to be implemented in addition to the existing policies; finally, while waiting for these new policies, once implemented, to change the budgetary structure of the Community, we wish, for a short transitional period, to find a solution to what is known as the British budgetary problem. Those are the three parts.

You are right in saying that important agreements have been reached on the first aspect, on policies other than the CAP. In the Council's view, they are subordinated — and I must remind you of this — to an overall agreement on the three aspects. However, the Commission is determined to go ahead with all the aspects which make up the first part, such as energy policy, industrial policy, internal market policy, employment or the Social Fund. At this very moment we are drawing up a timetable for their implementation, and we are determined that the Council should stick to it, that it should not again call into question the important agreements reached, and that there should be no ill-advised blackmail, given that these agreements are in the interests of all the countries and all the governments.

On the agricultural side, the Commission has presented price proposals and related measures in the spirit of the policies it has developed in the context of the mandate. We have done our duty in that respect. It is up to the Council to show that it is capable, firstly, of performing its decision-making function, particularly in fields where an agreement has at last been actually achieved and only needs to be formulated, and secondly, of taking account consistently of the various factors involved, particularly farmers' incomes and the control of agricultural expenditure.

In short, we can take the view that the present deadlock on the milk problem and the budget question cannot prevent the Council from working on the development of new policies or renewing existing policies. That is my reply to the main part of your question. In taking this action, the Commission has remained faithful to the spirit in which it has acted since the start of the mandate exercise.

On the British budgetary problem, our proposal sought to avoid institutionalizing the principle of 'fair return', to safeguard the principle of Community solidarity, which still seems fundamental to us, to set up a temporary mechanism to ease the British budgetary situation, and to preserve the nature of the Community budget — and Parliament should be particularly concerned to achieve this latter aim.

The Commission will try to ensure that these principles are reflected in the final agreement. I am prepared myself to take any steps which may help to bring viewpoints closer together or to overcome the difficulties. I intend to carry out my task in such a way that all possibilities of agreement may be used to the full. I

wish to stress that I shall do so with the constant aim of being faithful to the views of our collegial body and to the spirit of the Commission's proposals which we have presented to you, without departing from this framework. I accepted the special role which I was called upon to play within this framework because it seemed necessary to me in order to reach a conclusion on questions which are vital for the Community. It was certainly necessary for someone to deal with them, and I think it was our duty.

Furthermore, I would like to stress, in reply to your question on the creation of a more general financial mechanism, that the United Kingdom's budgetary problem is caused more by insufficient Community expenditure in the United Kingdom than by an excessive British contribution to the Community budget. Consequently, a financial mechanism affecting the revenue side of the Community budget would not remove the British problem, but would risk creating a problem for other Member States. We should rather look at the matter from this angle.

Of course, that does not mean that when the ceiling of the Community's own resources is reached it will be impossible to envisage new own resources, which could perhaps be related to the fiscal capacity of the countries, the regions or even the individuals who make up the Community. It will be up to us to be imaginative at that stage and to make the necessary proposals — this applies to you in the Parliament and to us in the Commission — but all these ideas must be discussed further, and of course we are not going to do so today.

Thus, Mr President, ladies and gentlemen, the Commission has also taken account to a considerable extent of the implications of the enlargement of the Community in the work resulting from the mandate. A large part of the financial effort we are proposing aims at a relative improvement of the situation of the Mediterranean regions and their produce. In this field our proposals have the following aims: improvement of the arrangements for the main Mediterranean products, particularly — but not exclusively — wine, fruit and vegetables and olive oil; then, the drawing up of integrated Mediterranean programmes by the end of 1982. I noticed that this was much discussed yesterday. On agricultural prices, the Commission has also made proposals which favour certain Mediterranean products.

On regional policy, it is proposed that an effort be made to concentrate the financial aids from the European Regional Development Fund on the priority regions, among which are the southern European regions which lag behind significantly in structural terms. This package of measures is sufficient to prepare the Community for the accession of the new Mediterranean applicant countries.

President. — I call Mr de Ferranti to introduce his oral question.

Mr de Ferranti. — Mr President, the President of the Commission in his speech yesterday spoke of the single market as the Community's priceless asset and yet I have to say that there are many who, having made Europe their home market, now frankly say that they would prefer to have the old tariffs back rather than the present hidden and dangerous non-tariff barriers to trade.

(Cries of 'Hear, hear!')

Look no further than the fact that *national authorities* test products for compliance with Community specifications and issue the type-approval certificates. These procedures can easily be used to slow down imports. In the UK they enable motor car suppliers to keep their prices 30% higher than in other Member States. Now it is that, and subsidies, and not having joined the Community in the first place — let's face it — that has destroyed — I repeat destroyed — so many jobs in the United Kingdom motor car industry.

Now Mr President, the tragedy of the French proposals, which is the subject of my question, is that they too will damage the industries that they shortsightedly seek to protect. And I would say directly to the firms concerned — to the managers, to the workpeople — do not fall for this socialist nonsense. Use technology to conquer the Community market and then you can conquer the world. After all, Japanese workers earn more money than many of the workers in these industries and they are 10 000 miles away and yet they are already conquering world markets.

The President of the Commission in his speech yesterday said that his absolute priority was investment. Of course, investment is important but in my view the absolute priority that faces us all is overcoming the fear of change, the fear of doing things in a modern, cost-effective manner. Change to a higher-wage economy is not so awful — must we fear it so much? Indeed, the change means millions of new jobs, especially in small firms, easing the pressures in the large cities and repopulating the smaller towns and villages. Of course, Europe as a whole must maintain appropriate commercial defences, and a Community method of giving type-approval certificates would give us a common external non-tariff barrier, nowadays even more important than the common external tariff barrier provided for in the Treaties. And, most importantly, it would ensure bargaining strength in an illiberal — truly an illiberal — trading world.

But it is really reducing the fear of change which will reduce the demand for subsidies and protection of the type envisaged by the French proposals. And that will expose them as the frauds that they truly are — and

then reducing subsidies in agriculture and increasing use of the structural funds, especially the Social Fund, to cushion industrial change will not only remove the unacceptable change which is in all of our minds today, but it will make Europe attractive to the general public and make the Commission and its President attractive to us.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — *(DA)* Mr President, the Commission is pleased to be able once again to pay tribute to the dedication with which Mr de Ferranti has spelt out the connections between job creation, the exploitation of European innovatory potential and an improvement in European competitiveness on the one hand, and the creation of an effective internal market on the other. The Commission notes with great satisfaction that the honourable Member recognizes the obstacles to the realization of this internal market, in the form of the increasingly widespread non-tariff barriers to trade, the increase in subsidies and the existence — and indeed the strengthening — of cartels. It is therefore all the more essential for us to concentrate on each and every factor capable of doing away with these undesirable obstacles, and it is in this spirit that I should like to deal with the specific questions he has put to the Commission.

First press releases from the French Ministry of Industry regarding the 'reconquest of the internal market' understandably gave rise in December 1981 to fears in economic circles that the measures planned by the French Government might lead to restrictions being placed on access to the French market for other Member States of the European Community. From the information available, it would indeed appear that certain of these measures are intended to affect intra-Community trade with France in such a way as to violate the principle of the free movement of goods within the Community. According to this information, the trade restrictions would amount to either direct intervention on the part of government authorities or collective action on the part of the industries concerned, with or without the active compliance of the authorities.

According to these reports, other aid measures would serve to restore the competitiveness of French companies on domestic and foreign markets. Although details of these measures have not been officially communicated to the Commission, they do seem likely, in certain cases, to give rise to serious distortions in competition which would be incompatible with the effective functioning of the internal market. In fact — and let me put it bluntly — they would boil down to a negation of the essential principle of the division of labour throughout Europe.

Narjes

As a result of the widespread publicity given to these first reports — let me repeat: at the beginning of December 1981 — covering a total of 14 sectors, and as a result of the way in which these plans were linked to the degree of penetration of foreign products on French markets, it was feared that the principle of the division of labour throughout the internal European market might be in serious danger. For that reason, the Commission wasted no time in making representations to the French Government, at both civil servant and political level, to express its reservations as regards the legality of the measures, which were clearly intended to give a boost to certain industrial sectors.

The French Government subsequently had a number of discussions with Commission representatives to explain various aspects of the policy it intended to pursue, in course of which the Commission was handed copies of five sectoral plans covering the machine tool, textile, leather, toy and furniture industries. The French Government explicitly stressed the fact that it intended to take no measures which were incompatible with the principle of the free movement of goods.

The measures detailed in the sectoral plans are currently being studied by the Commission. Certain proposals mentioned in the press — and which I referred to in the first part of my statement — which may have given rise to fears of a violation of Article 30 of the EEC Treaty, do not feature in the plans handed to us. It is, however, true that only very general indications of the aid measures proposed for the five industrial sectors are contained in the plans. We are still awaiting a formal and detailed notification, as provided for in Article 93 (3) of the EEC Treaty, and only once this is forthcoming will the Commission be in a position to judge whether the proposed aid measures are compatible with the competition provisions of the EEC Treaty.

However, to be on the safe side, Commission officials have indicated in their discussions with the French administration what type of aid measures would give rise to what reservations on the part of the Commission. They have also reminded the French Government of the fact that the Commission must be officially informed of all proposed aid measures, and that any such measures must not be put into effect until the normal procedures, including consultation with the other Member States, have run their course. Only after these procedures have been completed will the Commission be able finally to judge the implications of the planned aid measures and their compatibility with Community legislation.

Commission officials have also drawn to the attention of their French counterparts the numerous complaints received by the Commission concerning what are claimed to be direct or indirect obstacles to trade which have already been introduced by the authorities or by private economic interests. The Commission

representatives have indicated that these complaints would be investigated in the usual way, and that process has now been set in motion.

It is precisely by playing to the full its role as guardian of the Treaties that the Commission can best help to ensure that the fears which have arisen are dissipated and that the Community can strengthen the solidarity it needs more than ever in the light of the present economic and social difficulties. Moreover, the Commission has, on a number of occasions, indicated to members of the French Government that they themselves could greatly help to overcome the undoubted widespread sense of concern in the industries affected if they were to come up with the comprehensive public information and government statements needed to strike at the root causes of this concern. The Commission welcomes the fact that the French Prime Minister intends to pay a visit to the Commission in Brussels in a few weeks' time to discuss these and other matters.

(Applause)

President. — I call the Socialist Group.

Mr Glinne. — *(FR)* Mr President, ladies and gentlemen, I and my colleagues in the Socialist Group listened with great interest to the speech which the President of the Commission made in a personal capacity yesterday. We have also read very carefully the annual programme for 1982, proposed by the Commission as a whole.

I shall confine myself to a few very brief comments on this Commission programme for 1982, all the more so since in his speech yesterday Mr Thorn agreed that, as we have been saying frequently for a very long time, the chief priority must be the fight against unemployment. The Commission is thereby setting itself a priority aim, to be achieved by the creation and implementation of an overall economic strategy, and in this context it is harking back to the 30 May 1980 report.

We note that the basic elements of this strategy, according to the Commission, are to encourage productive investment and to improve competitiveness, and the report states that these two elements are alone capable of creating lasting employment, reducing unemployment and promoting sustained economic growth, while respecting the need for effective protection of the environment.

It will surprise no-one in this Parliament when I say that, for us Socialists, encouraging productive investment and improving competitiveness — two essential elements according to the Commission report — cannot, however, be regarded as sufficient to guarantee a better employment policy. How many times, in each of our countries and regions, have we encour-

Glinne

tered investments described as productive, which were in fact investments for the purpose of rationalization and which led very frequently not to an increase in employment but to a significant decrease.

We therefore reaffirm today that it is enough to invest in order to reduce unemployment. Experience at the national level has shown that the crisis is as much structural as short-term. The very structures of our economic model must therefore be changed.

I shall not repeat what we have often said here, namely that it is necessary to develop the role of the public authorities in the profitable sectors, to develop solidarity between prosperous and declining sectors, to redistribute the available work, to move towards the creation of a 'European social area', to reorganize internal and external markets, to revive the North-South Dialogue — as Mr Thorn was saying yesterday — but, no doubt, to stress the need for agricultural and industrial development of the Third World countries and for the creation of a sizeable internal market in those countries. We would like — and we are asking this for the *n*th time — more account to be taken of the views put forward by the European Trade Union Confederation, particularly with regard to the fight to overcome disparities between poor and rich regions in the Community and with regard to a reform of the free trade system. We do not believe that the trading system should be kept as liberal as it is at present. I think I am right in saying that in a few weeks' time Socialist ministers responsible for employment questions, together with members of Socialist parties responsible for employment in countries of the Community where those parties are not in government, will meet to try to improve Socialist proposals for the fight against unemployment in the Community, bearing in mind that the Community framework is a basic datum. Of course, very important measures can still be taken at the national level, but success can be achieved only if tremendous efforts are made at the Community level.

Mr President, we all deplore the fact that for a long time now Community policy has been stagnating and becoming bogged down, and this applies even to the 30 May mandate, which is already becoming ancient history. Finally, we have reason to be much more worried about the crisis than was the case even a few months ago. However, in this connection we would like first and foremost to note the interesting remarks made by Mr Thorn about the link between the development of new policies, a reform of the common agricultural policy and the question of the own resources ceiling. The new policies are certainly not incompatible with the reform of the common agricultural policy, but if the new policies make it necessary we must have the courage to question the notorious '1%' of VAT and the present ceiling for the Community's own resources. We know that the responsibility for the justified anxiety which has been increasingly felt over the last few months is fairly

widespread. The European Council bears a heavy responsibility, as shown by its meeting in London on 26 and 27 November. The Council of Ministers bears some responsibility. Let us admit that all our governments and the relations between them, also bear some responsibility. We would certainly not wish to make a scapegoat of the Commission by a hasty and excessively severe — in the short term — judgement. We are perfectly well aware that the work and proposals of the Commission can no doubt be improved. There is certainly room for improvement, but in my view we should certainly not show the greatest severity towards the Commission today, by a motion of censure or any other procedure.

But, Mr President, we think it very important — and it is in procedural terms that the Socialist Group will defend that today if possible — we think it very important that there should be in March, after discussion and on a proposal by various committees of Parliament, a new plenary debate, a vigorous debate of which the conclusion — let us hope — will be capable of influencing the European Council to be held at the end of March. I think it is in this direction that our tactics can best be developed with some chance of success. The Council at the end of March looks like being the Council of the last chance. Our next plenary sitting could be a very useful opportunity for the final assessment and the most precise form of pressure.

(Applause)

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Barbi. — *(IT)* Mr President, ladies and gentlemen, from the information which we already had and from Mr Thorn's report it emerges quite clearly that the problem of the British contribution — as at present defined and in the present stage of political and economic development of the Community — not only cannot be solved in a practical way, but also runs the risk of having catastrophic effects on the Community's chances of survival.

Well, first and foremost we would like to know precisely how much the British imbalance and the German imbalance amount to; then we would like to know what the Commission proposes to do about them.

And we would like to know these things before the Council takes decisions on these imbalances — decisions which are destined to have explosive effects in the 1983 budget.

These are things which we have a right to know about in good time, above all because they relate to the only real power which the Treaty confers on us.

Barbi

Indeed, we have heard talk of the adoption of a mechanism of 'chain-reaction refunds' which would above all have the perverse effect of requiring budget appropriations twice as high as the refund to the United Kingdom, and therefore immediately going beyond the 1% VAT ceiling; or it is suggested that one should resort to *ad hoc* national contributions on the basis of Article 200 of the Treaty.

One may wonder what national parliament would approve appropriations intended not to create Community policies and therefore a new economic development for the benefit of the whole Community, but to find the funds to reimburse one (or two — the United Kingdom and Germany, to be precise) of the Member States, simply in order to keep the present Community policies going, although we all admit that they are imperfect and inadequate.

We therefore have to note regretfully that the Commission has not been able to make a real, practical response to the 30 May mandate. Mr Thorn himself is aware of this, as shown by his statement that there is a precise task for the Commission and Parliament — that of creating a convincing Community plan for the next few years — implicitly admitting that this plan was not, and is not, to be found in the response to the mandate. We criticized that response months ago because it seemed to us too generic and vague.

Now we well understand why it was so, for the mandate was itself contradictory. Ladies and gentlemen, to solve the British question, to correct, but not destroy, the only Community policy — the agricultural policy — to propose new policies and still not go beyond the ceiling of 1% is impossible, 'because of the contradiction, which does not allow it', as Dante would say!

Now, nearly two years later, the situation has further deteriorated and is creating the most serious crisis that the Community has experienced in the 25 years of its existence.

Well, in my view, it is right that scandals should come out. The impossibility of correcting the budget imbalances, the impossibility of launching the new policies (which are urgent and which had already been foreseen and announced at the Bremen and Venice meetings) without increasing the own resources of the Community, even the impossibility of correcting some distorted aspects of the CAP, the impossibility of tackling the crisis in some industrial sectors (which has made the number of unemployed in the Community rise to 10 million) — all these impossibilities show the loss of vitality and effectiveness of the Community in the absence of a clear political will to make it progress.

A living organism which does not grow and develop is destined, after a brief period of stasis, to decay and die.

I do not think this outcome is desired — certainly not by this Parliament. And there is no doubt that we Christian Democrats do not desire it.

I therefore think the time has come — and all the 'impossibilities' which I have mentioned give us the opportunity and the stimulus for it — for an in-depth assessment aimed at creating a renewed, strong, well-defined political consensus on which to base the future of the Community, and on which to construct also the various possible agreements on economic policies, which could perhaps be more elastic and flexible.

This could be done by having various levels of economic commitment, and various levels of integration, for example with a kind of 'advance guard' prepared to move on decisively to advanced Community policies and another group of countries which — although bound by the same political agreements — without holding back or paralyzing those who want to go forward, could accept only some economic policies while rejecting others.

In essence, this has already been introduced, at least in embryo, with the European Monetary System, of which Britain and Greece are not members for the moment. Clearly all this presupposes the strengthening and consolidation of the political agreement — not of course in order to set up political union in opposition to economic union, but on the contrary to give economic union the necessary secure foundation. Indeed, it seems evident to us that in order to negotiate any solution to the economic problems, it is essential to have a basis of common political will which would constitute a lowest common denominator of mutual trust and open-mindedness.

This is true not least because economic problems are destined to become more complicated still.

We are no longer in the boom years. The European and worldwide difficulties have not ended — far from it!

We do not have to cope only with Japanese aggressiveness or American toughness. There is the very rapid transformation of technology brought about by the advent of microprocessors; there is the urgent need for a human and political understanding with peoples of the Third World for a new worldwide distribution of work; there are the economic effects of the forthcoming accession of Spain and Portugal, which political considerations and historical reality render essential.

These are enormous problems, which we must tackle rationally, but above all with realism, flexibility and elasticity. Is it possible to do all this without a sound basis of political agreement, without the vital strength of an organism — the Community, which one may call economic as much as one likes, but which is and must be increasingly, more effectively and essentially a

Barbi

community of peoples and therefore of their political expression — their political leaders?

Of course we are convinced that political cooperation alone is no longer enough. Let us take only one of the 'impossibilities' which I mentioned a short time ago and which we must succeed in overcoming, and we shall see now indispensable this political consensus really is.

Indeed, let us take the most burning issue, the one which none of our countries escapes — unemployment.

First and foremost, do we think we can solve this problem without making strenuous efforts to make our products competitive once more? And do we think we can do so in isolation, each one acting on his own behalf, or even with ruinous economic wars between us? But we can all see that an economic policy for a revival of the competitiveness of our industries has as its main precondition a basic political agreement on joint objectives, so that the identification and implementation of the instruments for achieving them may be accepted by each and every one, even if they require here and there a sacrifice or short-term renunciation of interests.

Then again, do people really believe it is possible to increase our competitiveness, that is the productivity of our firms, without a reasonable harmonization of working conditions and without standardizing the regulations on safety at work, occupational training and working hours?

President Mitterrand, if he wants his plans on these matters to be successful, must reach a European agreement. And not only France, but all our countries have an interest in such an agreement, because unemployment must be not combated only in France, nor must it be combated in an illusory way, i.e. with measures which in the long run — without a general Community agreement — run the risk of causing our firms to close down rather than to expand!

Or again, let us take the question of energy. Do we really think we can meet the energy challenge without a common policy? Some of our countries have drawn up, or are drawing up, contracts with the Soviet Union or with Algeria which give considerable cause for concern. Would not our negotiating strength have been much greater if Europe had operated as a Community? Would not political concerns have been dealt with much more effectively? Why did the Commission not take action in time? Why did it not make proposals and take initiatives?

Let us take research, ladies and gentlemen. The total expenditure by the Ten in this sector, which is so important for the modern economy — about 2% of the Community GDP — is equal to that of Japan and only slightly lower than that of the United States. Why

are the results so different? For the very obvious reason that we have 10 different research policies competing with one another.

Finally, let us look at monetary questions. We all deplore our inability to cope with the difficult relationship with the dollar — which has such an influence on general economic life, and therefore also on employment in our countries. But how can we expect to improve our negotiating power *vis-à-vis* the Americans, with our present variety and disparity of national currencies and without a single European currency?

We have created the EMS, but we have not implemented anything which was planned in Bremen — neither the efforts to make our economies converge nor the 'second part' — the European Monetary Fund. Yet we are very well aware that without them we shall always remain far from the goals of creating a single internal market and of real coordination of our economic policies.

We would have preferred that, in order to tackle each of these problems — of which even Mr Thorn showed that he was perfectly well aware — on a joint Community basis, the Commission (responding precisely to the mandate) had given some indication of determination by proposing a precise Community policy with the necessary draft regulations and expenditure estimates.

And if the Community institution *par excellence* — the Commission — fails in its essential and primary task of initiating proposals, we should not be surprised if the Community languishes and runs the risk of running aground on the concept of 'fair return' or on traditional protectionist measures.

As Mr Thorn warned us yesterday, the old protectionist demons are coming back to life. Mr Thorn, the Council must be presented with precise choices, as you told us unofficially yesterday in an informal meeting. We entirely agree.

We in the European Parliament can indicate the general political lines to follow. But it is up to you, the Commission, to translate them into precise practical proposals. Do so, do not delay any further and do not worry about obtaining the consent of all 10 members of the Council in advance. Concern yourselves instead with making them aware of their responsibilities by indicating effective Community ways of overcoming the difficulties which hinder the development of our peoples.

In his conclusion, Mr Thorn told us that we must either resign ourselves in the face of centrifugal forces or make a leap forward towards a higher level of integration and development. We are not at all resigned, Mr Thorn. So you should not be resigned either!

Barbi

You should concern yourself with inducing the Council to choose and to decide. To decide, Members of the Council — let us hope that someone will heed this call — and to decide by majority, as envisaged by the Treaty of Rome, and as I have noticed Mr Tindemans has begun to do in the last few weeks.

We appreciated his attitude on procedure and on the decision on referral to the Court of Justice, even if the substance of it may have been displeasing to us as a Parliament. However, we liked the method, just as we also liked the decision on the question of aid to Poland. We wish to encourage the Council to continue with this method and to free itself from the bad and paralyzing habit of unanimity. Yesterday the President told us that it was essential for the Community to put an end to the inability of the Council to take decisions. The United Nations Organization is paralyzed by the veto — let us make sure that it does not also paralyze our Community.

Ladies and gentlemen, this year sees the 25th anniversary of the Treaty of Rome — a quarter of a century. It is not long, in the history of this Europe of ours which spans thousands of years. But it is a long time for those who lived through the exciting period immediately after the war in which people like Churchill, Spaak, Monnet, Adenauer, Schuman and De Gasperi held out to the young people of that time — my generation — the political unity of our continent as a possibility within our reach.

It is not long, when one thinks of the very considerable obstacles in the way of the unifying process, but it is a long time if one looks at the ever-growing political difficulties affecting each and every one of our countries and which, it is said, can be tackled successfully only if we pool our resources, combine our various qualities and overcome economic shortsightedness and the blinkering effect of nationalistic pride.

Many of us dreamed and hoped that the stages on the road to unity would be reached more rapidly, and that our governments would act more decisively to reach them.

We are now in a very serious impasse — a crisis which could be fatal to the future of the Community. Well, on behalf of the Group of the European People's Party — i.e. on behalf of those whose political action is inspired by principles of national cooperation and understanding, human solidarity and Christian charity — I call upon this European Parliament, elected by the peoples of 10 European countries, to convey forcefully and with conviction to our governments its will to move forward on the road to unity, and to demand — authoritatively, even peremptorily — that they achieve the substantive agreement necessary for a vigorous revival of the idea of European political unity, in the context of which the most varied forms of Community economic policies and prudent and gradual arrangements would be possible.

I stress the urgency of this because time does not work in favour of something which is deteriorating; on the contrary, there is a risk that it will transform deterioration into dissolution and decay.

It is urgent because of the pressures from those who need our disunity in order to expand their own political and military empire and their own economic and technological supremacy. There is no time to lose. What we need immediately is a new Messina-type conference, at which we could reflect together on what the urgent need for unity requires of us, and which could give rise to a renewed, vital Community treaty. Mr Colombo and Mr Genscher have made a proposal for political union.

This Parliament is preparing to propose the essential institutional adjustments.

We call upon the governments too, meeting in the Council, to have the ability and the will to move forward on this road.

(Applause)

IN THE CHAIR: MR NIKOLAOU

Vice-President

President. — Ladies and gentlemen, this is the first time that a Greek Member has taken the Chair and the first time that the Greek language has been heard from this seat.

(Applause)

I call the European Democratic Group.

Sir Henry Plumb. — Mr President and colleagues, it will not, I think, have come as much of a surprise to us, or to any Members present, to find that in President Thorn's speech yesterday and in the Commission's programme, the Community's problems in 1982 are similar to, if not the same as, those we debated both in 1980 and in 1981. No one, least of all Mr Thorn, would claim that this past year has been one of substantial progress for the Commission, and for so many reasons. Nevertheless, it remains true that the effectiveness of the Commission is central to the well-being of the whole Western economic system. That is the true measure of the Commission's responsibility, and that is the standard by which the Commission's performance and the Commission's aspirations must be judged.

In our present crisis, good intentions are not enough. We all recognize that the problems which the

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Community faces are of greater magnitude and of greater complexity than ever before. And so the Commission's task is twofold: firstly, to draw up the policy initiatives which the Community needs, and secondly, to persuade this Parliament and Members States' governments of the rightness of those initiatives. In my group, we are in broad agreement with the policy proposals of the Commission, but we are less impressed by the Commission's record in persuading national governments to agree to put those proposals into effect.

(Applause)

As Mr Thorn has remarked, the current crisis is making governments think in terms of national solutions. This means, whether Mr Thorn realizes it or not, that the Commission is losing the fundamental argument, and once this process is under way it will be extraordinarily difficult to reverse. Over the past three decades, the habit of working together has been slowly, and at times very painfully, formed. It would be tragic if the Community's achievements were thrown away because the momentum of the process set in motion by Schuman and Monnet had been lost. In spite of these concrete achievements a belief in solutions formulated and applied at Community level is still very largely an act of faith. It is up to the Commission to justify such faith, and this is what, perhaps, they are failing to do. I am sure that the Commission would agree that they were not appointed to act merely as a secretariat to the Council of Ministers or to the European Council, although that is sometimes how it appears. For the Commission's independence and authority to be diminished would be a betrayal of the hopes and the ideals of those of us who still see the Commission as the driving force for the creation of a united Europe.

(Applause)

Mr President, we fully accept that the Commission, through no fault of its own, has to work within an institutional framework which has shown itself largely incapable of yielding the decisions which the Community so desperately needs. It is now seven years since the Heads of Government decided in December 1974 to establish a European Council, which was, they said, to provide a driving force for the Community. But it has little drive and it has less force; and its meetings, which unfortunately take place in the full glare of publicity and public expectation, are characterized by the same rancour and the same squabbles which have brought the Council of Ministers to a halt.

In my group, we take a good deal of comfort from the fact that Mr Tindemans is currently President-in-Office of the Council.

(Applause)

No one is more closely associated with a whole range of ideas for constructive reform of the Council's procedures; and I hope that if it does nothing else, the present crisis will make it plain to governments' representatives in the Council that Mr Tindemans' ideas, endorsed more recently by the report of the Three Wise Men, must be re-examined and wherever possible implemented as a matter of urgency.

So let us take stock for the moment of the obstacles in the way of further achievement. In many respects, we have the worst of both worlds: power ceded by Member States to the Community institutions to get on with the job of devising and carrying out the policies which our people so urgently need. That is why so little has been achieved, even in those areas, such as transport, which under the Treaty are central to the Community. And that is why instead we have seen the proliferation of aid schemes, few of them substantial enough to make much impact and the management of which remains largely in the hands of national governments. And that is why Member States are reluctant to see the Community's pitifully small budget increased to a point at which policies framed for a Community of 270 million people might actually have a chance of working. The standpoint of my group is therefore to extend a provisional welcome to the Commission's programme but to reserve our right to judge it finally by its results.

You will see that we have tabled in a constructive spirit a motion the effect of which is to urge the Commission to make more use of its existing powers, particularly in relation to the defence of the free market, the dismantling of national aids, the promotion of free competition and the implementation of Community decisions. We believe there are substantial obstacles in the way of schemes to deal with the economic crisis and its devastating and tragic effect on employment and that the current priority for the Commission must be the defence of the free-market principles which have served the Community well and upon which prosperity and employment depends.

Since Mr Thorn did us the courtesy of expressing the wish to work with the Parliament, I would like to make one or two points in this connection. I am tempted in my remarks to suggest that persuasion is a task central to the Commission's function, and I identified its failure to persuade, its failure to carry conviction, as the principal weakness in this Commission's performance. Now obviously, this is an area where I hope the Parliament can make a real contribution. By virtue of our membership of this House, we all of us have a voice in the affairs of our countries. Many of us are members of parties currently in government, and that, of course, entails a particular responsibility. I should like to assure the Commission and the President of the Commission himself that we shall give them our support in the task of persuading national governments to implement Community solutions to current problems. Our task should be made easier by

Plumb

the fact that no government has the key to a return to prosperity and full employment and that the time must therefore be right to stress that European cooperation is the key to economic recovery now, just as it was the key to economic reconstruction in the 1940s and 50s. I happen to believe that the readiness of the electorate to accept this outstrips that of national governments. It is up to us to give expression to that acceptance and to strengthen the case still further with a record of achievement.

May I say in conclusion to the President of the Commission and his colleagues that my group will be taking a very active interest in their performance during the second year of their term of office, and we look forward to being able to endorse their next programme of action against a background of substantial progress.

(Applause)

President. — I call the Communist and Allies Group.

Mr Fantì. — *(IT)* Mr President, ladies and gentlemen, the Communist and Allies Group wishes to express its dissatisfaction with and criticism of Mr Thorn's speech, although we appreciated his statement that the Community is in a state of serious crisis.

In an international situation bristling with problems and dangers, we are caught, as Mr Thorn says, in the grip of two threats — the internal threat, arising mainly from the economic crisis and from unemployment which has reached very alarming levels in a short time, and the external threat arising mainly from the deterioration of financial and trading relations with some of our industrialized partners — the United States and Japan — which Mr Thorn rightly describes as a real conflict.

But, in particular, we Italian Communists and Allies must make the criticism that in Mr Thorn's speech there is no reference to the real deep-seated reasons which have led the Community to this situation. Why have we reached this point, when the very existence of the Community is put in question? To fail to give precise answers to this question would mean to deprive of credibility not only any kind of proposal which may be put forward but even the hope of emerging from these dire straits.

Nor is it convincing to invoke at every opportunity the bogeyman of a Council of Ministers incapable of acting and deciding. We know this only too well, but the real point is a different one. If we want to save Europe and the European idea, we must begin to call a spade a spade — in other words, to give a convincing political explanation of what has happened and is still happening, without pretence or half-truths. This is the first duty of a Commission which really wishes to play

an effective directing role in Community policies rather than the role of a mere appendage or secretariat of a body such as the Council of Ministers, which has increasingly developed the paralysing function of an arena for confrontation and conflict between Governments and States.

The Commission is not carrying out this basic duty, and it is time for the European Parliament to draw the appropriate consequences if it does not wish to share the responsibility for this blockage and paralysis. First and foremost, we need to know exactly what is currently being discussed between the Council and the Commission, for they are not discussing the sex of angels but very precise matters — they are discussing the budget, the subject on which the European Parliament has direct competence and responsibility, as Mr Barbi also stressed.

And it is unacceptable that the European Parliament should be kept in the dark about this. I therefore wish to make a formal protest here: Mr Thorn, why not say frankly what we otherwise have to try to find out from the various governments or even from the press — for example, that as the negotiations on the mandate began to tackle the most crucial problems, it became increasingly clear that agreement could not be reached, especially on the most important problem — that of financial compensation to the United Kingdom?

Why not give the immediate reason for the impossibility of reaching such an agreement — the simple fact that, in contrast to the situation on 30 May 1980, there are now just not enough resources in the Community budget to compensate the United Kingdom to an acceptable extent, at the same time to reimburse to Germany part of the contribution which it should pay to the United Kingdom on the basis of the own resources mechanisms, to compensate Italy for the contribution which it should pay to Germany on the basis of the same mechanisms, and finally to pay back to Greece and Ireland a large part of their contributions to the payments to the United Kingdom, Germany and Italy?

The problem of compensation for the United Kingdom has now been further complicated — since 1980 — as a result of the political problem created by the Federal German Government which does not intend to go on being the sole, unlimited, net contributor to the Community. This infernal and endless mechanism of chain-reaction refunds makes it necessary to allocate in the budget sums which are more than double that which is allocated for the reimbursement to the United Kingdom — sums which are higher than the total resources of the Regional Fund and the Social Fund. This is the nub of the question, the fundamental problem: the budget imbalances had to be and must be an opportunity for profound consideration — to be conducted with courage and imagination — of a correction of budgetary imbalances which

Fanti

would not be merely of an accounting nature but which would take place through the strengthening and expansion of Community policies and therefore of Community resources. These imbalances had to be and must be an opportunity for a new and precise revival of that economic and political integration — necessary to guarantee a future for the Community — which is destined to be bound up with the great current questions of East-West relations and North-South relations in the world.

The European Parliament has always insisted on this approach in every debate — on own resources, on the European Monetary System, on the problems caused by the dollar and by the American administration's policy on the dollar, on budgetary problems, and on the general prospects for the Community. For a whole year this voice has been ignored by the Council and by the Commission. But it is time for it to be listened to. I therefore unreservedly support the proposal made here by Mr Glinne that, before the European Council meeting in March, a debate be held here on the problems which the Council will have to tackle, in order to listen to, and enable the Commission and the Council to listen to, the voice of those who most directly express the views of the peoples of Europe. It is necessary to do so if we do not want the incipient process of disintegration of the Community to continue and be completed.

(Applause)

President. — I call the Liberal and Democratic Group.

Mr Bangemann. — *(DE)* I should like, on behalf of my Group, to make a few comments on the most important points from Mr Thorn's speech. To begin with, we should like to thank him for his very frank and energetic repudiation of the kind of wrong assessment of the common agricultural policy we meet with all too often. While it is true that surplus production of certain products is causing problems and generating expenditure which we must come to terms with, it is also true that the general state of the common agricultural policy is not as bad as many of our critics, concentrating solely on this aspect of surplus production, would have us believe.

Let us not forget that we have attained a supply situation which, in terms of quality, quantity and environmental considerations, has very few parallels in the world, and we ought to be proud of the fact that the Community has at least achieved something of substance in this sector. We are living in an age which is characterized more by failure than by success, which is precisely why we should give more prominence to the few successes we do have to celebrate, and Mr Thorn was quite right in doing so.

I should also like to draw your attention to what he had to say about the way in which the common agricultural policy should be reformed. The fact is, after all, that this is not just a matter of price policy — indeed, it has next to nothing to do with price policy. What is really at issue here is the political decision on what kind of production system we want. Do we want an industrialized agriculture with a small number of large-scale farms, or do we want an agricultural sector with small and medium-sized, efficient family farms which will at the same time give the Community as a whole a guaranteed and sensible structure?

My group has come out in favour of an efficient agricultural sector based on just such family farms. We are against the industrialization of agriculture to the point where we are left with only a few large-scale farms, and we are therefore in favour of a very rapid change to this target on the grounds that otherwise we shall always be debating price policy from the wrong premises.

Medium-sized and small family farms cannot be afforded help solely via the price mechanism. We need structural measures as well, and we therefore expect the Commission to put forward proposals in this field so that we do not have to conduct this futile price debate over and over again. Once again, this year, we shall probably have to debate what would be an appropriate price increase — 9%, 10% or 16%. My group takes the view that any increase in agricultural prices must be the logical consequence of a sensible agricultural policy, rather than a precondition for that policy.

I should now like to move on to deal with the budget, or rather the question of the British contribution to the budget — the issue of the 'net in-payments'. I entirely agree with everything that Mr Fanti had to say, but I should like to ask him and the other Members not to lapse into the kind of terminology we are having foisted on us from outside. There is no such thing as a net in-payment. There is no such thing as money paid in to the Community and which can be expected back from the Community. That is something the members of the Conservative Group ought to make clear to Mrs Thatcher. The concept of 'I want my money back' is an entirely false one, because the fact is that she has not been paying *her* money into the Community. The customs duties levied in Liverpool, Manchester or anywhere else are not British money which is subsequently paid in to the European coffers but rather European money. We have our own sources of revenue.

(Interruption)

My friend Gaston Thorn cannot make that point as clearly as I can because he is in a different position to me.

There is — and I should like to address this point to my own government too — no such thing as a net

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in-payment. There can be no such thing, because if we have revenue of our own, what we are getting is European money, and if we pursue a policy of our own, it will of course have financial repercussions in the Member States, but it does not amount to a repayment on the part of the European Community.

For instance, in my country, 80% of the money paid out as a result of European policy goes on the storage costs of butter and other surplus milk products. It therefore follows that, if I were to put myself in the position of the German Finance Minister and were to set out to reduce the FRG's net balance, I would say that we should produce even greater surpluses of milk products so that we can store more milk and butter in Germany and so that the FRG would get more money for that purpose. But that would, of course, make no sense at all.

I should like to make an important amendment to what the Commission has proposed. We must examine the financial repercussions of our policy and modify it wherever an imbalance occurs in the financial repercussions. But we must make no straight cash repayment. I should like to give notice here and now that my group will not give its approval to another British application for repayment by way of the budgetary procedure. We shall reject any such move.

One sometimes gets the impression that, when it comes to the question of restoring the European Community's economy to life, what we are witnessing is a discussion between deaf mutes or a group of blind people scrutinizing a work of art. We all have different political positions. I can understand that Mr Glinne should view this question from a Socialist point of view. I can understand that someone from the Communist Group would view the matter from a Communist point of view and I myself have been known to reach for a Liberal pair of spectacles, put them on and view a problem from a point of view which is not necessarily concurrent with the absolute objective truth. There are however certain truths which have to be faced by Socialists, Communists, Christian Democrats, Conservatives and Liberals alike. The global economy is, thank heaven, interdependent. There are people here and there who espouse the principle of protectionism but, generally speaking, the world economy is not subject to that principle, and the fact is that we have a relatively free system of competition. When we market our products on the world market, we are always in competition with someone, for instance, the Japanese. The example of the car industry is a very pertinent one from our point of view. How are we to safeguard the future prospects of a job which the Commission may have created by the use of public resources unless the person doing that newly-created job produces something we can sell better or more cheaply than our competitors? That is really a simple matter which everyone ought to be able to recognize.

So, instead of carrying on a kind of conversation between deaf mutes, we should put our heads together — and this is something on which the Commission could usefully take the initiative — and discuss with the two sides of industry what should be done to create the kind of jobs which would enable us to compete on the world market. Is it really feasible to shorten the working week with no reduction in pay? Or would not any rational person — whether Liberal or Communist or Socialist — admit that if the working week were to be shortened with no reduction in pay, his product would automatically become more expensive and thus jeopardize jobs in the Community?

Is that really such a difficult argument to follow? Allow me to quote something Ernest Glinne said: 'The public sector must get established in the profitable areas.' But, dear Ernest, how many profitable areas have seen the advent of the public sector and the consequent disappearance of profitability after four years or so? Even Mr Fanti and his party said in the course of the Italian election campaign: 'It is time we put an end to nationalization. We already have enough nationalized firms which are driving our economy to ruin. What we need are small and medium-sized dynamic private firms to get things moving again.' If even he and his party are talking in those terms, it ought to be possible for the Socialist Group to give some thought for once to these self-evident economic home truths.

(Applause)

I believe the Commission is quite right in its view that we can make genuine progress as regards the monetary system. And that would be a good thing, because we would then be creating conditions which would favour competition and the economy as a whole and encourage investment. On behalf of my group, I should like to encourage the Commission to introduce the ECU gradually as a means of payment, and that is something we can do a lot to foster. The Commission makes payments and puts public work out to tender, and is thus able to effect its own payments in ECUs only. And that is something it must really do.

Payments are constantly being made between the Member States and the Community, and it is worth asking why these are not all effected in ECUs likewise. In my opinion, that would be one way of making the ECU into what we referred to in our manifesto as a parallel currency, i.e. a specifically European means of payment with a value guaranteed by the Community and of a nature which we ourselves can dictate. That would enable us to create the kind of security as regards our economic development which we do not have at present.

We all deplore the oft-cited inability of the Council to reach majority decisions, and the Commission agrees with us that an end must be put to this state of affairs. We have already had situations in which legal

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proceedings have been taken against Parliament on a number of occasions. There is no shame in that provided we are the ultimate victors — and the fact is that we have won all the cases so far. That kind of thing can only add to Parliament's strength.

But I should like to ask the Commission, which according to the actual text is the guardian of the Treaties, whether it does not believe that it is now time to take the Council before the Court of Justice to ascertain whether the Council's practice of avoiding majority decisions and seeking only unanimous decisions is not itself in contravention of the Treaties. The Luxembourg compromise is in fact no compromise at all. The meeting in Luxembourg agreed only to disagree, and yet the Council persists in its behaviour. Some people have been heard to say: 'The Treaty and nothing but the Treaty.' All well and good, but in that case the Council should at long last take decisions in the meaning of the Treaty, and it is up to the Commission to ensure that this is done — if necessary, using legal means. As I said, my Group will be making its judgment on the Commission dependent on whether it is prepared to force this principle on the Council actively, politically and dynamically.

We can complain, and the Commission can complain too, but the Commission can also act, and our judgment on it will depend on whether the Commission is prepared to act this year.

(Applause)

President. — I call the European Progressive Democrats Group.

Mr Fanton. — *(FR)* Mr President, ladies and gentlemen, I would like to tell Mr Thorn that we found his speech very disappointing. If you will allow me this adjective, Mr President, it is rather colourless. Everything is put on the same level — the mandate, economic recovery, external relations and institutional problems. We do not deny the importance of these problems. But surely anyone can see that there is one group of problems which dominates all the others today — the group of problems created by the attitude of the United Kingdom. The reason for giving the Commission a mandate on 30 May 1980 was precisely that the United Kingdom had found its situation in the Community unacceptable. It seems that the Commission accepted this mandate without properly assessing the contradictions contained in it, which came to light when it published its first conclusions.

This is a document which, according to you, Mr Thorn, should constitute a programme in three parts for European revival and the restoration of Community cohesion.

What it in fact amounts to, as the Political Affairs Committee has said, is a compilation of technical

measures, the political dimension of which has not been brought out sufficiently, and which are put forward with great timidity with regard to their means of implementation.

Of course, the Commission makes proposals on the common agricultural policy and the British contribution, but they seem to have been drawn up in an unrelated fashion, whereas, as everyone can see, these two problems are the stumbling block to everything else. Moreover, these proposals are so inconsistent that Parliament has not hitherto been able to debate them usefully, and it becomes clearer every day that nothing constructive will emerge from them.

Mr President of the Commission, nobody today seems to want to state the problem in all its complexity, and I regret that you did not do so. The Commission even tries to minimize the difficulties, and we regard this attitude as unacceptable. You said in your speech that the Community had had a wine war, a conflict on turkeys and then a budgetary dispute, as if there were some similarity between sectoral problems, regulatory questions and the questioning of the whole of European policy represented by what you call, with a sense of understatement which must gladden the hearts of diplomats, 'the budgetary difficulties of the United Kingdom'.

This budgetary dispute is in fact only the questioning by one Member State of the principles on which European integration is based, and particularly of the common agricultural policy. Mr Bangemann has just stated this clearly. But by trying to minimize the difficulties the Commission is giving up its essential mission — that of guardian of the Treaties — and its frequently proclaimed ambition — that of being the driving force of the Community.

The British Prime Minister never hides her will to succeed. Would it be asking too much of the Commission for it to show the same firmness, not merely in words but also in action? Of course, such firmness could lead to a crisis, but do we think that a crisis would not be preferable in the final analysis to the pernicious anaemia which has taken hold of our Community, is undermining its foundations and is discouraging those who are committed to its integration?

The question, Mr Thorn — the only question which arises today — is this: do the Ten really want to continue with European integration? Indeed, since 1980, whether one likes it or not, the dialogue has been broken, despite the verbal caution of the President of the Commission who wants to solve the British problems without allowing any right of fair return. We are faced with what must be called blackmail. It's the same every year — 'either you accept our conditions or we refuse to fix the agricultural prices'. I would like to say here that European farmers do not want to go on being the hostages of the British Government.

Fanton

Each of us must therefore face up to his responsibilities. We began European integration with six countries. The creation of a common market, the free movement of persons and goods and the creation of a common agricultural policy were the main results of this joint effort.

Today, we are ten. If we wish to go further tomorrow, we must be sure of the agreement of all. If this or that Member State feels unable to bear the consequences of its accession, often negotiated at great length and even sometimes renegotiated, and always freely agreed to, it is up to that State to draw the appropriate conclusions. Better a living Community, with fewer members but more determined, than a Community paralyzed every day by demands which, in this case, deserve the description of 'unacceptable'.

If the Commission is incapable of stating the problem with courage, clarity and lucidity, the Member States must do so together or separately. For our part, we hope this will be done.

Of course this would give rise to a crisis, but the Community has already been through crises. It would emerge from it strengthened, like adolescents who emerge strengthened from their crisis of growth. One thing is really unacceptable, and that is the situation in which the Community finds itself. In the coming weeks, Europeans will see whether our institutions, and particularly the Commission, have the will and the ability to put an end to a situation the prolongation of which discredits the European idea itself. It is to this end that we tabled the motion for a resolution which we intend to put to the vote of Parliament.

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mrs Hammerich. — (DA) Mr President, Gaston Thorn's speech was clear and followed the same line of thought as Louise Weiss's speech in January. One of his themes was that Europe is ailing and that things are going badly. The other was that the only way we can gain renewed hope is by creating more discipline in the Community. The Commission therefore wants to remove the main barrier to further integration. And what is this barrier? It is quite simply the right of veto or the unanimity rule, as we call it down here. The Commission and Mr Tindemans have both promised to do their utmost to eliminate it.

I shall explain the difference between the way in which you interpret the right of veto and the way we interpret it. By 'you' I mean the Commission and the majority here, and by 'we' I mean not just the movement I represent, but also the majority of Danes and most of the Danish Government.

I have observed your increasing despair when you discuss the Council's decision-making process. None of the major policies comes to anything, and the economic situation is bad. It is difficult to convince the 10 million unemployed of the Community's blessings. Your solution is discipline, and is based primarily on a unified market, and it is precisely the right of veto which stands in the way of such a market. You are hoping to get round the situation by bypassing the right of veto.

On the other side of the barrier there is supposed to be unity and strength, with the multinationals, the trade unions and politicians working side by side in harmony. We do not believe in your aspirations and feel that we do not fit in with them. A unified market will be a paradise for the multinationals, and people will become a mere appendage of perpetually working machines. A nation in your eyes is merely an unfortunate obstacle to trade. But we believe that the people themselves can govern, not through distant élites, but where they live, work and share in the social order.

You regard the right of veto as a barrier. We see it as a shield, as the most effective safeguard for the small countries. It protects our aspirations to self-determination and our progress towards democracy; it safeguards responsibility and imagination in a country. If the right of veto is abolished, the way is clear for changes which we ourselves have not asked for, discussed or decided upon. These plans are not in everyone's best interest, since they will primarily strengthen the free movement of capital and of the multinationals.

When the Danish people's movements see what the Commission proposes in its packages, they become angry. For what do they involve? Nuclear power, voluntary part-time working, which is in fact involuntary, wage restraints, profits before everything else, reduced social expenditure, the placing of social sectors in private hands, interference in cost-of-living adjustments and harmonized culture.

We therefore stand by the right of veto, and the more desperate you become, the more vigilant we will become. In the coming months, as you have promised, you will be mounting an attack on the right of veto. We shall be keeping a close watch on the obvious attacks, but also on the less obvious, underhand and pragmatic attacks, which the Community is so notorious for, in the form of attempts to undermine the right of veto. Genscher and Colombo propose that if the right of veto is to be exercised, notification should be given in two consecutive Council meetings with a written justification. Thorn proposes that majority votes taken by groups of experts should be accepted on a completely voluntary basis for a period of a few months. It is more difficult for our governments to reject minor, inoffensive changes than major policies. We shall support our government in rejecting the minor changes as well, because we know that the most

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important decisions should be taken jointly at grass roots level and not at remote élitist meetings, and that ...

President. — I call the non-attached Members.

Mr De Goede. — (NL) Mr President, Mr Thorn ended his statement yesterday by saying that we were faced with a simple choice: on the one hand, there was a sense of resignation in the face of centrifugal forces, and on the other, there was the great leap forward which would bring the Community onto a higher level of integration and development. The Commission had committed itself to make this great leap forward possible and would have nothing to do with the paralysis affecting those areas in which it was up to the Commission to give a lead.

Mr President, these are fine words which will be endorsed by each and every one of us, but I must admit to a certain apprehension that the Commission may not come up with the actions to match those words. That is a lesson we have learnt from recent experience. The Commission pays too much heed to the Council and does too little on its own initiative, for instance, on the unemployment issue. To get down to brass tacks, does the Commission really have the wherewithal to counter current trends? Does the Commission itself not feel that it should be playing a more independent and more vital role than it has over recent years? Will the Commission respond positively to the invitation expressed in Sir Henry Plumb's motion for a resolution and in Mr Hoppert's questions to make full use of the powers bestowed on it by virtue of the Treaties in the social, economic, trade, agricultural and industrial fields? What steps does the Commission intend to take in the face of the measures proposed by France to 'reconquer its internal market'?

Of course, as Mr Thorn said, we must not sit back and wait until growth returns, but accurate analysis of the problems is not enough in itself. The Commission's proposed initiatives in the economic, financial and social fields are, in my view, inadequate. It seems to me that, in view of the looming trade war with the United States and Japan, what we need is a determined strategy, and that is precisely what we have not got. The United States' monetary policy and the high rates of interest in the USA call for a clearer response on our part than has so far been the case. Too little is being done to foster economic convergence in the Member States of the Community.

We hope that, when the Commission comes to improve formulation of the Community's employment policy over the coming months, it will bear in mind the following facts. The actual number of people unemployed is much greater than the 10 million or so officially recorded. We must, after all, bear in mind the many people who have just not put their names down because of the poor prospects, and this applies particu-

larly to women. Nor must we forget the fact that many people have sought refuge in being registered as unfit for work. We have only to take a look at this veritable army of recorded and unrecorded unemployed and to bear in mind that the total is bound to increase rather than decrease to realize that the aim of full employment is now no longer realistic. The President of the Commission referred to a socially intolerable situation, and he was quite right. We must do something to alleviate the situation to make unemployment socially acceptable to the many people for whom it will be an inevitable fate. Clearly, the various means at our disposal for sharing out the available work are having only a limited effect, and the same will no doubt apply to the Commission's proposals for encouraging part-time working on a voluntary basis. As far as we are concerned, the only feasible way open to us is to reduce working time, and we shall of course also have to give attention to the factor Mr Bangemann, for instance, mentioned — i.e. the cost angle. We hope to come back to this point in more detail when we come to discuss the Commission's proposals.

In conclusion, Mr President, a practical decision-making process on the part of the Council, restoration of the majority principle and strengthening of the position of the European Parliament are all indispensable elements in the further development of the Community. And let me add that the reason why these are indispensable is to enable us to survive the next elections in 1984. Of course, the lack of agreement in the Council has left a lot of problems unsolved, but should this not in itself cause the Commission to carry out its mandate, and why is the Commission not threatening to do so, or is it waiting until the European Parliament is forced to adopt an attitude of head-on confrontation with the Council and the Commission? Time is pressing, 1984 is looming closer and closer and our concern is growing all the time.

President. — I call Mr Moreau.

Mr Moreau. — (FR) Mr President, ladies and gentlemen, the phrasing of the oral question to the Commission by Mr Ferranti and his colleagues does rather cast suspicion on the decisions made by the French Government regarding the restructuring of certain industrial sectors.

I would like to say straight away that the wish of France, just as has been said by members of the French Government in statements and at European meetings, is for a new step forward by the whole of Europe which will enable our Community to sort out its most urgent problems and justify its own existence.

There is one observation which has to be made, and that is that the Community has failed to achieve all of the objectives which it set itself. We are far from bringing about a common internal market. Many barriers to trade still exist, and new ones are being

Moreau

erected as a result of government decisions in Member States. The common market has become a great collection of loopholes exploited by products and businesses which are foreign to our market. Such a situation is unacceptable, and it must be changed.

That is what the French Government has in mind in its memorandum which amongst other things proposes setting European standards which will do away with barriers to trade within the Community and establish Community preference on a realistic basis.

At the same time France is proposing a realistic external trade policy. We all know that the Community must make urgent progress on both of these points if it is to deal with the triple challenge with which it is now faced; the scarcity of our energy and raw materials supplies, our backwardness in research and high technology and the competition we face from newly industrialized countries.

It is in the light of those decisions and that political will that we must judge the sectoral policies which the French Government has drawn up. Some of those here today regard them as the mote in our eye whilst failing to recognize the great beam they have in their own. Every country has its own problems and tries to solve them. And as the Commission has recognized, the aims of the French Government in the four sectors mentioned concern not trade policies but the competitiveness of businesses. That is fundamental.

As our Prime Minister said in a recent speech, France is the fourth largest exporter in the world and cannot afford to take the risk of escalating protectionism. He went on to say — I quote — ‘your idea is as much a threat to the threatened sectors as it is to high technology. What we seek to do is restore or improve the competitiveness of French products by means of a dynamic policy of investment and technological research and development’.

The Commission is kept informed of any measures that are taken. Their principal aim is to encourage joint research, improve access to new technology, improve manufacturing and management methods and encourage cooperation between small and medium enterprises.

As regards respect for the rules which are acknowledged by every Member State, the new French Government is attempting to make good the deficiencies of previous governments and to make some real preparation for the future. Both the government and the party of the new French majority wish to see Europe develop, for they remain convinced that it is through a Community inspired with real political will that we shall find an efficient and lasting solution to the problems of unemployment and economic and social growth. The French challenge is founded on a belief in the need for interdependence in business, between the dynamism of business in an individual

country and the same dynamism on a Community-wide scale. That is the reason why France is now proposing a whole series of common policies.

Our view is that rather than locking itself up in its all too frequently hypocritical suspicion, this House should consider how the French proposals can help build an open and living Europe.

For Europe will not live until it has its own confines — commercial, economic, monetary, social and political — which are so sadly lacking today. Such a project means we must pool the imagination and efforts of every Member State. We must do so quickly, Mr President, if we wish to avoid becoming increasingly inward looking and increasingly poor. The French proposals, Mr President, are a cornerstone of such a project.

(Applause)

President. — I call Mr Brok.

Mr Brok. — *(DE)* Mr President, ladies and gentlemen, the President of the Commission drew attention in his speech to the 10 million people now unemployed in the European Community. Four million of those are less than 25 years old, and 60% of them are young women.

I am sure that all of us in this House realize that what this state of affairs amounts to is a destruction of people's chances and a fraudulent abuse of future prospects. I am sure we also realize that something is very seriously wrong here, something that will have repercussions not only on the lives of those directly affected, but also on people's attitude to government. The fact is that grievances like these are all grist to the mill of the siren calls from both extremes of the political spectrum. As regards the fight against unemployment, and in particular unemployment among young people, I agree with Mr Thorn's analysis and most of his stated objectives. I was disappointed, though, that he failed to propose any specific measures designed to make the transition from accurate analysis to accurate objectives. His speech was peppered with such terms as ‘looking for ways’, ‘examining’, ‘defining more precisely’, ‘making proposals in the near future’ and ‘formulating guidelines’.

These seem to me to be mere prevarications which cannot conceal the lack of a genuine employment policy.

It is up to us, with the Commission's help, to show that it is precisely our governments in the European Community which are refusing to countenance the adoption of effective instruments. When our governments — whether Conservative or Socialist or anything in between — seek to justify their failure as regards employment policy by pointing out that the

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situation is just as bad or even worse in other countries, we must make the point that common instruments are needed to tackle these problems — which are, after all, similar in nature. Any alternative approach would be no more than an alibi designed to enable those governments to safeguard their future electoral prospects.

I can only endorse Mr Thorn's view that protectionism is a major evil. It is indeed true that protectionism and job preservation subsidies are preventing us from using our resources to invest and to introduce scientific and technical innovations with a view to protecting our competitive position and our jobs. The Commission's steel policy is, however, a siren call to the Member States to adopt an approach which is just as wrong as the Commission's. The Commission is certainly not setting a good example in this respect. Mr Glinne's call for a European social sphere would not create any new jobs, but merely a new bureaucracy and new obstacles.

The President of the Commission had nothing really specific to say. He did not mention the fact that capital accumulation among workers could be one way of encouraging new investment. On the question of unemployment among young people, he referred to a social guarantee, meaning that jobs should be made available two years after the end of compulsory schooling, but he totally disregards the fact that this would merely put off the problem to a later date, and would certainly not solve it. He had nothing whatsoever to say about the fact that practical training is the only real chance we have of making jobs available.

A comparison of the training systems in our countries shows that unemployment among young people is highest in percentage terms in those countries where training is not practice-orientated. He did not mention that the Social Fund could be used to pay for measures designed to help disadvantaged young people, and especially girls.

It is important here to ensure that we do not get trapped in the icy clutches of cold bureaucratic terminology. It is up to the Commission to adopt a belligerent attitude and assert its right of initiative *vis-à-vis* the Council so as to expose those who are responsible here in Europe for the failures in the field of employment policy.

(Applause)

President. — I call Mr Møller.

Mr Møller. — (DA) It was a very interesting speech we had yesterday. Many of us were taken up by Mr Thorn's remarks and it is clear that the mandate of 30 May is presenting many problems. However, according to the way it is presented, these will be

accounting problems, i.e. problems concerning the Community's revenue and expenditure. However, this means that they are problems which have nothing to do with the Community as such, since the Community is not simply a question of accounting. There is also the question of how people will benefit from being able to export their products freely within the Community. I think, therefore, that the arrangement proposed is like comparing two things which have no common features.

There is another problem which Mr Thorn touched on and which I should like to comment on, i.e. the question of where Western Europe is going in the current situation. Did it not become apparent last winter that we are slowly drifting away from the United States? There is talk of a driving force, people say that we need the European Council to provide this driving force, but a driving force is not a motor, it is not something which keeps going by itself. There are, I think movements afoot at present which are causing us to move apart like drifting icebergs. The United States and Europe both have their own policy. There are countries in Western Europe, in our Community, and there are certain Prime Ministers, such as the Greek and Danish Prime Ministers, who take every opportunity they can find to get a dig in at the United States and which are bringing us more and more in danger of the West splitting up.

In spite of our European Community, it is probably nevertheless more important for many of us that our security should be maintained, and that we should be able to continue in the cooperation and understanding with the great country of America, which is the basis of our freedom and independence. I do not think that we will immediately go under if we let the United States down and the Community with it. What will happen will be a gradual loss of freedom and independence and we will end up in the same situation as the Eastern European countries have been since the end of the Second World War. The greatest danger to Europe at this time is that we are neglecting cooperation with the other major Western unit, i.e. the United States, in our enthusiasm to be independent. If we continue to do so and this results in us drifting apart, all I can say is 'God help Europe'!

IN THE CHAIR: MR ESTGEN

Vice-President

President. — I call Mrs De March.

Mrs De March. — (FR) Mr President, ladies and gentlemen, in his speech Mr Thorn laid great emphasis on the problems of our current economic and social

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climate. He stressed even the problem which has arisen with our reaching the threshold of social tolerance. In our view we must now start to take notice of the plain fact, the real and serious problem of 10 million unemployed in Europe. We must at the same time, though, have the political will and the courage to say that since the solutions tried over the years have not only failed to improve things but made them worse, we must change our approach.

There is no hope either of individual nations or of Europe escaping from a serious structural crisis by continuing present policies. It is precisely because this has become obvious in France that the policies for change which the French Government has initiated are being challenged by the right wing here in an oral question associated with this general debate. I would also observe that in his review of East-West and North-South relations Mr Thorn failed to mention Turkey and I would like to know whether that was a coincidence.

For my own part I shall raise only a few matters. The Community's most immediate responsibility is agriculture. The fact is that for eight years peasant incomes have been falling. The exodus from the country also contributes to unemployment. The consequence is that we shall not find a solution to the crisis in agriculture unless we reverse present policies. We must increase production and exports. And for that, American pressure to dismantle the common agricultural policy and open up the European market must be resolutely opposed by the Community. Greater respect for the principles of the common agricultural policy, abolishing MCAs, restricting imports of substitute vegetable oils would lead to an immediate improvement in the market and an immediate increase in peasant incomes. The question of prices is of course fundamental. Our group considers that an increase of 16% is necessary, and we will fight for that figure. It is not only necessary but possible, since EAGGF expenditure increased by only 2.3% in 1981. Moreover, 30 000 million francs can be saved in 1982 if we respect Community preferences and do away with the British budget refund. Apropos of which, we consider it unacceptable that Council negotiations should be held up by British demands. Great Britain must respect the principles of this Community and accept that prices are fixed within the time limits.

When considering agricultural questions we must also consider those of enlargement and development. We note that despite the real difficulties the Commission still wishes to hasten the negotiations with applicant countries. Mr Thorn referred to that matter in a reply this morning. What is at stake here has been concealed. The consequences for the agriculture of a number of regions — in France in particular — can only make matters worse. The fact is well enough known, it is not frequently enough said. At the same time we must weigh the economic and social consequences of enlarging the Community both for appli-

cant countries and for the ACP States and associated countries. Our opposition to enlargement is therefore based on the quite realistic fact of establishing cooperation arrangements which respect mutual interest and enable us to satisfy the demands of Third World countries, particularly in our relations with the ACP States. The French members of the Communist and Allies Group will continue this great debate on development and cooperation inspired principally by solidarity but also because the solution to our own crisis depends on the response we make to the demands of the new international political and economic order.

The oral question associated with this debate has challenged the economic decisions made by the French government on the basis of Community rules. The fact is that despite what has been said the French Government's intention of reconquering the internal market in no way conflicts either with the principles of the common market or with Community industrial cooperation. The truth is that the prevailing criterion of European industrial policy until now has been the free circulation of goods, and that the only reason for that has been cash profitability and short-term profit. With that in mind there is every justification for abandoning as quickly as possible the policy of allowing Europe to be a money-making machine for the multinationals. Closures and redundancies arising from austerity policies on a Community-wide scale have led to enormous waste, particularly in France. The aim of those policies was explicitly to increase cash profitability without any consideration for the needs of national industry and the internal market. What we are challenging, therefore, is not the free circulation of goods but the entire system. Why, then, should we be reproached for wanting to give new life to France when it is the best way of helping the Community? We must change the standards of financial management and of worker control. We must regard employment, satisfying consumer needs and growth as the essential criteria. Reconquering the home market meets the urgent need to develop industry on the basis of the broadest possible home market for the benefit of both employment and social needs. Such a policy can only be considered within the context of new vigour and growth, and what goes for France goes for the rest of Europe. Such a policy in no way opposes free trade within the Common market, for an industry which is open and exports reasonably must be based on a solid home market. That is precisely what France is doing: taking up the challenge and attempting to reconquer the home market. If that challenge were taken up on a European scale, it would be in the best interests of us all.

I heard Mr Bangemann speak this morning, and if he were here now this is how I would reply to him: I would tell him he was ill-informed about the realities in France; I would invite him to France to visit the nationalized companies and see that they are successful. No, the common market is not threatened by France: it is threatened by an economic and indus-

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trial policy which is based on obsolete logic. It is also threatened by American and Japanese exports and by the investments those countries make in Europe. There is a deliberately permissive policy of allowing those countries' motor and electronics industries in particular to set up in Europe. Would we not do better to support our own manufacturing industry and support European agreements?

It is with that in mind that I would like to put a number of questions to the Commission. Has the Commission decided to take a firm stance throughout the forthcoming economic negotiations between the United States, Japan and the Community? What proposals does the Community have to deal with the high interest rates in the United States which are doing nothing to help the new impetus in France or anywhere else? Can the Commission guarantee that no concessions will be made to the United States in the steel negotiations?

We for our part are convinced that new common policies, European industrial cooperation, a European social area, monetary cooperation, major policies on energy and trade are useful when they guarantee social and economic efficiency complementing that of individual nations according to the real needs, particularly the employment needs of each. We therefore reject the political attempts we have here to challenge the policy of change chosen by the people of France, which do not conflict either in their letter or in their spirit with the openness which is essential to progress in European cooperation. On the contrary, such a policy is essential to that progress.

As regards institutional matters, we consider that the proposals and attempts to do away with unanimous voting in the Council in favour of majority voting are unacceptable and will not help in establishing such cooperation. These proposals brush over the fact that Europe will not be built against the will of States and nations. If, as Mr Thorn said, we wish to take a convincing Community project to the people, we must first of all satisfy their interests, and to do so we must dream of a peoples' Europe and take up the needs and challenges of our age.

President. — I call Mr Pannella.¹

Mr Pannella. — (FR) Mr President, the House is allowing me 180 seconds to explain my views and those of the radical party on this debate. I can, therefore, put before you only briefly the beliefs which the facts reveal as being extremely clear — although of course they are not extreme in themselves.

Initially, Mr Thorn, I would like to ask you whether the optimism which you imply — although it does not actually show in your expression — is really your own. I say, initially, however, for my own belief is that on the contrary Europe — jewel, hope, reality — is in its present state best illustrated by the surrealist and impossible image of a marsh in a state of collapse. We are being defeated by logic: value is becoming worthless.

Your report, President of the Commission, demonstrates that we are no more than the concerned, or perhaps unconcerned, observers of a holocaust which is a holocaust for hope, a repeat on a worldwide scale of the holocaust of the 1930s. I have said it before: although we beat nazism as a political power it now dominates us as a culture.

The few words which you said on North-South relations, Mr Thorn, showed that despite your apparent intentions in 1982/1983 the general question of North-South affairs will enable you to beat about the bush and fail to do your duty, your duty by resolution of this House, your duty under the United Nations Charter and many other international agreements to try and stop the holocaust, the extermination which are the certain consequence of a political choice made by you and us.

My 180 seconds are finished, Mr President. I am no Cassandra but I have an increasing wish to tell you in all friendship, because of our friendship, that we are at the parting of the ways. For 30 years we were very close but now it is finished. I am no longer in your camp, for your camp is an extermination camp. You told us so yourself.

President. — I call Mrs Spaak.

Mrs Spaak. — (FR) It is always worthwhile, Mr President, to speak after Mr Pannella: I hope that my speech will be less of a disaster than his.

There are two compelling reasons why our Community must be resolute in choosing the road of relaunching Europe. The first is the internal crisis with the suicidal temptation which can be felt here and there to become inward-looking and protectionist. The second reason is the difficulties we have with our trading partners.

In his speech Mr Thorn said that for Europe, faced with the United States of America, powerful and constantly changing, and with Japan in full expansion, the choice was simple. I would be inclined to go further and say that we had no choice at all. The only possible road forward is closer union and greater cooperation. Every investigation, every statistic points the same way: it is by common policies, by joint projects, by speaking with a single voice that Europe

¹ Request for an early vote (Rule 42 (4) of the Rules of Procedure): see Minutes.

Spaak

will hold its place. There is no denying that when Europe does so Europe is the equal of the mightiest.

But at the same time as we have this profound and compelling need for European union I have a growing fear, one to which Mr Thorn referred in his speech just as Mr Dankert did in his speech on investiture as President of this House. My concern is the fast approaching second election of this House by universal suffrage. The good Lord knows that our emotion, our commitment and our determination were great enough in 1979. The citizens of Europe responded after the long wait with a generally satisfactory turn-out at the elections, but 1984 is fast approaching and there are many of us who feel that indifference towards Europe and certainly the imperceptibility of Europe's existence, of its policies and its achievements is a fact which we have to accept. I am Belgian and from Brussels and I and my compatriots can see well enough that Europe exists: the President and Members of the Commission are there on Belgian radio and television and, let us be honest, we see the cavalry charges in front of the Charlemagne building when farmers and steelworkers demonstrate. But what silence there is in the other capitals of Europe! We have a little more than two years to break that silence and it is up to the Parliament, the Commission and the Council to respond to that challenge. And it is up to this House, through its members, through their work in their constituencies and through their constant pressure on national governments to speak out as often as they can against the Council's capacity, referred to by Mr Thorn this morning, to defer decision-making. Many of us applauded that part of Mr Thorn's speech this morning but we would have been all the more satisfied had the targets of that criticism been present. It is with that in mind, Mr President, that I would like to make a proposal which is inspired by the visit made by the Council of Foreign Ministers to the enlarged bureau of the European Parliament at the end of last year. I would like the President of the European Parliament to invite the Council of Foreign Ministers to be present and take part in a full session, once a year, for example, during a particularly important debate. The timing of such a debate would enable the Ministers to work together to prepare the replies proposed by the President-in-Office or any individual members of the Council. Such a procedure would enable us to do away with the figurehead role adopted by the President-in-Office during our normal debates.

President. — I call Mr Didò.

Mr Didò. — (*IT*) Mr President, I just want to take up a few of the main points of Mr Thorn's speech in the hope of having some solutions which will enable Parliament to discuss the 30 May mandate before the European Council meeting at the end of March.

I would first of all like our President and the Bureau to give us a guarantee that we will not find ourselves

lagging behind once again and that Parliament's tasks can be organized in such a way that we can make our comments in good time so that the European Council can take account of our proposals.

My second point is this. From what the President of the Commission has told us, we have come to realize that the Community has reached a very tricky point in its life and that an instrument of crisis is being set in motion which is irreversible. The British Government has said that it wants to hold down agricultural prices if no solution is forthcoming to the problem of the British contribution to the Community budget. But a solution of this kind would distort Germany's contribution and, most importantly, would completely deplete the available funds. This would mean that it would be impossible to pursue the policies we have already set in motion, let alone finance new Community policies, as the kitty would be completely empty.

So when Mr Thorn hails the positive outcome of the London Summit, with its decision to initiate new Community policies, he knows full well that he is talking hot air as, without funds, there cannot possibly be new Community policies. We want the Commission to stop being vague about the amounts involved, to refrain from simply bemoaning them in a half-hearted fashion and to give Parliament the facts about the refund due to the British Government and then in turn to the German Government and to other countries, and to let us know exactly how much money we have for the budget. In other words, we want the facts. It is quite intolerable that Parliament — which authorizes the budget — is kept out of the discussions between the Commission and the Council where the question of the British contribution is concerned!

The solution that is supposed to have been put forward by the Commission to pay the national governments directly the amount to be reimbursed to the United Kingdom and Germany is quite ridiculous, for at least two reasons: firstly, because this renationalization of expenditure would be a denial of the very concept of Community policy; secondly, none of the national parliaments would be in a position to authorize financial support for other Member States by giving finance to common policies aimed directly at tackling the awesome problem of widespread unemployment.

While we agree that there is a need to rebalance the contribution from the United Kingdom or other countries, at the same time, we feel that the Community's own resources have to be increased. This is the only solution that we feel we could support because it is the only one which lends credibility to the proposals coming in from all sides for a relaunching of Europe. Unless we take this path, we will not have the conditions we need to respond to the suggestions that we should increase the various Community funds — in particular the Social Fund, Regional Fund and

Didò

Development Fund. It is unlikely that we will win the fight to strengthen the internal common market and to crush the idea of the *juste retour* unless we manage to develop common policies in sectors such as research, energy and industry, and yet we will not be able to do this unless we have the proper financial resources. Unless the conditions are right, there is absolutely no point in discussing a European social and industrial policy, there is no point in denouncing the dangers of a trade war with the United States and Japan, decrying the policy on the dollar and setting ourselves the objective of full employment. If we are to spend less nationally, we must spend more at Community level.

One of the main ways of emerging from the crisis is to look for new opportunities for development and we are well aware that these must be found in the economic growth of countries in the Third and Fourth Worlds. But we will not be able to seize such an opportunity unless we can offer an alternative to the dollar in the shape of a stable European currency, which the ECU could be. One of our foremost aims therefore must be to finalize the European monetary system. One thing that puzzles me is why the European Commission has never — up to now — pressed at every opportunity for the need to go on to the second phase of the EMS. We are well aware that there are governments which hide behind the excuse that the United Kingdom and Greece are not in the system in order to make sure it is not brought to fruition. But the Community must not be thwarted in this way. We are convinced that we have to press forward, while at the same time taking account of the problems which some countries have. For the monetary system to be completed, it is not necessary for all ten Member States to be in it, as Mr Ruffolo showed us yesterday, when he spoke on behalf of the Socialist Group.

In short, Mr President, ladies and gentlemen, we cannot carry on being satisfied with merely analysing and denouncing, given the crisis point the Community has reached. As the European Parliament, we represent the will of the people and are supposed to be dealing with hard facts. We have the right ideas, but they are betrayed in practice and it is above all the Commission and the Council which are responsible for this.

President. — I call Mr Giavazzi.

Mr Giavazzi. — (*IT*) Mr President, Mr Thorn's reply on the mandate was wide-ranging but not reassuring. He did indeed reaffirm the general principles for carrying out the mandate — which were, moreover, in accordance with the lead given by Parliament — and acknowledged that agreement had been reached on a number of important points. But he was not reassuring because he confirmed that there were at least two problems which seemed to be insoluble and for which he had no remedy to offer.

The situation is however grave and will brook no delay. Given the state of affairs with which we are faced, each individual Community body must assume its tasks and responsibilities in a realistic way, while at the same time displaying sensitivity and an awareness of the difficulties, making gradual progress where this is demanded, but always acting decisively. To the extent that its meagre powers would allow it, Parliament has already done this by indicating the broad lines of approach to be followed. In holding this debate, Parliament is continuing to exercise its role even now.

We hope that the Commission will play its part with equal dynamism by pushing forward concrete and practical solutions to implement the policies that we have proposed. There is a need to show the Council — with all due firmness — that if it wishes to maintain the prerogatives to which it seems to want to cling with such tenacity, even in confrontations with the Community's judicial body in other less crucial situations, it must first of all show that it is capable of getting out of the impasse caused by its failure to take decisions, which even Mr Thorn referred to yesterday.

Let us hope that this can be achieved through a unanimous decision or, in the absence of such agreement, through a majority decision. This is the only proof that it assumes the role entrusted to it by the Treaty. But if this is not achieved, it is better for differences of opinion to be clearly stated than to carry on uselessly postponing a decision in an attempt to hide the fact that there is a crisis, a crisis which we cannot put up with any longer. Then let them each be responsible for their own actions!

The Commission itself cannot but endorse this line of approach since it is the only one which follows its own judgments and proposals. One of the essential ones — reaffirmed yesterday — is the need to make majority decisions by the Council more important and to say 'hands off' to those who would whittle away the Community's own resources.

It is not enough to deplore this state of affairs, we must act on the consequences. If we do otherwise, no matter how correct our analysis, action will not be forthcoming. We must therefore get ready to debate this topic thoroughly in this House, above all before the European Council meets at the end of March, so that Europe can echo to the sound of a unanimous voice which is in tune with the gravity of the times. What is more, it is essential that we have no more delays, hesitations and doubts.

President. — I call Mr Jackson.

Mr Robert Jackson. — Mr President, in my few minutes I want to issue a warning to the Commission, not only as a Member of this Parliament but also as a

Robert Jackson

former servant of the Commission, in a spirit of friendship and in the profound belief in the necessity of a joint approach between the Commission and the European Parliament. It seems to me that the first duty of a man who sees a friend in trouble is to offer him realistic analysis and advice as to how to get out of it.

My warning, Mr President, is this. I think that in this House confidence in the Commission is slowly ebbing away. So far this loss of confidence is still unfocused. It lacks specific objects. But I think we can already see emerging, the outlines of what could prove to be a formidable bill of indictment against the Commission.

There are two headings in this emerging indictment. The first concerns the way in which the Commission is handling the mandate discussions. The Commission took a deliberate gamble in adopting the informal procedure which it has so far followed. The effect of this procedure, as many speakers have pointed out, even if it was not intended, is to cut the European Parliament effectively out of the discussions on the mandate. This is deeply resented here. If there is a satisfactory result, if at the end of the day the approach works, then it will be all right. But if it fails, then I think the Commission will have to watch out.

Then on the issue of substance. There is also resentment in the Parliament that the Commission deliberately rejected — and it has never given a satisfactory explanation of this rejection — the European Parliament's concept of a solution to this budget problem through resource transfers to promote convergence in a framework of fiscal federalism. That is the thesis of this Parliament, and the Commission has not accepted it.

Let me interpolate here a parenthesis which is addressed to Mr Bangemann and to such distinguished commentators as my old friend, Mr Gazzo, whose column in *Agence Europe* I look forward to reading every morning. It is always being said, and it has been said repeatedly in this debate, that all that the British want is their money back. But the fact is that the only government in this Community which has espoused the concept of fiscal federalism, which we in the European Parliament have voted to support, is the British Government. I refer, honourable Member, to Sir Geoffrey Howe's speech in The Hague in the middle of last year.

This is the *communautaire* approach to the solution of this problem. It is the approach preferred by Britain. It is the approach preferred by this House and the Commission has turned its back on it — at its peril.

The second head of the emerging indictment against the Commission concerns its handling of agriculture. There is a very wide gap between the guidelines which the Commission has set itself in the context of the mandate discussions and its proposals for the current year. I am thinking particularly of milk and cereals.

The Commission is failing to get a grip on the agricultural policy and when world markets turn around, when prices begin to fall — as they surely will — the Commission and the Community as a whole will face a serious and immediate crisis.

So, in conclusion, Mr President, let me simply say this. I believe that the Commission is running into deepening difficulties in this House. A crisis of confidence between Parliament and the Commission is brewing. The storm will not break this year but, as we move closer to the elections in 1984, I am afraid that I must tell the Commission that I believe that the storm which is brewing will break about their heads. It will surely break about their heads unless, and this is a very big proviso, the Commission has been able to show real progress in overcoming the deep structural crisis which now stares our Community in the face.

President. — I call Mr Ephremidis.

Mr Ephremidis. — (GR) Mr President, the drop, for the first time in 1981, in economic activity in the Community, the 30% increase within one year in the number of unemployed, now totalling more than ten million, the high inflation rate and the expected shortfall of 30 000 million ECU in the balance of payments are signs of a deep social and economic crisis affecting the Community, so deep and widespread that even if there is a slight short-term recovery, this will not permit the economy to be put back even to the level at which it was before the crisis.

These are facts which emerge from the Commission report and from the speech by its President, Mr Thorn.

For our part, we have no trouble in agreeing. We would add, however, that the outlook will be worse, as it already is for the weaker countries, including Greece, where inflation is running at more than 25% and investment has sunk to the level of 1963, while unemployment has risen by leaps and bounds and our farmers' incomes keep on tumbling.

As their texts show, the Commission and its President, instead of going into the real reasons for this extremely worrying situation, cover them up. They try to lay the blame for the crisis on the revival of the national markets, on nationalistic protectionist tendencies, on the relations with the USA and Japan, on the difficulties in achieving a single Community position on international problems, on the disputes over the Community budget, on the strained relations between the Community institutions and so on.

In our view, however, all these are really secondary causes, or even symptoms, of the crisis. The main causes, the roots of the crisis, are generally to be found in the crisis of the capitalist system itself, in its

Ephremidis

incurable contradictions. These give rise to the more specific reasons for the unprecedented increase in unemployment, galloping inflation and the low or even negative growth which varies from one Member State to another, always to the detriment of the weaker countries, of which Greece is a typical example.

This is why we disagree profoundly with the Commission's diagnosis of the causes of the crisis, and we thus also disagree with the programme it is putting forward to bring us out of the crisis. We do not wish to prophesy, but we can foresee that with the proposed measures any recovery that occurs will be temporary and insufficient and the crisis will continue, deepen and become more acute. There cannot be sufficient investment when the countries of the Community must bear a considerable share of the USD 600 000 million of non-productive military expenditure and Greece, poor Greece, with 30% of its national . . .

(The President asked the speaker to conclude)

Even by capitalist criteria you cannot hope for an improvement in investment in the insecure cold-war climate created by the USA, and this goes hand in hand with the position adopted by the EEC in refusing to work out initiatives on disarmament, *détente* and the progress of the Helsinki agreements. You cannot prevent the weaker countries from taking national defensive measures when Community policies serve the interests of the strong countries and the big monopolies. What do you want Greece to do when, in the first year after accession, the common agricultural policy . . .

President. — Mr Ephremidis, please bring your speech to an end.

Mr Ephremidis. — (GR) . . . its agricultural produce and close down its industrial plants, as happened to the only two blast furnaces it had.

I shall finish in a moment, Mr President.

How do you expect Greece to adopt the same position as the Community on international problems when this would force it into applying sanctions against the Socialist countries, which are the most important outlet for its agricultural products?

We agree with the Greek Government whenever they reject such a uniform policy and support it as long as the positions it adopts defend the interests of the Greek people, even as far as exercising its right of veto. Irrespective of any Community appeals for solidarity, we are . . .

President. — Mr Ephremidis, you cannot double your speaking time. Bring your speech to an end or I shall switch off your microphone.

Mr Ephremidis. — (GR) . . . and for our country this rescue means withdrawal from the EEC.

President. — I call Mr Pesmazoglou.

Mr Pesmazoglou. — (GR) Mr President, I should like straight away to make three comments on what the President of the Commission, Mr Thorn, said.

Firstly, in what he said about agricultural prices in his speech on the Commission work programme he failed to make it clear that the solution of the problem of agricultural prices must be based on three definite general guidelines: firstly, for certain categories of products, agricultural incomes need to be protected, and it is certain that incomes have gone down for certain products while they have increased for others.

Secondly, the size of the holdings must be taken into account. A large section of the farming population depends on very small holdings, which must be given special support.

Thirdly, it is essential that there should be a mechanism to reduce the differences which have arisen as a result of the high inflation in the Mediterranean countries.

My second comment is on the plan for developing the Mediterranean region. Mr Thorn's statements did not, in my view, lay sufficient stress on the whole problem of regional development. Mention is of course made in his report of the new activity of the Regional Fund, but in our view this should form part of a more general policy, a more general plan. As regards Mediterranean policy in particular, this does not consist solely in the simple transfer of funds, but what is required is a more comprehensive mechanism for implementing it. Of course there are in all the Mediterranean countries the so-called Mediterranean products to which Mr Thorn also referred this morning, but apart from these there are other products in which Greece is particularly interested — and I should like to stress what they are: cotton, tobacco and grapes, for which there should be adequate regulations which are of interest to all Mediterranean peoples.

I should also like to make a few comments on a third point concerning what Mr Thorn said about the mandate of 30 May 1980. Although he referred to the very grave dangers, I should like to pass on a message of optimism in this House, a message based on the following points which were perhaps not sufficiently stressed in Mr Thorn's report.

The first concerns the technical problem. For the first time for many years there is some easing of tension on the oil market, and this is significant.

The second point is that, despite the problems which exist, most of the solutions we can adopt to get us out of the impasse have been worked out in the European

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Parliament and the Commission. This morning Mr Thorn also made a very important statement to the effect that the problem of the budget, which is acute for the United Kingdom, can be solved if those Community policies are implemented which will increase its own resources. This is the key to solving the problem, and consequently the Commission will have the full support of the European Parliament if it proposes these specific new policies for dealing with the United Kingdom's problem while at the same time supporting and aiding the Community as a whole.

My final comment, Mr President, is that I feel I am representing at the moment the large majority of Greeks who associate the restructuring of the European economy and European society, the protection of democracy and of international order throughout the world with the reinforcement and integration of the European Community. I think that this view reflects that of the majority of the Greek people, and I therefore disagree with my esteemed friends and fellow-countrymen of the Greek Communist Party, but the necessary initiatives must be undertaken and I think, Mr President, that the Commission has the power to do this. The Commission will have the full support of the European Parliament in this great task.

President. — I call Mr Ferri.

Mr Ferri. — *(IT)* Mr President, I shall try to comply with your request by limiting my very short speech to a few replies to Mr Thorn. I hope that he will listen for at least two minutes to what I have to say.

In the last part of his speech — devoted to institutional problems — Mr Thorn was anxious to stress the importance of the committee set up by the Parliament to tackle these problems, and he offered the committee the Commission's collaborative assistance, in both its day-to-day operations and its policy deliberations.

As chairman of the Committee on Institutional Affairs, I should like to say how touched I am by this offer and I am sure that the Committee will make the most of this helpful and opportune invitation.

I feel that all the members of the Committee on Institutional Affairs share the conviction that our work — with its own particular difficulty and special character — will require us to look out beyond ourselves at some point. We will be asking Parliament to give us more precise definitions of the ways in which we are to proceed later. In addition, we will have to try to involve the political, cultural, social and economic representatives of the various Member States as closely as we can in discussing proposals for institutional reform.

Institutional reform — initiated by the Parliament — is a fact of great political significance, but it is — and

will remain — a political fact that will only be transformed into hard reality if we manage to excite interest in, and involve, all those who are pro-Europe in the various Member States.

In his analysis of the present state of institutional problems, Mr Thorn underscored two critical aspects with which we can only wholeheartedly concur: the chronic inability of the Council to reach decisions and insufficient participation on the part of the Parliament in the decision-making process leading to Community legislation. Mr Thorn stressed the problem of collaboration and the need for reconciliation between the various parties, both where the budget and the classification of expenditure were concerned.

It is evident that our task extends into the future, a future in which — this is my own personal opinion but I am sure that it is shared by the majority of the Socialist Group — the problem of the revision of the Treaties is not just an institutional one in the strict sense of the word (implying a different balance of powers, with more power for the Parliament), but also the kind of reform which will permit Community action programmes to be extended in the social field and into other economic sectors such as that of research. It is only projects of this kind which justify the existence of this edifice we have erected, this Community which we all hope will become a European union with the ability to respond to the hopes and expectations of the peoples we represent.

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — *(DE)* Mr President, I should like to begin by saying that I agree with Mr Thorn's analysis of the state of the Community and the suggestions the Commission has put forward for overcoming the crisis.

What the Community is really lacking is the requisite political will — particularly on the part of the governments of the Member States, which are essentially parochial and short-sighted. They are snowed under with their major and minor day-to-day problems and can only think as far as the next national elections. They talk a lot about Europe, but the truth of the matter is that too many governments think they can meet the major challenges of the age by isolating themselves and taking a blinkered view of their own countries. What we need is far-sightedness, courage and the willingness to make sacrifices, but all I can see is tactical jockeying for position and narrow-mindedness.

You said at the end of your speech, Mr Thorn, that the alternative to resigning oneself to the situation was to take the great leap forward. I am bound to say, though, that I cannot at the moment think of any Head of Government who would be prepared to adopt such a

Müller-Hermann

trajectory; if there is such a person, and if he is capable of making such a move, why does he not prove it? We have just heard very interesting and courageous words from Mr Tindemans. In the early 1950s, Europe was very fortunate to have as heads of government statesmen who, as a result of their vivid memories of the war and the immediate post-war period, had a political vision ranging over the next half a century and who were capable of putting that vision into tangible form.

Europe has the misfortune at present to have as heads of government politicians, all of whom are perfectly sincere and hard-working, but who are not blessed with the kind of statesmanlike ability to think in global terms well into the future. That is the misfortune now facing our Community. As we all know, the European Parliament has only very limited opportunities to reach decisions, to exert pressure on the Council and to mobilize opinion. To latch on to something Mr Bangemann said just now when he proposed that we should persist in urging the Council to stick to the terms of the Treaties, perhaps we should give some thought to whether we could not have recourse to the European Court of Justice to ascertain once and for all whether the governments and the Council are violating the Treaties in insisting on the unanimity principle.

In conclusion. I feel that we must make the point much more clearly to our peoples that Europe will be squandering its own future prospects unless it pools its resources and overcomes the kind of political pusillanimity which is currently preventing us from reaching the decisions we need so urgently in our own interests and in the interests of coming generations.

President. — I call Mrs Boserup.

Mrs Boserup. — (*DA*) The President of the Commission said yesterday that the Community is threatened, and he is probably right. The big countries are perpetually breaking the rules and the small countries are bewailing their lot. Mention was made of the possibility of the governments holding different opinions as regards structures and objectives, and this, I think, is certainly correct since we can hardly expect governments of different colours taking the same view of a form of cooperation based on competition and the freedom of capital, nor can we expect to be able to stop workers fighting to protect their own jobs by reading the Treaty of Rome to them. Naturally, the prime concern of the governments must be to keep their election promises, so the Community naturally takes the back seat.

I do not think, therefore, that the President of the Commission need be short of things to do even if without talking like a prophet of doom or flogging a dead horse trying to bring about union, since it is clear

from the 350-page report that there is plenty to do and that something is in fact being done. For example, the Commission has proposed to the Council that an attack should be launched on the crisis arrangements, but why now this attack on something it has cost the trade unions years of struggle to achieve and maintain? Is there a corresponding proposal to the effect that the property owners should curb their own incomes?

It was also stated that nuclear energy is essential if we are to reduce the Community's dependency on imported oil. People are perfectly at liberty to believe that, but it should never result in governments forcing their populations to accept a technology which the people quite rightly regard as dangerous.

The Commission has discovered and reports that it should be involved in political cooperation at all levels, and I can only wonder at how the Commission could have come to this conclusion, since it reflects either disregard for or overinterpretation of the text of the London declaration of October last year.

Finally, since there is not much time at my disposal, a little Danish speciality. I cannot understand why on page 153 the Commission is worrying about what should be taught in Danish schools and how and why it should be taught since the Danish Government has stated umpteen times that we cannot accept this since it is incompatible with the legal basis for our membership. The party currently in power reaffirmed this attitude a few days ago and in this respect, my party is in agreement with them.

President. — I call Mr Buttafuoco.

Mr Buttafuoco. — (*IT*) Mr President, ladies and gentlemen, the period we have just been going through has certainly not augured well for the difficult political and economic problems which are besetting the Ten and which threaten the Community's existence. Mr Thorn spoke — and with great clarity — about a deep crisis and concluded — even if he did so unwittingly, given his sense of responsibility — on a somewhat alarmist note, which the Community should no doubt heed.

There is no getting away from the fact that the crisis is a deep and dramatic one, with unemployment running at a dangerously high level and rampant inflation preventing the Community from attaining monetary union with all that that entails as admirably illustrated by Mr Bangemann.

Faced with all these problems, what are the national governments doing? Instead of stepping up their efforts towards a true policy of collaboration, they are resorting to the old protectionist game — which is the absolute antithesis to the spirit of the Treaties. They

Buttafuoco

are indulging in wretched fratricidal wars over wine or other things, wars which none of the contestants can win, while Europe will be left to pay the high political price for their squabbings. Instead of standing shoulder to shoulder in the struggle against an ever deepening crisis, instead of correcting the cracks and weaknesses in certain policies being practised, instead of tackling the new policies provided for by the Treaties which have hitherto been totally ignored — such as the basic transport policy — instead of solving the problem of the United Kingdom contribution and facing up to the problem of an increase in resources, the national governments have given in to temptation and resorted to unilateral action in their own countries. The steps they have taken are bound to lead to the break-up of all that the Community has so far achieved. The situation is as serious as Mr Thorn feels and has stated: what lies behind such conduct is the scarcely concealed lack of commitment to Europe by various national governments. The whole situation looks even more grim when we consider the state of East-West relations, with the added burden of repression in Poland at the behest of the Soviet Union, when we consider the empty outcome of the North-South Dialogue as evinced in Cancún, and when we think of all that talk getting nowhere at the Madrid Conference.

Does all this mean that we should simply admit helplessness and defeat? Should we not rather stop and think for a moment, make others think and therefore react? Before we went through the process of electing a new President, ladies and gentlemen, we had the pleasure of hearing from Mrs Weiss, whose words — deservedly — we all warmly applauded, without exception. Her words radiated hope, wisdom and a sincere love of Europe: they indicated the path we ought to follow. For my own part, and also on behalf of my colleagues, I should like to reaffirm my unreserved faith in the grand plan for a united Europe and my desire to work hard at achieving it.

President. — I call Mr Plaskovitis.

Mr Plaskovitis. — (*GR*) Mr President, one gets the impression that Mr Thorn's report relates only to part of the Community, since the problems he picks out are those which concern the technologically and economically developed countries. There is thus no reference to the weaknesses in the operation of the EEC, the most important of which is undoubtedly the constantly increasing gap between the developed and less developed Member States, a gap which, moreover, finds expression in all the reports on the question by the Commission. Nowhere in his speech is there anything about the demands and hopes of the southern countries. Mr Thorn is indeed right to point to the growth in unemployment as the main problem of the Community. The method proposed for solving this problem, however, cannot meet with our approval as

Greek Socialists. For it seems that the development of investment to which he refers is expected to be generated by a system which produces tax exemptions for big business and at the same time aims to hold back growth in workers' incomes, as we have already seen happening in the United States and in Great Britain. We, on the other hand, believe that developing the purchasing power of large sections of the population, restrictions on the activities of monopoly businesses and massive State intervention via the national budget and social control of production and the market can provide a solution to the problem of a shortage of investment, particularly in Greece, where the level of investment in recent years has been minimal.

As to the purely political side of Mr Thorn's report, it must be said that presenting a common front to external threats does indeed improve the negotiating position of the Member States of the Community. Nevertheless, in the present international situation, there can be no question of doing away with national foreign policy. A joint approach to external problems presupposes that the Community stops giving the constant impression of aligning itself with one of the two superpowers and takes on the role of a third force outside the bloc system, in such a way that it can exercise its influence in a persuasive and meaningful manner for the sake of *détente* and peace.

A common foreign policy also presupposes an understanding within the Community of the differing economic needs of each Member State and a recognition of the advisability of special treatment for those countries, such as Greece, whose level of development does not allow them to compete on equal terms with the more advanced countries. That, indeed, is the only way that Community solidarity can become a reality.

Until these objectives are realized, the Greek Socialists will continue to oppose any extension of the powers of the various Community institutions to the detriment of the principle of unanimity which at present protects, to a certain degree at least, the essential interests and rights of the weaker Member States.

President. — I call Mr von Wogau.

Mr von Wogau. — (*DE*) I should like to begin with to comment briefly on what Mr de Ferranti had to say about the French Government's programme for the 'reconquest of the internal market', something we have been reading about in the press on numerous occasions since the second half of last year. According to press reports, the sectors affected will be the machine tool, textiles, leather goods, toy, furniture, household electrical goods and other such industries.

I should like to give you a few examples of what is contained in the package. Let us take as an example the machine tool industry, which seems to me to be a particularly important one. According to press reports,

Wogau

the idea is to cut imports from 60% to 30%, something which I regard as justifiable and perfectly legitimate, so long as the rules of competition are adhered to; after all, competition is good for business. However, the figures mentioned in the press arouse one's suspicions. There is talk of direct subsidies amounting to FF 2 300 million, guaranteed government orders of up to FF 1 200 million and research and development measures — which would not cause me any concern at all if only they were proposed at Community level.

The machine tool industry in particular will have to cope with major challenges over the next few years in the form of electronically controlled machine tools from Japan. This is the kind of challenge we can only meet successfully if we are prepared to take joint action and not resort to measures which reek of internal protectionism.

Another example concerns the textile and clothing industries, where there is talk of reducing social welfare contributions over a particular period from 43% to 31%, and granting low-interest loans amounting to something like FF 1 300 000. And let us not forget that, even now, the French customs authorities are not exactly helping to facilitate trade in textiles within the European Community. Over and above the level of trade that is being notified to the Commission, there are certain things going on at the French frontiers which are compatible with neither the letter nor the spirit of the Treaty of Rome.

Bertold Brecht said in *Die Geschäfte des Herrn Julius César* that laws could be used to put an end to anything but trade. It is an interesting point that, in the French Government, it is precisely the Communist ministers who are at pains to prove Bertolt Brecht wrong on this score.

There are a few other points from the French Government's programme — as quoted in the press — which I should like to comment on. For instance, the idea is to get traders and manufacturers to agree voluntarily on self-imposed restrictions so as to cut imported goods' share of the market to a certain percentage figure. And, what is even more serious, preference is to be given to domestic products even where they are up to 10% more expensive than the equivalent imported products. And on top of all that, there are plans for sectoral subsidies and tax relief on a massive scale.

Anyone who has read these press reports and then compared them with what the Treaty of Rome has to say about the rules for competition and the free movement of goods is bound to wonder whether the two things can possibly be reconciled with each other.

Nor can the resultant widespread sense of concern be dissipated by the French Government giving the Commission an assurance that the planned measures

would not violate the Community Treaties. It is up to the French Government and the Commission to clarify this matter and thus allay people's concerns, and today's debate can do a great deal to help in this process. As Robert Schuman said: 'We must be prepared to face inevitable competition. Our economy as a whole must pass this test and adapt to the changed circumstances of competition and peaceful cooperation'.

President. — I call Mr Radoux.

Mr Radoux. — (FR) Mr President, after the major statement made by the President of the Commission what I have to say is not a speech but also a statement.

Firstly, the question of the 30 May mandate will turn sour if in order to resolve it we have to resort to the methods we used in 1980. We would be heading for a repeat of the Luxembourg compromise of 1966: a statement of failure to agree and, to make things worse, the fact that we are in the middle of an economic crisis and the fact that the principal roles are no longer played by the same actors and they are not all on the same sides.

Secondly we must separate the question of the British contribution to the budget from that of agricultural prices. This policy of cheapness must be stopped.

Thirdly, as regards the United Kingdom, there is only one acceptable solution and that is a policy of solidarity which is the natural consequence of belonging to a Community. Quite obviously, other Member States can only make sacrifices if those sacrifices are worthwhile, that is to say if they strengthen the working of the Community.

Fourthly, the question of the mandate and all the other questions I have mentioned so far must be dealt with by the Ministers in Council. The decision-making centre is the Council. If the Council refers a question back it is admitting its own failure.

Fifthly, is the 1% of VAT limit an urgent problem? I think it is because the economic situation calls for further Community policies, because any change to that limit must be ratified by ten national parliaments and perhaps more in the future, and because we are only 22 months from the 1984 electoral campaign.

Lastly, Mr Thorn said we must have peace between our institutions. I would reply yes; yes, the three institutions must show a common front so as to maximize our chances in the fight against unemployment and the economic situation, and we must not underestimate the advantages of sharing ideas. Yes to this proposal because in the weeks and months to come we must avoid increasing the number of demonstrations outside the Commission and Council buildings and because

Radoux

we must in any case win in our conflict with the heavyweight industrialized countries we meet next June in Versailles.

President. — I call Mr Adonnino.

Mr Adonnino. — (IT) Mr President, ladies and gentlemen, there is a specific topic which I wish to broach in this discussion we are holding. It concerns the oral question on the measures proposed by France to win back its home market. These measures were announced recently and are therefore well known by everyone.

But it must also be said that home markets can be won back — and national products therefore indirectly protected — by means of more concealed measures, using instruments legitimately laid down but with different purposes in mind and, in this particular case, used to protect national products indirectly.

A great deal has been said about increased checks on frontiers to keep out imports or at least to hold them up, but instruments of a different kind are also being employed. I should like to call the attention of the Commission, in particular, to the fiscal instruments being used. Such instruments have been devised — as the administration concerned has given to understand in some cases — as a possible additional way of winning back internal markets. In some instances, one of these instruments has already been used in a specific way. I refer to the institution of transfer pricing, which — either on the basis of national legislation or on that of international agreements — makes it possible to avoid double taxation by not recognizing as deductible — when determining the taxable income of an importing firm — that part of the price paid for imported goods which exceeds their normal value.

The subsequent process of tax assessment, with the resulting tax burden, can have a radical effect on the economic viability of a firm's operations, so much so that if firms are subjected to these onerous attentions they may even cease trading. In this way, national products are indirectly protected. This practice persists, even when there is no prospect of gain, in other words, when there is no risk of transferring one taxable commodity from one tax system to another, or, I should say, to the general benefit of the taxpayer. This is where the system is being used wrongly.

The aim of transfer pricing is to prevent transfers of real taxable profits between importing and exporting countries. The United Nations *ad hoc* committee on international collaboration in fiscal affairs is currently concerning itself — and this backs up what I have just said — with the campaign against tax evasion and avoidance.

In my opinion, the Commission should also investigate these aspects which might well constitute violations of Articles 30 and 95 (2) of the EEC Treaty and express its views as to whether it is aware of such phenomena, what it knows about them and what steps it intends to take. It is vital that the complex but crucially important subject of the free movement of goods be tackled with firmness and decisiveness in all its aspects if European development is to continue properly.

President. — I call Mr Bournias.

Mr Bournias. — (GR) In my opinion, Mr President, President Thorn presented an honest and I would even say hard-hitting account of the problems at present facing the Community and the whole world.

Thus I think he gave a realistic description of the framework programme drawn up by the Commission for 1982-1983. As a deputy from a Mediterranean country I was glad to see that the Commission's programme underlines the importance of the Mediterranean — an importance which is growing as a result of enlargement — and that it promises to take measures to strengthen cooperation with countries in this region in the various sectors. We will follow these measures, which are of an urgent nature, but we would be grateful if Mr Thorn would tell us what these measures are to consist of.

The President calls on us to take new initiatives to overcome the large and threatening obstacles in our way. These obstacles concern all matters, large and small, institutional and routine. He says that the phenomenon of galloping unemployment is without precedent both from the economic point of view and at Community level; he considers that investment policy is disappointing; he does not underestimate our commercial rivalry with America and Japan and the political differences between the United States and Western Europe — differences which are aggravating an already tense international situation. Mr Thorn also referred to the adaptation of the common agricultural policy and the difficulties of the United Kingdom in connection with the budget.

As regards the institutional problems I noted with particular satisfaction that he reaffirmed the need to strengthen the role of Parliament and that he supports the Genscher-Colombo plan, which I have already had occasion to commend.

In his conclusions Mr Thorn again demonstrates his optimism and his belief in the Community, he assures us of the Commission's growing responsibility concerning the realization, under the present circumstances, of the great leap towards the unification and development of the Community, showing that he was right when, at the start of his speech, he told us that he would refuse to adopt a defeatist stand. No, Mr

Bournias

Thorn, there will be no defeat. Our standpoint was recently reaffirmed by Mr Tindemans, Mr Carrington and — during his opening speech — by Mr Dankert, as it was by Mrs Thatcher when she came to address Parliament.

I would like to conclude, Mr President, with a statement made by Mr Étienne Davignon in a recent speech: 'The Community's need to exist has now become an obligation to exist.'

President. — I call Mr Nyborg.

Mr Nyborg. — (DA) Mr President, I am sure there is no doubt that the economic situation in Europe at the moment presents a very gloomy picture, and I can therefore understand very well that Mr Thorn was not able to speak in very optimistic terms. It is surely understandable that he perhaps tended instead to be somewhat pessimistic, partly because a mandate has landed in his lap, the so-called mandate of 30 May which presents a hopeless task.

I am convinced that all the institutions within our Community agree that the most important things at the moment are to solve the unemployment problems and to give high priority to a proper industrial policy. However, in spite of agreement on this point, there is also agreement when it comes to holding money back. None of the Member States would appear to be very interested in putting much money in the Community coffers and it is a very difficult matter to get things working properly if the necessary funds are not available.

It is also understandable, therefore, that the Commission has started looking for areas in which we can economize, and the areas in which we can save most are obviously the biggest items, which means that we are starting to economize on the agricultural policy. I can only deeply deplore this fact, since it is tending to increase unemployment within the agricultural sector. This is not, I would have thought, the way to combat unemployment.

I have always regarded you, Mr Thorn, as a convinced European. However, I hardly think that anyone could fill the post of President of the Commission better than you and I certainly do not envy you this post since, as I said before, you are faced with such a hopeless task, i.e. to try and put the so-called mandate of 30 May into practice.

And I see it, you should send it back to the Council with a note saying that they can have it back because you can find no use for it, since there are quite simply no possibilities for putting it into practice and because it appears that one particular Member State is to be given unreasonably preferential treatment.

I am sure no one will be in any doubt about the fact that I am referring here to our British friends who use every opportunity they can find to keep hold of their money, while getting as much out of the Community as possible and generally failing to show any Community spirit. I can only say to our British colleagues, therefore, that if they think being a member of the Community is so dreadful and that they have been so mistreated they should simply leave. This would give me no cause to lament since the way Britain is behaving at the moment is not reasonable.

On 30 May 1980, Mrs Thatcher carried out a piece of blackmail when she said, 'alright, first of all we will settle the British contribution and after that we can discuss agricultural prices'. I regret that on that occasion the other Heads of Government did not have the guts to say 'No, first of all we will settle agricultural problems and then we can discuss the problems of the United Kingdom.' For what is happening? The blackmail is continuing and we will soon end up in the same situation again. This is, I think, very depressing and is something which constitutes a threat to our Community. We can perfectly well understand that the United Kingdom has its economic problems, but we have our own economic problems too. Try and solve them yourselves instead of shuffling them off on to us!

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, I have asked for the floor once again because a number of speakers have referred to the matter which came up this morning in the answer to Mr de Ferranti's oral question, that is to say, the sense of concern at the French measures designed to win back the home market.

I am pleased that Mr Moreau and Mr Cousté have calmed things down a bit by their motion for resolutions — following on from my suggestion this morning — but I was concerned to hear Mrs De March inciting once again just the kind of anxiety the French Government has frequently pledged itself to combat in discussions with the Commission.

It is true that there is such a thing as interdependence and that there are close links between the domestic and foreign markets. It is also true that it is up to the Community to form and mould its large home market, its major sphere of economic activity. I must point out, though, that this decision of principle was taken as long ago as the Conference of Messina, and not least for social reasons. The creation of a major European domestic market based on the principle of the division of work was espoused by all the Member States because it was felt that the division of work and free competition would be the best way of improving the standard of living of all the people of Europe. That would provide the best possible basis for enabling the

Narjes

people of Europe to derive any social benefit at all from the Common Market. The decision of principle taken in Messina and the resultant commitment to the establishment of a major market based on the division of work lead logically on to the need for freedom of production factors, the fight against internal protectionism and the need to do away with internal frontiers.

This is a global approach rather than a sectoral solution, and I can only warn anyone against trying to tackle this problem at time of crisis by way of sectoral solutions. The fact is that any sectoral solutions attempted in Europe have not met with success, and I need only remind you here of the special case of the steel industry and of what we have experienced in the textile, shipbuilding and other such industries.

The second point I wish to make concerns external trade. It is all part and parcel of a major home market that it should present a specific identity to the outside world and be governed by a common customs tariff and a joint quota system for agricultural products. That point is undisputed, as is the fact that these instruments of joint protection should be applied in accordance with the principles enshrined in Article 110 of the EEC Treaty, i.e. in a liberal manner. That is the spirit in which the Community has played its part in developing a world economic structure, particularly as regards the GATT rounds of tariff cuts. However, if this is so, then the same principle applies to the more recent instruments, in other words, the Community must retain its specific identity in all the newer areas of protection. A protectionist Maginot kind of trade policy is not reconcilable with the Community Treaty.

My third comment relates to the fact that worldwide competitiveness must of course be seen as the aim of all Community policy considerations. It would be a fallacy to maintain that worldwide competitiveness was possible without the prior establishment of competitiveness at Community level. It is this competitiveness throughout the Community — resulting from competition among companies and not enforced by the officials of centralized planning authorities — which is the real instrument we can use to prepare ourselves for competition from outside. A number of speakers this morning referred to the home market issue and the activities of the Commission with a view to creating a home market, pointing out that the action being taken was not decisive enough. I should like to point out — as I have on previous occasions — that, last year alone, this Commission brought at least four times as many actions and instituted four times the number of proceedings as was the case a few years ago.

We are applying all the instruments put at our disposal by Community law to see that Community law is applied regardless of the size and importance of the Member State in the interests of the economy and of all workers. I should be very grateful if all the parties represented in this House were to do their bit to

ensure that the decisions taken here were put into practice in their respective Member States and that government or parliament or the two together do not block implementation of these decisions. If that were so, we should be able to take a great step forward in Europe.

Mr Thorn, President of the Commission. — (FR) Mr President, a great deal no doubt remains to be said. Many members have not waited for answers to their questions. And since I believe that would prefer me not to talk at great length now I will restrict myself to a few fairly general observations for which I ask your indulgence. As regards the fortunately few more specific, more technical questions which have been put to me, I propose to do as I did last year and reply in writing and, if necessary, in detail to the various speakers.

I will first thank for their interest all those who have spoken during this debate; generally I believe that the chairman of the political groups — Mr Glinne, Mr Barbi and Mr Bangemann — seem to be in agreement with me in the broad analysis of the situation and on the priorities we have to consider. There seems to be a difference of opinion between Mr Fanti and myself — we are unlikely ever to see eye to eye politically — but I believe that by and large we are in agreement in our analysis of the situation in Europe and on the remedies which are needed; I shall refer again later to his analysis of the mandate and the budget situation.

Criticism comes principally from the European Progressive Democrats and the European Democrats and that in itself is not without significance. All the more significant is the fact that I am criticized by my honourable friend Mr Jackson, just as by my former colleague, but no less my friend, Mr Fanton: criticized about the same subject, which divides and opposes them. In a nutshell, both are criticizing me for not saying that it is their country which is right. What that proves is that our own position cannot be entirely bad since, if Mr Fanton will permit me to remind him, we are talking about a Community where decisions are reached unanimously. First of all you reproached me for not talking about the heart of the matter but about a lot of relatively uninteresting questions, and treating them as though they were of the same significance. With the greatest respect, I would like to remind you that my speech was about a programme, decided by the Commission and already submitted to you, from which I was to speak about the main points. I am obliged to talk about that programme; I cannot digress into a diatribe. I think you would agree with me and with every Member of this Assembly that when we talk about more than 10 million unemployed in the Community, and about the Commission facing up to the situation, we are not talking about trivial details. I am convinced that no one regards that as trivial. It was the ten governments of the Community which entrusted the Mandate to the Commission, and for better or for worse I have to fulfil it.

Thorn

As for relations with the United States and with Japan, I hope that you are not trying to tell me that they are not important at the moment and that we can ignore them. The same goes for the EMS. And so I think that in the last analysis, if we look at things a little objectively, we are not all that far apart. The point at which you really offended me, though, was when you accused me of failing as guardian of the Treaties by not opposing a particular British attitude. Reluctantly, I must remind you that if every Member State today has the right to, as you said, blackmail, it is because, as we can all remember, 15 years ago one particular group attacked the guardian of the Treaties and said that despite those Treaties decisions had to be reached unanimously. And now with that condition imposed on the guardian of the Treaties it is your party and our British Conservative colleagues who are reproaching us, and for exactly the same reason. That is a bitter pill to swallow!

You speak of an unacceptable situation and of the perhaps pointless mite which we contribute; you speak of the excessive understanding and excessive generosity of the Commission towards Her Majesty's Government when we are asked to take account of what you think I am being coy in calling budgetary problems. Personally I prefer to talk of British budgetary problems than to talk of Britain wanting its money back. Now let us decide what we are going to call it: myself, I prefer to recognize budgetary problems. This Assembly certainly should remember why I recognize them. Parliament should remember that the Mandate was given to the old Commission — not accepted by this one, but given by the ten governments to the last Commission. And I ought to remind you, Mr Fanton, who it was who first used the phrase 'unacceptable situation'. It was not Gaston Thorn, but the Party which you supported in Government which accepted the principle, introduced it into our jargon and gave it to us. That is a historical fact, it is a political fact and we have got to live with it.

I would just like people to try and cast their minds back. I can recall the time when I was Prime Minister, saying to some of my erstwhile colleagues: 'listen, if you talk about unacceptable situations now you are going to create other unacceptable situations and a lot of political trouble for the future.' That, I think you will agree, is precisely the situation we are now in.

A number of speakers in this debate have suggested that the Commission was lacking in its capacity to make proposals. Of course, they are right. No one except Parliament is infallible. We ought perhaps occasionally to be a little more precise and make more proposals, but those who reproach us for the range of our proposals are wrong, for in its proposals the Commission has covered the full range of the Community's policies. And to Mr Nyborg, who said that 'Mr Thorn still seems rather optimistic', I would simply say, believe me, in this job you have to be. Otherwise how could we survive, trying to maintain

unanimity between ten governments every one of which is constantly reproaching us and threatening us with censure simply because we are trying to keep them together. That, after all, is my duty, and it is what each of you asks of me. The conference tables are overloaded with proposals. Don't keep asking the Commission for yet more proposals, rather try with us to get some of them accepted, to get the main ones through; that is also my answer to those who are talking about debating a new programme in March.

It is not our fault if the Council has not been able to agree, be it about agriculture or about the mandate; not our fault if deadlines have been passed and if the same proposals are still being considered. Is there really anything to be gained by submitting still more?

Other members of the House seem to be reproaching the Commission for doing the work of the Council. If that is the case, then why have they not managed to agree? You have to be logical about these things: you cannot at the same time charge us with not getting our point of view accepted and with not having convinced the Council. Mr Jackson asked why we did not succeed. You cannot have it both ways: we cannot be guilty both of standing up to the Council and of being abject before them. That, I would have thought, is plain to everyone. You should also understand, ladies and gentlemen, that in this day and age we are not going to get Europe out of its difficulties by flinging insults at each other or by threatening to run away and give up. We must not give up. We must get down to the problems and have the will to resolve them together. The threats that different factions offer each other, far from being potential solutions, are threats to the future of the Community.

A brief word now about the mandate. I remind you again, it was not we who accepted that mandate. It was to the last Commission that it was given; the decision was made by the ten governments and each of you should therefore see your own government about it urgently. We began this year by saying that the mandate as it stood was unacceptable but that, if the British had a problem, here was what we proposed for the short term and there was what could be done in the long term. But we also said — if you re-read the statements, you will see that we have said from the beginning — that in the form in which it was put the mandate was bad and as such it had become insoluble; you yourselves have just given the proof of that.

Now as I understand it, my honourable friend Mr Jackson reproaches us for agreeing to a rather informal procedure. He reminded us and showed us how close he himself is to the British Government. Under the circumstances I will allow myself to remind him that the suggestion came not from us but from the last President of the European Council, Mrs Margaret Thatcher. What, anyway, is this informal procedure? It is simply that having failed to agree, the people meeting as the legitimate European Council will

Thorn

continue to try and find a solution in closed session. That is what we have been doing. The only thing with which we can be reproached is that we have not yet succeeded, but it is neither particularly logical nor particularly ethical to say 'this informal procedure is all very well provided we get a result and provided you support our side, but if on the other hand you do not support us and if it does not work, then you are to blame for it'. That as an argument is not logical and is not cricket. I think I have dealt with the informal procedure: I am sorry it has not yet produced results but, believe me, it is not hiding anything.

A number of people during this debate have said 'you are not giving us enough information'. My own view of this is perhaps a little too subjective because I may be too closely involved in the questions, but when I read the newspapers I find that they know all their is to know. I find that everything is there to be read. You are familiar with the problem. There are four points to it and today alone they have all been mentioned by name a couple of dozen times; you know the attitudes of the various governments: they are arguments which we hear all the time. Every minister rushes to put his point of view to the press after the conference breaks up. What more do you want to know? You want to know where the Commission stands: very well, but I have no secrets to tell you; God knows there is no lack of information, indeed some of the information is perhaps rather biased. That is all I can say on the subject.

Mr Fanti, and I think, Mr Didò asked for figures. I hope that Mr Didò will not mind if I warn him that so far we have had no wish, and the majority of this House has had no wish, to talk figures in the context of what some individuals have been calling a fair return and of the net contribution made by one country or another. And now Parliament, and you above all who are the defenders of orthodoxy and who condemn the mandate outright, are asking us to talk about the amount that the United Kingdom ought to get. I would advise you not to become involved in a procedure which you have condemned outright. In any case the amounts paid are widely known and have been quoted in detail in the budget — however, we can return to them in committee whenever you like.

Mr President, as regards the EMS I shall be very brief. It has always been one of the Commission's great objectives. That was the case during the time of my distinguished predecessor, Mr Jenkins. It is the case today, and I told you in quite explicit terms only the day before yesterday that we were about to make a number of new proposals in this area, where Mr Ortoli has acquired a certain amount of expertise and has insisted on new proposals. He has already begun discussions with the Council. So we are going to be having a debate on the subject, but now is not the moment. Meanwhile you can be sure that we shall go as far as we can with the guidelines which have already been set and with what I said in my speech. You must

understand, though, that it is slightly incorrect to say 'we must go much further, we must go on steadfastly to the second stage'. It is not for the Commission to decide. If the Member States say, as practically all of them have throughout the last four councils, that they are not yet ready to move on to the second stage — particularly since two Member States are still not members of the EMS — and if, for various political reasons we are unable to narrow the gaps between economics and currencies, it will not be easy. With inflation rates ranging from 6% to 25% and the gap tending to widen? What we have to do — what the Commission is asking for — is for us to try and finally to succeed in achieving a little more convergence, a little more discipline and a little more agreement about guidelines. Then we shall be able to go forward. I can however tell you now that during the months to come we shall be making real proposals which I think will satisfy you on this matter.

A number of Members representing Mediterranean regions appear to believe that in the Commission's report insufficient attention has been paid to their regions in that we concentrated too much on the industrial regions. With respect, I do not think that is the case. Indeed, the budget is there to demonstrate the major role which agriculture plays. Mr Natali and Mr Giolitti were here yesterday to give their support to the Regional Fund and the integrated programmes for the Mediterranean. Others make the same accusation, and yet we are talking about a new deal for the Mediterranean, talking about changing the rules for wine, talking about olive oil and other produce. At a time when we are concentrating our efforts on the regional fund and integrated programmes I really do not think that the Mediterranean regions can regard themselves as neglected.

There is one last point with which I am particularly concerned, and that is the problem of the 1984 elections: a number of speakers have been saying 'that is going to be the moment of truth' and 'what can happen between now and then?' It is in this context, during the coming two years that I would like to consider the budget problem and the mandate, and, if you will accept it, I offer this as my reply to Mr Fanti.

I believe I made it quite plain when I spoke yesterday, ladies and gentlemen, that if, in their great wisdom, the Governments wish in their attempt to find a solution to the budget problems to make an effort on the same scale as that which has already been made over the last two years — I do not have to go into detail, you are all aware of the scale — they have two possibilities before them. Either through the traditional channels, so to speak, that is through own resources and the budget, or by means of a process which I shall describe in a moment. If they take the budget approach, which is what most of you seem to be proposing, giving special exemptions to Germany — which is what everyone is saying — and making special rules for other particular cases, be it for

Thorn

Greece, for Ireland or Italy, then — as Mr Fanti himself has said — budget expenditure will be practically doubled, since someone will have to pay for what others have not paid, and we shall be very close to the rocks. I am not saying that we are going to sink straight away. But you all know that we are dependent upon the exchange rates between our own currencies and upon world agricultural prices. What that means is that if by some miracle everything goes for the best we can stay off the rocks for a maximum of another two years. If, on the other hand, we reap all the whirlwinds, we shall be there inside 12 months.

What that means, in plain terms, in that the Commission, as guardian of the Treaties, Mr Fanton, must shoulder its responsibilities and if the Council decides to adopt the budget approach, say straight away that since we could well be in trouble within a year, and since any increase in own resources must be ratified by the Parliaments of ten or more Member States, which may take one or two years, we must get down to work and propose some amendments to the Treaties which will enable us to break through this 1% limit.

That is what Governments and Parliament must realize. So if that is the approach you want, then the Commission as guardian of the Treaties will shoulder its responsibilities and do its duty. It means that between now and 1984 we must start work on amending the Treaties and that in 1984 you will be holding election campaigns in your own countries asking for new resources for the Community. You have to face up to things and make sure your personalities do not become split: asking for something today, and complaining about it and saying 'no' tomorrow.

For all those reasons the Commission had prepared a contingency plan for a system which will enable us to survive from here to 1984 when, in times which may be politically and economically a little less turbulent, try then to find a solution to this problem. This is the point I wish to repeat, so as to be sure that everyone was aware of it. You must understand that for you as a Parliament as much for us as a Commission everything depends on the choice which is going to be made during the coming weeks. In this respect Mr Fanton is right, and others too; as a result of that choice every priority will be redefined and we shall virtually be in a permanent campaign and then, come what may, on the day we have to look to our national parliaments we shall no longer be compelled merely to say of European union 'we have not come for parliamentary ratification', since we will be concerned with amendment to the Treaties. It is at that stage that we can go on, all together, to make the revisions. Which means that come that day we, together, must face public opinion and our own national parliaments and redefine Europe for its second generation. It means that those who are against the Community as much as those who are for it must, not only here but in their own countries, say what kind of Community they want for tomorrow and

how much they are prepared to pay for it. That, for better or for worse, is the choice which we have before us. Many of you already realize this, and I want to be sure there is no one amongst you who does not. That, ladies and gentlemen, is the choice which lies before us in the weeks to come.

(Applause)

President. — I call Mr de Courcy Ling on a point of order.

Mr de Courcy Ling. — Mr President, on a point of order. Before you pass on to the next business, may I ask you to raise with the Bureau of Parliament the question of giving reasonable notice to Members of Parliament, so that they can be here in the Chamber to listen to the reply by the President of the Commission on an occasion as vitally important as this. It really is absurdly discourteous of this Parliament to expect the President of the Commission and his colleagues to come down here to Strasbourg from Brussels and to face rows and rows of empty benches while people conduct fringe meetings, press conferences and heaven knows somewhere else. I ask you, Mr President, to raise this problem with the Bureau of Parliament because it is becoming very urgent.

President. — The names of the speakers are shown on the television screens but unfortunately we cannot force Members to be present in the Chamber. Anyway, you have raised an important matter which will be referred to the Bureau.

The joint debate is closed.

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President. — We shall now consider the request for a vote without referral to committee on three motions for resolutions (Docs 1-979/81, 1-1022/81 and 1-1036/81) seeking to wind up the debate on the oral question on the mandate of 30 May.

Since the three motions concern the same subject, I propose that a single vote be taken.

I call Mr Junot.

Mr Junot. — *(FR)* Mr President, the debate we are now concluding has been about the 30 May mandate and the future of the Community, in other words about the most serious problems the Community has known since it was established when the Treaty of Rome was signed 25 years ago. I do not wish to challenge the merit of many of the speeches which we have

Junot

heard today, but I doubt that anyone will maintain that we have gone into sufficient depth on the underlying question, on which not only the future but the very survival of the European Community depends.

How far have we advanced, ladies and gentlemen? Are our 30 years of work in building Europe going to be wasted? It has to be said that the 30 May mandate marked the end of the Treaty of Rome. I grant that, as Mr Thorn just said, this unfortunate mandate was entrusted to the last Commission unanimously by the ten governments, amongst whom some of the most eminent had only a few months earlier stated that the British demands to which the mandate relates were 'indecent'. We from the start have regarded the mandate as unacceptable and warned of the terrible consequences it would have. The Commission, hamstrung by its own duties, is circling around an insoluble problem which goes far beyond merely budgetary implications. For their part governments are frequently accepting conflicting compromises for reasons of home policy. The situation is quite serious enough for our Assembly to devote a special session to considering the final answer we should give to the 30 May mandate. The motion for a resolution tabled by us attempts to break the vicious circle which binds us all. The question is whether one country — the United Kingdom, to name names — no matter how much it is respected and appreciated by us all for so many reasons, has the right to continue blocking the normal working of the Community by failing to observe the most fundamental rules of the Treaty.

Mr Thorn has just told us that we have to make a choice: how much we want to pay. In the last analysis the question is, let us be honest, how much we shall have to pay for the United Kingdom to remain in the Community, or how much we shall have to pay for them to leave. We must be told: the question has to be asked. In our view, Mr President, this should be the subject of a special debate and a special session of this House; the fact remains that the motion for resolution which we have tabled to open this debate should be the subject of an early vote.

(Parliament decided to hold an early vote)

President. — The vote on the motions for resolutions will take place at the next voting time.

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President. — We shall now consider the request for a vote without referral to committee on the motion for a resolution (Doc. 1023/81) seeking to wind up the debate on the oral question on the measures proposed by France to win back its home market.

(Parliament rejected the request)

(The sitting was suspended at 1 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR DANKERT

*President*¹

3. *Votes*²

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

We shall begin with the *Delmotte report (Doc. 1-825/81): Social and economic situation of the regions of the Community.*

(...)³

Explanations of vote may now be given.

Mr Alavanos. — (GR) Mr President, we agree with a great deal of what Mr Delmotte said about the committee's report. However, we have an important reservation as far as Greece is concerned. Mr Delmotte makes no reference to the fact that Athens and Thessaloniki are not included in the regions which receive aid from the Regional Fund, while on the other hand he comments critically on the regional division in other countries, such as the United Kingdom or Ireland.

Photochemical pollution and more generally environmental pollution, the over-concentration of industry, the lack of elementary infrastructure, uncontrolled building and the dreadful traffic situation, particularly in Athens but also in Thessaloniki, are problems which have led in recent years to the development of a broad mass movement for the improvement of the quality of life and because of which it is out of the question for these two cities to be included among the developed regions of the Community. This omission gives rise to even greater concern since in paragraph 14 of the Delmotte motion the Commission is asked to take this report into consideration during the negotiations on the revision of the Regional Development Fund regulation, and this could ultimately serve to perpetuate the exclusion of these regions.

¹ *Membership of committees — Topical and urgent debate (objections): see Minutes.*

² The report of proceedings gives only those parts of the vote which gave rise to speeches. For a detailed account of the voting, see minutes.

³ Mr De Pasquale, deputy rapporteur, was:
— in favour of Amendments Nos 4, 5/rev. and 6;
— against Amendments Nos 1, 2 and 3.

Alavanos

It is chiefly for this reason that we representatives of the Greek Communist Party shall abstain from voting as a further expression of our demand for the inclusion of Athens and Thessaloniki in the regions eligible for aid from the Regional Fund.

Mr Forth. — Mr President, I should like to try to say a few words without reading my speech, which will be a breakthrough in this House. Lest any one should imagine that the House is uncritically in favour of regional policy, I want to make this a joint explanation of vote, following on the joint debate. The big problem with regional policy is that it actually tries to undo nature because, what even this House cannot do, is to reverse the great natural processes which make regions different. Why regional policy has failed over the years, and will continue to fail — and this is something we are unwilling to recognize — is that places are different and have different characteristics, and even this Community and this House cannot change that. Therefore, what I want to urge colleagues to do is to try to make the great conceptual breakthrough in their thinking that comes from recognizing the fundamentals of existence and stop trying to dissolve differences by throwing money at them.

That is why I am going to vote against this report. I think it is important that we try to encourage our colleagues in the Committee on Regional Policy and Regional Planning to stop spending all their time saying how wonderful the policy is and trying to spend more money on it and actually query what the policy is trying to do and find ways of enabling policies to improve the way of life of our people in the Community. The day that the Committee on Regional Policy and Regional Planning can start to do this it will be serving us and the people of Europe a lot better.

Mr Cottrell. — Mr President, I too am an incurable cynic where the regional policy is concerned. There are very few adjudged successes to any regional policy, and we in the United Kingdom can point to many monuments to regional folly, including the De Lorean car plant, the Invergordon steel smelter, car plants in Bathgate and Lynwood. We in Bristol receive nothing from the Regional Fund, nor do we seek anything.

I welcome the Commission's attempted redefinition of what the regional policy is supposed to achieve. But if we, as my colleague, Mr Forth, has suggested, were to be honest with ourselves as Members of this House, we would perceive that the three proposals we have considered under the heading of regional policy in the last two days are each of them no more than a recipe for the further leakage of agricultural finance into the already overflowing reservoir of agricultural expenditure in this Community. That is why I shall vote against this report, Mr President.

Written explanation of vote

Mr Damette.— (FR) In order to speak about the Delmotte report, something must first of all be said about the Commission's own report. This thick document consists basically of a statistical compilation providing an analysis of major constituent parts.

The use of a computer would suggest attention to mathematical and indeed scientific accuracy. This is not the case. The factorial analysis which is used here is a simple hotchpotch of figures which can provide no overall view.

An attempt to measure the intensity of regional problems by a single indicator is a contradiction which in fact disregards the specific qualitative features of the regions, in other words, the essential factors. This is clearly borne out by the final result. We are told that from the 'Community point of view' regional problems are as intense in Limousin as in the Paris region. It would have been better to avoid the ridiculous situation of classifying Paris and Corrèze together.

If the truth be known, one wonders if the final card in the form of the conclusion of the document is not intended to provide a guarantee of an objective approach to the Commission proposals on the reform of the Regional Fund and in particular the exclusion of France from its benefits.

In my view, this report is a political ploy behind a pseudo-scientific smokescreen. Consequently, I cannot share Mr Delmotte's opposing views.

(Parliament adopted the resolution)

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President. — We shall now consider the *Herman report (Doc. 1-687/81): Draft fifth medium-term economic policy programme.*

(...)

Paragraph 1 — Amendments Nos 9 and 7

Mr Herman, rapporteur. — (FR) I am against Amendment No 9 and in favour of Amendment No 7.

President. — The Commission wishes to speak. This is new. When there is an opportunity to have a genuine debate with the Commission, on the amendments as well, I am inclined to think that politically it is a good idea, provided the Commission does not abuse the opportunity.

I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Mr President, perhaps I am not entirely *au fait*

Andriessen

with your procedures, but my colleague, Mr Ortoli, asked me to make a statement either during or before the vote on a particular amendment on which the Commission clearly had insufficient opportunity during the debate to clarify its attitude. I would therefore ask to be allowed to speak again. Should my request come too late from the procedural point of view, I shall of course not insist on the point, but I thought it might be useful for this House to be made aware of the Commission's views on Amendment No 9, which is, I think, now being put to the vote.

President. — Mr Andriessen, as I said just now, I do not think we should rule this kind of thing out for procedural reasons during a vote provided that it remains an exception and that the Commission establishes its own priorities and restricts itself to one or two amendments, rather than seeking to speak to, say, something like 17 out of 83 amendments. I believe this kind of thing is procedurally valid in cases where — as can happen — the Commission has been able in the course of the debate to speak only on the general situation rather than on specific amendments.

I call Lord Harmar-Nicholls on a point of order.

Lord Harmar-Nicholls. — Mr President, I gather that under the Rules the Commission can speak at any time they request to do so, but I would like you to give a ruling on that. Does that rule mean that they can intervene at any time during the debate? Does that freedom extend to intervening during a vote? Because if it does, intervening during a vote certainly is a precedent which may well produce difficulties in the future, and it may be as well not to allow it to do so until it has been ascertained whether that is a proper interpretation of the rule.

President. — I call Mr Taylor.

Mr J. M. Taylor. — I fail to see how you can claim that the Commission have not had the opportunity to speak to a given amendment. That was what you were saying namely, that the only occasion when the Commissioner can intervene when we are due to vote is when he has not had the chance to speak to a particular amendment. He has had all the debate to speak to any amendment that he wants to. Once the vote has begun it is too late for the Commission to speak. There is no disrespect to the Commissioner, but you must press on with the voting, surely, Mr President?

President. — Mr Taylor, you are right — and that covers also the argument of Lord Harmar-Nicholls — in the sense that the Commission has the right under the Rules — at least under the interpretation the Committee on the Rules of Procedure and Petitions gives of the rules — to intervene on amendments when

they have had no opportunity to do so during the debate. The amendments voted on now are all amendments which were available during the debate, so from that point of view I should be making an exception to the rules if I give the floor to the Commission. I accept that in that case the House has to accept this exception because it is a derogation of the rules. You are fully right on that point.

Mr J. M. Taylor. — What is the point of having rules if we keep making exceptions to them?

President. — I call Mr Notenboom.

Mr Notenboom. — (NL) Mr President, you certainly have my support in this unusual situation, but there must be a genuine discussion at an earlier stage. Let us strive for a genuine dialogue, Mr President, and let us, under your leadership, make the transition to debates in two stages with fewer speakers. That would facilitate genuine discussion, and would at the same time give the Commission more opportunity to say what it has to say at the right time.

(Applause)

President. — I must say, Mr Notenboom, that in the light of the comments made by Lord Harmar-Nicholls and Mr J. M. Taylor, and in the light of what the Rules of Procedure have to say and the interpretation that has been put on those Rules, it would not be right at this moment to accede to the Commission's request, because the Commission has had ample opportunity to speak to the amendments in the course of the debate proper. It is, however, indeed a problem that, in doing so, we may be losing out on a certain amount of political discussion. That is something I would concede, but my decision, on the basis of the Rules of Procedure, is not to give the Commission the floor at this stage.

Perhaps we ought to organize our debates in such a way that the Commission will in future not feel the need to intervene at this stage. On that point I entirely agree with Mr Notenboom. It is indeed something we should strive to achieve.

I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Mr President, I have of course no intention at this moment of engaging in a discussion of principle as to whether the Commission has the right — and if so, at what stage — to ask for and be given the floor. That is certainly not what was behind my remark. In fact, I asked for the floor on behalf of a colleague who asked me to do so. I did not myself take part in the debate, and cannot therefore judge myself whether or not the

Andriessen

Commission had an opportunity of speaking to the amendments in the course of the debate proper.

What I should like to say, Mr President, is that one often hears in this House — sometimes from the Commission itself — the request that the debates be kept shorter and confined to the essential points. If this were to be introduced, I would imagine that the Commission would confine itself to giving a brief statement on amendments which were neither the subject of the debate as such nor were brought up specifically by the honourable Members. However, I do not wish to engender any major discussion of this point at this particular moment. Perhaps it would be a good idea, bearing in mind my letter relating to an earlier discussion on this very point between the Commission and your predecessor, to get together and exchange views on the question of what would be the best way of giving the Commission the chance to speak. But I shall not insist on being given leave to speak now.

President. — There is one point I should like to add. I think that, so long as the Rules read as they do at present, the best thing would be for the Commission to speak at the end of a debate on the basis of those amendments which have been tabled, to give it a second opportunity to comment on the amendments. I think that would cover the political aspect and would also be in accordance with the Rules as they stand. If we take that as our aim and thus allow the Commission to speak twice in the course of a debate, the problem should be solved, and it would also mean that the system proposed by Mr Notenboom would work somewhat better. If we agree provisionally on this then, I do not think there should be any further need for the kind of interruptions to the voting procedure we have had today.

I call Mrs Lizin.

Mrs Lizin. — (*FR*) Mr President, since we are talking about Amendment No 9, which I tabled and which I do not think has any chance of being adopted by the House, I should just like to ask Mr Andriessen if he could tell me what it was all about, at least after the debate.

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, on the point raised by the Commissioner, under the old rules the amendment had to be moved during the course of somebody's speech, in which case there could be no confusion for the Commissioner, because he then had an opportunity of speaking to the amendment that was raised. Now a custom has arisen where they are not in fact raised during the course of the debate, and it does

really deprive the Commissioner of a chance of answering the points that are contained in the amendments.

President. — Mrs Kellett-Bowman, I have to give you the following explanation. This problem has arisen before, The Committee on the Rules of Procedure and Petitions was consulted and made a proposal which has been accepted. That proposal reads:

If, after the general debate, amendments are tabled on which the Commission has not been able to state an opinion, it may do so before the start of the vote on the motion to which the amendments refer.

Well, that is not applicable in this case, because the amendments had been tabled in time and were playing a role in the debate. That is why my ruling according to the Rules of Procedure and upon the request of some of your colleagues had to be as it was. We therefore have to see whether we can improve the role of the Commission in commenting on amendments during the debate, but that is — as I said — a probability in the second term.

(...)

Paragraph 10 — Amendment No 10

Mr Herman, rapporteur. — (*FR*) No. Statistically that is wrong. I am opposed to the amendment.¹

(...)

President. — Explanations of vote may now be given.

Mr Alavanos. — (*GR*) Mr President, in the opinion of the representatives of the Greek Communist Party, the Herman report gives the fifth programme a very disturbing content: it seeks, for example, to curb inflation by freezing wages and to tackle the problem of public deficits by reducing social expenditure, while resolutely ignoring military expenditure and its great share of the responsibility for the crisis and a good deal more besides.

The most dangerous aspect of the report, however, is the objective that these economic guidelines should be implemented by brute force in the Member States. Mr Herman calls for the extension of majority decision-making, and not only that. He does not shrink from using military language. He calls on the Commission and the Council to act resolutely to prevent the rising number of technical specifications becoming a barrier

¹ The rapporteur was: in favour of Amendments Nos 1, 2, 3, 4, 8, 12, 18, 19, 20, 21, 22, 23, 24 and 25; against Amendments Nos 5, 6, 10, 11, 13, 14, 15, 16 and 17.

Alavanos

to the free interplay of market forces. He calls on them to exercise strict control on national aids. He calls for the Member States to be required to apply the Community guidelines to their economic policies by means of appropriate measures.

We consider that for the Greek representatives of the democratic parties which support, even if from a different point of view, the cause of change in our country, it is a matter of national dignity and self-preservation that they should decisively reject the Herman report, even if it is adopted by the European Parliament, and that they should draw the appropriate conclusions both as regards the policy which the ruling circles of the Community are seeking to impose on us and as regards the measures which it is proposed to use.

Mrs Lizin. — (FR) Mr President, ladies and gentlemen, very briefly I should like to explain why I am voting against what I feel to be the result of the faulty economic dogma which has led Europe to the disastrous economic situation it is now in, and where Mr Herman's colleagues in Belgium are undoubtedly going to lead that country in the next few weeks.

The report makes no mention of the heavy burden borne by the workers as the crisis has got worse, even though — and the statistics here do not lie — for many years they have put up with an actual policy of wage curbs. Its out-and-out plea for free trade disregards the evidence and the actual events of the last ten years. Europe must henceforth choose the sectors which it considers vital and which it wants to protect. On this subject, economic dogma is going to be a poor help.

Lastly, the report proposes no really new measure to get the unemployed back at work. Our societies are now suffering. Hundreds of thousands of men and women are jobless and suffering the financial psychological consequences, and important social needs are not being met.

I suppose, Mr Herman, this is in line with the programme your political colleagues are concocting in Belgium and which is going to be revealed in the next few weeks. I only hope that the Christian trade unionists and the Christian-Democrat MPs in Belgium will see the light in time.

Mr Moreau. — My group feels obliged to vote against the report for the following reasons.

Firstly, the fact is that we do not know what we are voting on. Are we voting on the preliminary draft of the fifth programme or on the entire fifth programme? We do not know just what policy the Commission is going to follow.

Secondly, a certain number of amendments which we tabled in the hope of modifying Mr Herman's report have not been adopted. Let us say that the underlying thought in Mr Herman's report makes employment a kind of substitute for the policy which is followed. As we see it — and I said as much when I spoke on behalf of the group — employment must have a central role in economic strategy nowadays. For this reason, my group will be voting against the report.

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

Mr Forth. — Mr President, could I suggest that where colleagues are going to read their explanations of vote to the House, they might consider instead, under Rule 80, submitting them as written explanations of vote and saving us all a lot of time?

It really does not help the business of the House or indeed the liveliness of the debates to have people reading their speeches. I would far rather have them in writing, thank you!

President. — Mr Forth, I am a great defender of individual freedoms, and I would consider your remark in that sense. Thank you.

(Laughter)

(Parliament adopted the resolution)

*

* *

President. — We shall now consider the *Purvis report* (Doc. 1-971/81): *European monetary system*.

(...)

After the fifth recital of the preamble — Amendments Nos 4 and 13

Mr Purvis, rapporteur. — The committee voted against No 13, by Mr Ruffolo, because of its length. There was no objection in principle, but the length was the objection. No 4, by Mr Deleau, is, I feel, not necessary.

(...)

After the seventh recital of the preamble — Amendment No 15

Mr Purvis, rapporteur. — Mr President, this is precisely the same as the text of paragraph 8 and I see no need really to vote on it. It is already there. It was

Purvis

proposed and passed and accepted and inserted in the report and it is already there.

(...)

Paragraph 4 — Amendments Nos 12 and 9

Mr Purvis, rapporteur. — I feel that Amendment No 12 is already covered in paragraph 12 and is not necessary, and I am therefore against. Amendment No 9 I would leave to the House as it concerns a particular Member State.¹

(...)

President. — Explanations of vote may now be given.

Mr Papantoniou. — (GR) The Members of PASOK are obliged to vote against the Purvis report for the following reasons: firstly, it is inspired by a somewhat exaggerated enthusiasm for exchange rate stability and, more generally, for European monetary union, and such enthusiasm is not in keeping with a cold-blooded analysis of the realities. Secondly, the persistence and haste with which he advocates the setting up of a European Currency Authority does not go hand in hand with the recognition of the problems associated with the process of monetary union.

These problems are political in that the setting up of a central currency authority means that sovereign national rights are ceded to a supranational body, and they are economic in that limiting the possibilities of adapting exchange rates to changes in the relevant cost of production adversely affects the competitiveness of the weak economies, so that monetary union, unless it is accompanied by a considerable acceleration in the transfer of resources from the rich to the poor countries, will ultimately increase the economic imbalances within the Community. Lastly, Mr President, the third reason why we intend to vote against the motion is that the report calls on the Commission to open negotiations with the Greek Government on Greece's joining the European Monetary System, a move to which our party is opposed.

Sir Brandon Rhys-Williams. — Mr President, I entirely support the general thrust of my honourable friend's report. I would like the pound to join the European Monetary System but with the proviso that Britain would never be required to maintain its currency at an over-valued rate in relation to the purchasing power of the currencies of the other Member States.

¹ The rapporteur was: in favour of Amendments Nos 1, 2, 8 and 11; against Amendments Nos 3, 5, 6, 10, 14, 16 and 17.

I would like to see the setting up of a European Monetary Fund, perhaps by building on the foundation of the Committee of Governors of the Central Banks. It is my great hope that the Community will move towards the establishment of a free and integrated European market for capital.

But there is a great deal of difference between running a multicurrency system on civilized lines, embracing all the Member States, and proceeding to issue a new paper currency in direct competition with the national currencies now in use. I join the rapporteur in his belief that a truly united Community requires a common currency. I accept that an alternative store and measure of value has to emerge to supersede the local paper issues and as an eventual replacement for gold; but I do not join him in placing all faith in the ECU. It is only a contraption made up of the very same national paper currencies that we hope it will replace. The ECU is just another paper tiger like the SDR.

I believe the past ten years have shown that the Western world's experiments with ethnic paper currencies have failed. I agree that our aim should be to install an alternative currency; but it should be a monetary entity founded on tangible values, not just another paper currency without real asset backing. It is dangerous to put a paper tiger in your bank.

I shall vote for the Purvis report, but I reserve judgment as to the ultimate acceptability of the ECU as the alternative Community currency.

Mr Fich. — (DA) Mr President, I should like to explain why I intend to vote against the Purvis report. Obviously, like everyone else I set great store by the principle of stable currencies within the Community and Western Europe as a whole, and I am sure we are all in favour of this, with the exception perhaps of currency speculators. I also think we achieved something of this kind in the first phase of the EMS when by very primitive means, we in fact achieved a considerable degree of stability between the Western European currencies.

I am also in favour of developing this system. There will be various problems, but it can be developed in several areas so that it will be possible to overcome the worst technical obstacles and hence manage to bring an even better system into operation.

However, at the same time I am against taking the step to the second phase, i.e. the institutional phase. I regard the establishment of a common fund as mistaken and feel it would lead to major problems. Firstly, there is the question of who is to be responsible for a fund of this kind and who is to make the policy decisions? I am not convinced that such a fund would be run along the lines we would wish, and I can therefore obviously not support the idea.

Fich

in addition, we often talk about the idea of the various countries striving for convergence, and convergence is in fact a very positive thing. However, if at the same time the countries are deprived of the possibilities they have for directing their own economic policy, this would result in a divergence between the various countries. I must say, therefore, that I do not think the time is ripe to proceed to an institutional phase. I would prefer to see the European Monetary System extended to include more countries.

Mr Ruffolo. — (IT) Mr President, for all the reasons which I had the privilege of outlining yesterday during my speech, and in view of the fact that almost all the amendments which I tabled on behalf of the Socialist Group have been rejected, let me say that our group will be abstaining from voting on the motion for a resolution tabled by Mr Purvis.

Mr Deleau. — (FR) Mr President, ladies and gentlemen, yesterday I made a number of comments about the report by Mr Purvis. I gave my group's views about the text before us. I stated the reasons why we had not voted for Mr Purvis' report in committee, in view of the fact that some of the proposals seemed quite unrealistic in the very short term. The text of the motion has now been improved slightly with the adoption of some amendments. Nevertheless, the text still contains some proposals which we do not feel can be implemented right away. I have to repeat that I fail to see how a European monetary authority can be set up to manage and to issue ECUs when all the Member States are not part of the European monetary system. Consequently, in spite of the improvements that have been made to the text, my group will be abstaining when it comes to the final vote.

Written explanation of vote

Mr Fernandez. — (FR) The basic aim of the report by Mr Purvis is political: to persuade the Member States to complete the European monetary system by setting up a European central bank and a European currency on the way to economic and monetary union.

It is obvious that such an aim is unrealistic. Efforts to bring it about would jeopardize the current monetary cooperation between States and central banks.

The current arrangements have not produced bad results, as the recent monetary adjustment in October 1981 shows. We feel that the existing cooperation procedures can be improved, especially by according the ECU a more important role in the area of loans.

It would be extremely useful if the EMS could provide the cooperation mechanism which the European countries need in coping with the fluctuations of the dollar. This would also bring about better Community coordination on the matter of interest rates in the light of rising rates in the United States, as these increases are jeopardizing France's efforts to boost the economy. The unbr-

dled supranational tone of Mr Purvis' report compels us to vote against it.

(Parliament adopted the resolution)¹

4. Role of Parliament in the negotiation and ratification of treaties

President. — The next item is the report (Doc. 1-685/81), drawn up by Mr Blumenfeld on behalf of the Political Affairs Committee, on the role of the European Parliament in the negotiation and ratification of treaties of accession and other treaties and agreements between the European Community and third countries.

I call the rapporteur.

Mr Blumenfeld, rapporteur. — (DE) If I may say so, Mr President, this is the last in a series of important resolutions put forward by the Political Affairs Committee, calling for the European Parliament to be given greater powers *vis-à-vis* the other two institutions. We make this demand in the light in particular of the disproportionate power wielded by the Council, by dint of which it acts as both a legislative and executive body. All the institutional resolutions Parliament has adopted so far have been within the terms of the European Treaties, and the report I have to present today is no exception.

It was in April 1980 that the House discussed for the first time the institutional aspects of the accession of a new Member State, on that occasion Greece. The resolution empowered the Political Affairs Committee to put forward proposals for strengthening Parliament's powers to give it a say in applications on the part of European countries for full membership of the European Community and to involve it in the ratification of treaties of accession. Parliament also called for a strengthening of its role in the negotiation, conclusion and ratification of treaties and agreements on the part of the Community with third countries.

With those facts in mind, it is my task now to present to the House the explanatory statement and motion for a resolution forming part of my report, along with Mr Donnez's and Mr Jonker's opinions on behalf of the Legal Affairs Committee and the Committee on External Economic Relations respectively. I should like at this point to thank both those gentlemen for their invaluable assessments, which endorse the essential points of my report. However, I reject the major part of the amendments formulated by those two committees on the grounds that they cancel each other out or are inferior, in my opinion, to other, more

¹ *Mandate of 30 May 1980 — Membership of political groups: see Minutes.*

Blumenfeld

precise amendments. I shall be referring at the end of my speech to an amendment of principle tabled by the members of the Legal Affairs Committee.

In what is for the European Parliament this enormously important aspect of foreign affairs, the situation over the past decade has, in very simplified terms, been that the Commission has conducted the negotiations, the Council has taken the decisions and Parliament's opinion has on occasion been listened to, sometimes not. Despite all the determined efforts which have been made in the past, and in which the Commission has distinguished itself, the division of powers among the Community institutions is still unsatisfactory in the extreme, particularly from the point of view of the European Parliament. Let us not forget that, since 1973, the Community has had sole responsibility for the common commercial policy, in other words, the national parliaments are no longer empowered to conclude trade agreements. Unfortunately — from a Community point of view — exports of investment and capital goods, including the credit financing angle, remain the preserve of the Member States.

We demand more right of control and participation, not simply because it is becoming increasingly difficult to draw an objective distinction between trade, cooperation and association agreements and to identify their true nature, but also — and above all — because we believe that the fact that all the Member States of the Community are affected by the financial repercussions of these contractual agreements gives us the right to demand such control functions. In view of the fact that, in the early 1970s, we fought for, and obtained, the right to act as a contractual partner of the Council in the budgetary sphere, and thus became, so to speak, one arm of the joint budgetary authority, we now wish, at the beginning of the 1980s, to enter into inter-institutional agreements with the Commission and the Council with a view to obtaining additional parliamentary and democratic rights of control and participation in the foreign affairs sector.

Your rapporteur feels that it is high time the three Community institutions got together in the interests of our people to introduce more clarity and a better sense of balance in the various areas of responsibility exercised by the institutions; in other words, to create a new basis within the Treaty of Rome. I should like to take this opportunity to make it clear once again that, in calling for the involvement of Parliament in the negotiation of agreements in the meaning of Articles 238 and 113 of the EEC Treaty or in accession negotiations in the meaning of Article 237, we are not demanding that Parliament be directly involved in the negotiations themselves. That, Mr Andriessen, remains the exclusive responsibility of the Commission. I do not wish at this point to add to the arguments already advanced on this point, but there is one essential idea I should like to put forward.

Once negotiations on any kind of agreement between the Community and a third country have been concluded, there is virtually no means of changing the substance of what has been agreed without undermining the Commission's rights as enshrined in the Treaty or without unsettling or annoying the third country concerned. In other words, that is the situation which would arise if the European Parliament were to insist on amending the text of a treaty which had been negotiated and which was all ready to be signed, and that is the kind of situation which Parliament and your rapporteur wish to avoid at all costs. However, I feel that we should insist on Parliament being given the right to vote — rather than judge — by a qualified majority whether an agreement or a treaty should or should not enter into force.

What that means in layman's terms, gentlemen of the Council and Commission, is that, unlike the normal parliamentary ratification of international treaties in national parliaments, which comes after the treaty has been signed, we want to see the European Parliament give its approval before the treaty is signed, a procedure which, in the opinion of your rapporteur and of the Political Affairs Committee, does not contravene the terms of the Treaty of Rome. As a result, the Luns-Westerterp procedure, which has been in existence since the early 1970s, would be obsolete.

What this amounts to is that, once the Commission has completed the negotiation stage, the European Parliament will exercise the right which it has fought for and won, and which I referred to just now, to be heard on the matter. Only then will the Council formally conclude the agreement.

The situation as regards accession negotiations is very much clearer-cut and can hardly be disputed by the Council. What we are demanding is that the European Parliament should exercise not only an appropriate, but an unrestricted parliamentary function. While it is true that Article 237 does not provide for Parliament to be involved in the drafting or ratification of accession treaties, the fact is that the political situation has changed substantially since direct elections in 1979. Without wishing to have the Treaties amended, we nonetheless expect agreement to be reached quickly between the Council — representing the Member States — the Commission and the European Parliament on a lasting improvement to what is at present a highly unsatisfactory situation.

The Council must realize what consequences the enlargement of the Community and the resultant new Members will have for the European Parliament. The immediate consequence will be at the very least that the number of Members will increase, and it may be that the number of Members will have to be redefined one of these days. The working conditions of the European Parliament will be changed permanently, and in particular, financial repercussions will be inevitable.

Blumenfeld

In the statement he made in April 1980, Mr Colombo said in his capacity as President-in-Office of the Council that the European Parliament's resolution running parallel to the Treaties of Rome and the legal process provided for therein constituted a quintessentially political act. He went on to say — and here I am quoting: 'It is an act which gives Parliament's sanction to the accession of Greece to membership of the Community, the importance of which must be obvious to everyone ...'

If this statement made by the esteemed President-in-Office of the Council and erstwhile President of the European Parliament is not to be devalued and stripped of all substance, it is up to the current and all future presidencies to come up with actions to match those words. The European Parliament is already involved from the word go in accession negotiations by virtue of the inevitable financial consequences of the accession of new Member States on the Community budget. Logically, therefore, a ratification debate and the approval of the European Parliament should take place *before* the accession treaty is brought into effect by the Council and before initiation of the ratification procedure in the national parliaments of the Member States.

I have one brief comment to add to Amendments No 1 tabled by Mr Jonker and No 25 tabled by Mr Seeler on behalf of the Committee for External Economic Relations. Unfortunately — and I mean unfortunately — I cannot support these amendments. For one thing, the proposed quorum of three-fifths of all the Members of this House is so high as to be virtually unattainable. Secondly, this House cannot — and I say this in all humility, conscious of Members' specialist knowledge — get involved in an inter-institutional negotiation procedure with the Council and the Commission if, right from the very outset, it proposes and determines the minimum acceptable result of negotiations.

We are now anxiously awaiting an invitation from the Council and the Commission to enter into negotiations with the European Parliament on the subject of inter-institutional agreements, and to bring those negotiations to a rapid conclusion. This too, Mr President, would be a contribution towards reactivating our Community and a symbol of the will to cooperate on the part of the three Community institutions.

(Applause)

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — Ladies and gentlemen, before I call the next speaker I should like to welcome Mr De Keersmaecker.

I call the Legal Affairs Committee.

Mr Donnez, draftsman of an opinion. — *(FR)* Mr President, ladies and gentlemen, I should like to say a few words on behalf of the Legal Affairs Committee. You will already have observed that the amendments tabled on behalf of the Legal Affairs Committee stand in my name. This is explained by the fact that they were adopted by the committee after Mr Blumenfeld's report was tabled, but I ought also to add one essential point, namely that the amendments were adopted unanimously by the Legal Affairs Committee with just four abstentions.

Having said that, I should perhaps explain to you that all these amendments stem from the same idea, namely that we propose involving the Parliament more directly in the drafting of international agreements. In this sense they merely add weight to the excellent arguments already put forward by the main rapporteur. Our aim was, however, to broaden the authority of this House without going beyond the restrictions imposed by Articles 237 and 238 of the Treaty, any restrictive interpretation of which can only harm this Assembly. In particular, our aim was, in the words used in the last paragraph of one of those amendments, to ensure that the authorization given by Parliament for the conclusion of an agreement between the Community and one or more third countries or an international organization is an essential requirement, in that it represents a democratically expressed desire to bind the Community definitively to the substance of the agreement.

I believe that that is a general wish which we all share. What remains to be seen is whether as regards interpreting the Treaty, the Council may not raise objections of some kind. I am, of course, referring to the fact that if we must interpret Articles 237 and 238 of the Treaty, anything we may have to say in the question will be without consequence. I dare to hope that the Council itself will interpret these two Articles in a flexible manner, so to speak, so as to bring statements made by certain Council members into line with our own wishes.

That, Mr President, concludes the brief explanation which I wanted to give on behalf of the Legal Affairs Committee; I trust that the Parliament will support the amendments which I have had the honour to put to you on the Committee's behalf.

President. — I call the Socialist Group.

Mr Seeler. — *(DE)* Mr President, ladies and gentlemen, I am sure that the overwhelming majority of this House will agree with my Group that the role of Parliament in the conclusion of treaties and agreements with new Member States needs strengthening,

Seeler

not only because it is a matter of a directly-elected Parliament's sense of self-respect, but also — and above all — because such a move would strengthen the democratic and parliamentary co-responsibility on the part of this House.

The Member States of the European Community have relinquished their sovereign rights in favour of the Community so that nowadays the Community alone is empowered to conclude trade agreements. As a result, the Member States' national parliaments no longer have the right to ratify treaties of this kind.

This House, however, has still not been given that right, which is claimed by the Council, i.e. the representatives of the Member States' executives. The truth of the matter — and let us be quite clear about this — is that the Member States' executives have, in the course of transferring these sovereign powers to the Community, helped themselves to a share of the legislative functions. I regard that as a violation of the principle of the division of powers, which is one of the basic principles in most of the Member States' constitutions. It therefore follows that, if we wish to strengthen the democratic element in the Community, we must do something about this state of affairs.

Our efforts must be aimed — as Mr Blumenfeld said quite clearly in his excellent report — at acquiring the right to ratify treaties, i.e. to make them Community law. This point is stressed too in the amendment tabled by the Committee on External Economic Relations, an amendment which my Group has incorporated in full into its own amendment. However, the right we must demand for the European Parliament will involve an amendment to the Treaties, and it seems to me that there is little chance of getting that through the national parliaments at the present time. It is regrettable that we should have to come to this conclusion all the time, but the fact is that many national parliaments are simply afraid of relinquishing any more influence and power.

It therefore follows that, if we wish to strengthen the position of the European Parliament, we must seek to do so by some other means, one of which is by seeking an agreement between the Council and Parliament. This is hinted at in Mr Blumenfeld's report, although no clear distinction is made therein between a treaty amendment as a pre-condition for ratification on the one hand and an agreement between institutions on the other.

The amendments tabled by the Committee on External Economic Relations and the Socialist Group aim to improve the degree of involvement of the European Parliament by bringing into being an agreement of this kind in two different ways. Firstly, the idea is that the Council and the European Parliament should undertake to initiate a conciliation procedure in cases where differences of opinion exist between the two institu-

tions as regards the negotiating mandate or on conclusion of the negotiations.

Secondly — and this is an additional step — the Council should undertake not to ratify any treaty which the European Parliament has rejected by a qualified majority. As Mr Blumenfeld said, this kind of agreement would indeed give Parliament a kind of right of veto without the need to amend the Treaties.

Finally, the report we are discussing now is concerned with treaties of accession, and here my Group has associated itself with the opinion of the Legal Affairs Committee and has called in its amendment for Parliament to be given the right of veto on the accession of further countries to the European Community. In my view, section 6 (b) of Mr Blumenfeld's report overlooks the fact that, in such cases, it is up to the national parliaments and not the Council to ratify treaties of accession.

What my Group's proposal amounts to is that, in addition to the ten national parliaments, this House too should give its approval to a proposed accession if that accession is to become effective. Even the Treaty establishing the Coal and Steel Community gave the then Assembly that right. I also wonder, ladies and gentlemen, what kind of mandate was given to us by our voters if not the right to have a say in any proposed enlargement of the Community.

The amendments tabled by the Committee on External Economic Relations and the Socialist Group draw a clear distinction between the treaty amendment required for ratification and the inter-institutional agreement needed for conciliation and the right of veto. They thus clearly spell out what our future aim is and what appears to us to be attainable at the present time.

I should like to say quite clearly and categorically to all those Members who see their main *raison d'être* in this House as being the guardians of national prerogatives that the proposal put forward by the Committee on External Economic Relations and the Socialist Group seeks to usurp no rights whatsoever from the national parliaments. The national parliaments have had no right to be involved in the conclusion of trade agreements ever since 1973. On the contrary, it is in the interest of the national parliaments to enable the European Parliament to represent parliamentary interests more energetically than has so far been the case as regards the conclusion of treaties. This could do a great deal towards strengthening democracy in the European Community.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Jonker. — (NL) Mr President, in view of the outstanding contributions we have just heard from Mr

Jonker

Blumenfeld and Mr Seeler, I shall be very brief. There are just a few comments I should like to make on Amendment No 1 tabled by the Committee on External Economic Relations seeking to amend paragraph 1 (a) on Mr Blumenfeld's motion for a resolution. We have confined ourselves to this specific point, Mr President, for the perfectly simple reason that what is at issue here is trade policy in the meaning of Article 113 of the Treaty. 95% of all international treaties are in the field of trade policy, a sector in which the Committee on External Economic Relations feels it has special responsibilities. In principle, we agree with Mr Blumenfeld and all the other Members that Parliament must, in the long run, be given more say in approving treaties of this kind. However, our amendment differs from the motion for a resolution on two points. Firstly, on the point of amendments, the Committee on External Economic Relations takes the view that the Council and the Commission should submit all agreements to the European Parliament. We are in favour of a technically simple procedure, but all agreements should be submitted to the European Parliament, and it should not be up to the Commission and the Council to decide which agreements are important from the point of view of Parliament. That should be up to Parliament itself to decide.

Secondly, as Mr Seeler said, the Committee on External Economic Relations takes the view that, if no agreement is reached between the Council, the Commission and Parliament on the initiation of negotiations, on the granting of a negotiating mandate and on the conclusion of negotiations, the conciliation procedure must be set in motion. This is not something we are after because there is a fundamental difference of opinion between us and Mr Blumenfeld and the Political Affairs Committee, but because, in our opinion, the Blumenfeld report carries on from where the discussions we had in June left off — i.e. the reports produced by Mr Van Miert, Mr Hänsch, and so on. Those reports were concerned with the small steps, improving relations between the institutions within the terms of the Treaties. We want that too, Mr President, because the Commission has taken this line in its document of October on relations between the institutions and in its document of December on the extension of the conciliation procedure. We hope that the Council will respond positively to the Commission's document. Let me repeat: this is a matter of tactics, not of political one-upmanship. We take the view that the right approach here is the step-by-step one involving consultation. It will, Mr President, be an interesting task for the new Committee on Institutional Affairs to develop the Blumenfeld report further.

President. — I call the European Democratic Group.

Mr Welsh. — Mr President, we would like to express our gratitude to Mr Blumenfeld for raising this very

important subject in his report. It is nice to see such unanimity in the House on such a subject. The important thing, I think, is that we all share the rapporteur's objectives, though there may be some disagreement among us about means. In general my group would like to associate itself with the remarks made by Mr Seeler and Mr Jonker and we will indeed support the amendment tabled by the Committee on External Economic Relations.

Time does not permit me to deal in detail with all the points raised in the Blumenfeld report. I would like to concentrate specifically on the implications of Article 113 of the Treaty and Parliament's own procedures for dealing with these agreements. Before doing so, however, I would like to associate our group most strongly with the Blumenfeld report's attitude to the accession of new Member States under Article 237. On those grounds we stand four-square behind Mr Blumenfeld's position.

Under Article 113, Mr President, the Community has power to conclude trade agreements and indeed other treaties on behalf of Member States. This means that a very important constitutional power had been delegated to the Community. The Council, however, is not subject to any form of democratic control whatever in exercising this power, although it is true that national ministers will be responsible to national parliaments. The conclusion of treaties and international agreements actually confers obligations, binding obligations, on the people of Europe. Our democratic principles require that before they are accepted, these obligations should be subject to some form of democratic control.

Coming as I do from a country which has an unwritten constitution, it is perhaps clearer to me than to most that constitutional developments tend to occur through the establishment of precedent and conventions rather than the formal conferring of powers. We therefore believe that it is important for Parliament and Council to establish Parliament's rights by mutual agreement, custom and practice, so that any alteration to the Treaty would ultimately constitute a recognition of an established convention rather than of an innovation in itself. The modalities by which we do this are thus particularly important.

Now the Luns-Westertep procedure is a valuable starting point, but it is quite deficient in that it is informal, confidential and does not provide for any expression of opinion by Parliament on the information conveyed to it by the Council. In the case of the Multifibre Arrangement — at the risk of being a bore about the Multifibre Arrangement — the Luns-Westertep procedure actually took place this very morning. But ludicrously, if one interprets the rules strictly, I am not permitted to report to the House on what was said, and it is actually impossible to engage the Council in any sort of dialogue before it goes ahead and concludes this particular agreement.

Welsh

Indeed, even if the committees this morning had unanimously concluded that the Council was embarked on a completely disastrous course of action, there is no way in which the Parliament could receive their report or register their disapproval in the form of a vote. This is in spite of the fact that the Council has most courteously agreed in this particular case not to sign the agreement before implementing the Luns-Westerterp procedure.

It is therefore of critical importance to the pragmatic development of Parliament's role that we seek an agreement with the Council — and I shall be interested to hear what the President has to say about this — that the Luns-Westerterp procedure be extended in such a way that the responsible committees can report to the next part-session on the Council's information and that Parliament can express its view in the form of a resolution. On our part, Mr President, this involves a constructive use of Rule 42 of our Rules of Procedure, while on the Council's part it involves agreeing to waive its right to five weeks' notice of oral questions under this rule.

Time does not permit me to discuss the question of Parliament's relations with the Commission. I will merely content myself with saying that it is extremely important that if Parliament is to play a full part in the dialogue which these negotiations require, it must be consulted by the Commission before it submits its mandate to the Council, so that Parliament in fact can set the guidelines, as we have in the past, on what goes into the Commission's mandate.

President. — I call the Communist and Allies Group.

Mr De Pasquale. — *(IT)* Mr President, the Italian Members of the Communist and Allies Group welcome this report because it completes the series of proposals which aim to extend the powers of the European Parliament. However, we have tabled a number of amendments which we hope will be adopted by the House.

President. — I call Mr van Aerssen.

Mr van Aerssen. — *(DA)* Mr President, ladies and gentlemen, I too am wholeheartedly in favour of improving the procedure for involving the European Parliament in the negotiation and conclusion of these agreements. A new move has been made, I think, in an important area to enhance the democratic nature of our common endeavour. It goes without saying that the points made by Mr Blumenfeld and the Committee on External Economic Relations are very close to all our hearts, since although this questions has been settled in all the national Parliaments, we have so far had no definite procedure in the European Parliament.

I have no intention of joining in with the lament that we are not in favour of the Luns-Westerterp procedure as it stands. The proposed interinstitutional agreement, which provides for phased involvement of the European Parliament, would open up more opportunities, contribute towards greater transparency in the negotiations, provide a broader basis from the point of view of understanding of the matters in hand and, above all, give our partners in negotiation the assurance that Parliament, which represents 270 million people, is standing behind the negotiations and keeping an eye on them. This also has an enormously important psychological effect on those with whom we wish to conclude treaties.

Even if there is no division of power, as provided for in the national constitutions, I nevertheless believe that the procedure proposed by the Political Affairs Committee and the Committee on External Economic Relations will contribute towards the establishment of a sort of balance of power between Council, Commission and Parliament. As I see it, it is incumbent on the Council and the Commission to support us in this matter in the interests of the Community.

I do not see any major incompatibility between the points made by the Committee on External Economic Relations and the Political Affairs Committee, since two separate phases are involved. The first phase involves small steps, i.e. the questions are to be settled by means of gentlemen's agreements and institutional agreements with the Commission and the Council in the context of the Treaties. In the second phase, our sub-committee on institutional problems will submit concrete proposals for a European constitution which will indicate, among other things, the way in which Parliament may be involved in an approval procedure of this kind.

My colleagues and myself advocate a two-pronged strategy. The one does not exclude the other and we hope to follow this course jointly.

President. — I call Mr Kallias.

Mr Kallias. — *(GR)* Mr President, I think that for the association of a country with the Community, and even more so for accession to the Community, the participation of the European Parliament is essential as regards both procedure and decision-making, since the Parliament expresses more directly what the peoples of the Community want.

However, I should like to use a minute of my speech on the subject before us to stress a fundamental view concerning the content of the accession agreements signed by the Community, a view to which Parliament will have to pay special attention.

Kallias

Association is a desired link with third countries, but it makes no sense if the interests of the countries which belong to the Community are thereby undermined.

To be precise, the following anomaly has arisen: in the accession agreements with countries joining the Community there are often certain time limits for the full application of specific regulations, particularly concerning imports of agricultural products, as in the agreements with Greece. It is unacceptable that a mere association agreement with another country or countries should grant greater privileges than those enjoyed by a member country during the transition period.

Other unacceptable features are the drastic production restrictions in Community countries, such as those on sugar, intended to favour imports from third countries with which the Community has mere association agreements.

President. — I call the Council.

Mr De Keersmaeker, President-in-Office of the Council. — (NL) Mr President, I am particularly pleased to be able to speak here as President-in-Office of the Council. I was a member of this Parliament for seven years and I hope that I can serve the European cause as well in my new function as in the past.

Mr President, ladies and gentlemen, I listened with great interest to the remarks made by Mr Blumenfeld on the role of the European Parliament in the negotiation and ratification of accession Treaties and other treaties and agreements between the European Community and third countries since Parliament has for a long time made it known that it wanted to be involved in a more efficient manner in the drawing up of international agreements concluded by the European Community with third countries. As long ago as 1963, Mr Furler expressed this wish in a report on the competency of Parliament and two arrangements have come into being, one in 1964, i.e. the Luns procedure, and later in 1973, the Westerterp procedure, which partly fulfilled this wish.

Parliament wants to take the matter further and has expressed this wish clearly in the report brought out not so long ago by Mr Hänsch and Mr Van Miert. As you know, the Council intends to give thorough consideration to these resolutions and has in fact begun work on them in the meantime. No definite statements will be made, however, before the debate has been held and the appropriate conclusions drawn. In dealing with these problems, however, the Council does not intend to disregard the difficulties arising from the need for confidentiality in preparatory work on agreements. I do not intend to comment on certain aspects of this at this stage. The questions of whether Parliament's proposals fit into the context of the established traditions regarding the preparation and conclu-

sion of agreements in the majority of parliaments in the Member States and of whether Parliament's proposal will require modification of the Treaty or not are matters which the Council must discuss before making a definitive statement. I shall see to it that this is done as soon as possible. I already have a document containing certain provisional statements on these questions, but I am not authorized to tell you what they say at this stage. I merely mentioned this to prove to you that we are already actively involved in this work. I hope to be able in the near future to inform you of concrete decisions taken by the Council which as far as possible concur with the wishes of this Parliament.

President. — I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Mr President, with my customary willingness to bow to parliamentary convention, I have left it up to you to decide who should be given leave to speak first in this important debate. After all, it is indeed true that the Council must give thought to a number of important points which have been brought up in these reports. That is something I fully understand.

What we have here is the last in a series of institutional reports, if I may call them that. The first in this series were the reports produced last year by Mr Hänsch and Mr Van Miert, and others have followed in the meantime.

The report which is the subject of today's debate is certainly not the least among the series, because it is perhaps true that here there is more evidence than in the other reports of the legitimate state of tension with, on the one hand, Parliament's desire to extend its powers and, on the other, the limitations on the exercise of power as laid down in the Treaty itself. It may be a good thing, Mr President, for us to discuss this report last, in view of the fact that both Parliament and the Commission have had plenty of opportunities in the past to spell out their views in principle on the question of the extension of Parliament's powers.

The Commission set out its views on the subject of this debate in a document which appeared at the end of last year. As a result, my contribution to today's debate can amount to no more than clarifying and possibly here and there accentuating the Commission's views in the light of the specific suggestions made in this excellent report.

Allow me to begin by saying that the Commission feels that the report is excellent on the far from simple problem of what to do about relations between the Community and third countries. It is evident from the report and from the discussion which has ensued on the basis of the amendments tabled by the Legal

Andriessen

Affairs Committee and of the views put forward by Mr Jonker on behalf of the Committee on External Economic Relations that there is general awareness of what is from the institutional point of view a major problem, one which I am tempted to say should indeed be approached step-by-step, as was mentioned in the course of the debate this afternoon.

The Commission fully realizes — as is brought out in its document of December last — that Parliament is taking a growing interest in the nature of international relations between the Community and third countries in a world in which the connections between economic and political affairs are becoming daily more apparent. In a world in which — although this is not always acknowledged — the Community has to play an ever clearer role in its own right and on behalf of the Member States of the Community, it is quite simply inevitable that the European Parliament should wish to take more and more interest in the nature of these international relations and the way in which they are managed.

Moving on to the more specific recommendations formulated in Mr Blumenfeld's report — some of which are addressed specifically to the Commission and others to the Council — perhaps you would allow me, Mr President, to comment separately on these two aspects. But before I embark on this, there is just one more comment of a general nature I should like to make.

The Commission takes the view that its task is to do its utmost to enable the European Parliament to exercise its functions on this matter to the best of its ability. As is brought out clearly in the report, an essential point here is to find suitable formulas and procedures for those agreements on which Parliament's views are of great importance. I fully realize from what has been said by various speakers, and especially by Mr Blumenfeld, that it is certainly not the aim of the House to push its recommendations so far as to encroach on the Commission's own responsibility as negotiator. I also think that Parliament should be prepared to concede that a substantial element of the demands which have been made is really the Council's preserve. Each of the three institutions — Council, Parliament and Commission — has its own part to play within the terms of the Treaties.

The same point certainly applies in a number of Member States, and in any case in national circumstances, as a number of speakers have already pointed out. Is it not often the case that the conclusion and *a fortiori* the negotiation of agreements is the job of the executive with, of course, provision for the resultant agreement to be subsequently approved? The fact is that that kind of procedure is sometimes confined to international agreements covering important financial matters.

Of course, it is not an easy matter to draw parallels with national situations. My point in making this comment was not to defend this state of affairs. I would point out, however, that it often happens that the position of national parliaments *vis-à-vis* international agreements often has a character of its own too. At any rate, the Commission intends to retain as open-minded an attitude as possible to what is contained in the Blumenfeld report.

Incidentally — following on from the comments made by Mr Welsh — there is, in the Commission's view at least, no reason to suppose that Parliament might be selling itself short in this respect or allowing itself to be pushed out of things. I simply cannot imagine that this House would find no opportunity at all of telling the Commission or anyone else in no mean terms if it thought that certain things ought to be channelled in a different direction.

I should now like to deal fairly quickly with a number of specific questions put to the Commission. Let me first of all deal with Parliament's wish, according to the text of the motion for a resolution, to be informed of the outcome of any exploratory conversations — and I stress the word *any*. Mr President, the Commission is governed by the best of goodwill — let there be no doubt about that — but this House really ought to realise that it would involve an extremely cumbersome procedure if Parliament were to be informed of the outcome of all exploratory talks. What we might be able to agree on is that the Commission would be prepared to comply with Parliament's wishes in this respect and keep Parliament informed off its own bat of all important exploratory talks, and, of course, if Parliament should feel the need for any additional information, the Commission would be prepared to supply it.

Secondly, the European Parliament would like to see the Luns-Westerterp procedure extended to agreements which are not at present covered, and I can only say that the Commission is quite ready and willing to go along with that proposal. As regards the flow of information during negotiations, we are quite prepared to discuss with this House ways of improving the current situation.

With regard to a number of questions which were directed more to the Council, but in which the Commission should perhaps feel involved too — given the central role which the Commission plays, and has to play, in this procedure — I have the following comments to make.

As regards consultation of the European Parliament on the draft negotiation guidelines, I should like to point out — and I think I am right in saying that the President-in-Office of the Council said much the same thing — that of course texts and guidelines of this kind call for maximum confidentiality. It therefore follows that we must find a way of reconciling the

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need for information with the need for confidentiality, and it seems to me that we should leave the question of how this could best be achieved for a more detailed discussion. The Commission is in any case quite ready and willing to discuss this matter with the European Parliament.

I should now like to move on to deal with what is perhaps one of the essential elements in the report, one which has been referred to by the spokesmen for the other two committees as well. What I am referring to is the suggestion that the conclusion of an agreement should only be possible once Parliament has given its approval. On this point, the report is touching on one of the tasks which the Treaty, according to the interpretation put on it by the Commission too, has made the Council's responsibility, i.e. the conclusion of agreements. That does not mean to say — and I wish to make this point quite clearly and categorically here — that the Commission does not think it should be possible, without violating the separate and distinct tasks and responsibilities of the Community institutions, to take into account Parliament's demands. I am thinking here particularly — and I acknowledge that Mr Jonker commented in similar terms — of the introduction of a conciliation or dialogue procedure on important agreements. I believe that what the Commission had to say in its document on improving institutional relations and on the need for conciliation could be applied here too, and that we could thus adopt the step-by-step approach which was referred to earlier in this debate. It seems to me that, in this way, Parliament could gain optimum involvement in these matters, while at the same time retaining what the text of the Treaty has to say on such matters. It will be possible to discuss this sort of thing and the practical aspects in the discussions on conciliation which, I hope, will soon get under way.

What I said just now applies *mutatis mutandis* to treaties of accession, although I am prepared to agree with those Members who have spoken in this debate that Parliament does perhaps have a clearer and more implicit special role as regards such treaties than in other cases. Attention was drawn to the budgetary and the administrative aspects. I personally see no need for the introduction of a different procedure. It seems to me that we could perhaps discuss procedural matters and devote some attention to these particular aspects.

Mr President, I should like to conclude by commenting on the amendments. I think the large number of amendments which have been tabled testify to the great importance which the European Parliament attaches to all the various aspects of this problem.

In the light of the suggestion I made just now for discussing these problems as part and parcel of the discussions which will soon be getting under way, and in view of the lateness of the hour, I do not see much point in going into all the amendments in detail. I shall

be very brief, Mr President, because I realize that I have already been speaking for too long. Some of the amendments have in fact been covered by what I have already said. There is indeed every reason to go into a number of specific points in more detail at a later stage, and I shall in any case endeavour in future to bear in mind the constructive elements which are contained in many of these amendments. In conclusion, Mr President, I believe that it is possible to make substantial progress in the framework of the existing Treaties and by adopting the step-by-step approach. The Commission hereby declares itself ready and willing to make a maximum contribution to this process.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

5. Nuclear power stations — Safety policy

President. — The next item is the joint debate on the:

report (Doc. 1-709/81), drawn up by Mrs Walz on behalf of the Committee on Energy and Research, on the issue of Euratom loans for the purpose of contributing to the financing of nuclear power stations;

report (Doc. 1-852/81), drawn up by Mrs Lizin on behalf of the Committee on Energy and Research, on European nuclear safety policy.

The following oral question (Doc. 1-966/81) by Mr Linkohr and others to the Council is also included in the debate:

Subject: Disposal of waste from the Community's nuclear power stations and from nuclear power stations supplied to third countries by Member States of the European Community

The authors of the question:

- concerned that no practical arrangements have been made anywhere for the final disposal by storage of highly radioactive waste,
- having regard to the technical and political difficulties of real control over the whole fuel cycle in nearly all Member States,
- whereas, although the question of disposal has still not been settled, the Commission is working on the basis that the present nuclear power station capacity of 38 Gigawatt will and should rise to 130 Gigawatt in 1990,
- fearing that the disposal of waste from nuclear power stations sold to third countries is even more problematic and technically difficult,
- having regard to the Community programme for the treatment of radioactive waste and to the Council of Ministers' twelve-year action plan in the field of radioactive waste (1980-92),

President

Request the Council of the European Communities to state:

- (1) what practical waste disposal measures have now been taken;
- (2) whether the aim of the extended cooperation between the Member States announced in the Council of Ministers' action plan is to find a European solution to the problems of reprocessing and definitive storage, i.e. to select the most favourable site in each case on a cross-frontier basis;
- (3) whether the existing cooperation is adequate or further Community measures are necessary;
- (4) what measures have been taken to inform the public;
- (5) what steps are being taken to ensure that third countries which buy nuclear power stations from EEC Member States can also control the treatment and final disposal of their radioactive waste?

I call Mr Vandemeulebroucke.

Mr Vandemeulebroucke. — (NL) Mr President, with regard to Article 85 (1) of the Rules of Procedure, I should like to request that Mrs Lizin's report be referred back to committee. My reason for making this request is not merely the fact that a large number of amendments have been tabled, although this is bound to raise doubts as to the balanced nature of the text.

The point is that Mrs Lizin's report is not an own-initiative report, but rather one which is the outcome of three resolutions, one of which was formulated by Mr Michel and the other two by my predecessor, Mr Coppieeters. One of Mr Coppieeters's resolutions was submitted in accordance with the urgent procedure with 21 signatures, including that of Mrs Lizin, the point of the resolution being the accident in the nuclear power station at La Hague. The fact is that neither the preamble nor the resolution proper nor the explanatory statement appended to Mrs Lizin's report make any mention of Mr Coppieeters's two resolutions. Nor does the third resolution, tabled by Mr Michel and on which Mrs Lizin's report is based, figure in the said report — or at least only inadequately — and that is something which, in my view, not only testifies to a lack of elementary political *esprit de corps*, but is also procedurally utterly unacceptable and disquieting. Just imagine, Mr President, what damage this kind of behaviour is likely to do to the work of the European Parliament — for instance, if a motion for a resolution or the preamble were to make no reference whatsoever to Poland. I therefore find this whole thing disquieting and I would request that Mrs Lizin's report be referred back to committee and that my proposal be voted on.

President. — Our Rules of Procedure give you every right to make this request. I would only point out that

the annex to Mrs Lizin's report contains all the draft resolutions referred to in the report. In that respect, the report does accord formally with the provisions of Article 47 (3) of the Rules of Procedure. However, I must put this request for referral back to committee to the House, because it is not up to the President to decide whether, in a substantive report, the various resolutions on which the report is based are dealt with and taken note of.

I call Mrs Lizin.

Mrs Lizin. — (FR) You have summed up the problem correctly, Mr President. The resolutions mentioned by Mr Vandemeulebroucke are incorporated in the text. I just want to point out that Mr Vandemeulebroucke himself is chiefly responsible for the large number of amendments. I therefore think, since the Committee on Energy and Research is already well on with this matter, that we can no longer postpone the debate and should, as it were, take some action.

President. — I call Mr Seligman.

Mr Seligman. — I am against the proposal. We have discussed it at length in the committee. We have had over 80 amendments in the committee. Mrs Lizin has been an excellent rapporteur, she has accepted all the amendments, and to have another referral back to the committee would be quite absurd.

(Parliament rejected Mr Vandemeulebroucke's request)

President. — I call Mrs Viehoff.

Mrs Viehoff. — (NL) Mr President, I do not understand how in five minutes you can call Mrs Walz and Mrs Lizin and then still put the questions to the Council. I do not think that is the right way to deal with what we are discussing.

President. — I call the Council.

Mr De Keersmaecker, President-in-Office of the Council. — (NL) Mr President, the Council's reply to the question tabled is as follows. The Council adopted an action programme on radioactive waste in 1980, on which occasion it took note of the fact that the Commission would be putting forward proposals for implementing the said programme. On the basis of the proposals put forward by the Commission, the Council decided in 1980 to initiate a research programme on the management and storage of radioactive waste. The main aim of the programme was to carry out appraisals and to collect experimental data with a view to the final disposal by storage of highly radioactive

Kceersmaecker

waste by the end of this century. Temporary storage of radioactive waste is at the present subject to tried and tested safety conditions.

The programme of action adopted by the Council is aimed exclusively at measures relating to waste and not to reprocessing. The work being done under the terms of this programme is not aimed at selecting a single storage site, but rather to concert all the initiatives on the setting-up of storage sites. Cooperation between the Member States is covered by the action programme, and I should like to draw the honourable Members' attention to the fact that various Member States are now reviewing their nuclear energy policy in the light of all the discussions that have taken place on this matter. So long as the results of the work I referred to just now are not known, it follows that no definitive answer can be given to the question of whether further Community measures are necessary in this field. Chapter V of the action programme states that the Member States will continue and step up their efforts to ensure that the public receives the fullest information on their activities in this field and the Commission will do likewise with regard to the programmes for which it is responsible. The Council assumes that third countries will take as much care as the EEC Member States as regards the implementation of their nuclear energy policies and will take full account of the need to guarantee the safety of workers and the population at large and to protect the environment. The Council can give the honourable Members an assurance that, whenever it is requested to do so, the Community will give the exporters of nuclear power stations any necessary technical assistance from the point of view both of the operation of the said power stations and of the management of the resultant waste. That concludes the Council's answer to this question.

IN THE CHAIR: LADY ELLES

Vice-President

President. — The debate is suspended and will be resumed tomorrow.

I call Mr Linkohr.

Mr Linkohr. — (DE) I should like to know how an oral question can be put if it cannot be presented — otherwise it is going to be a written question. I should also like to know whether the oral question is now finished with or whether the authors are going to have an opportunity tomorrow to say something more.

President. — In reply to the question, I understand that the discussion of the oral question with debate

will continue tomorrow and the Member will be entitled to speak during the debate on that particular oral question. I hope that satisfies the Member.

Mr Linkohr. — (DE) I am not altogether happy because we are not talking about a question with an oral reply but about an oral question with debate. This means that I must have an opportunity to present the question. I was denied this opportunity just now. I should like to have the matter cleared up.

President. — You cannot have an oral question with debate on a matter which is already on the agenda, but you will have the opportunity to speak on that subject in connection with the item on the agenda when the debate continues tomorrow.

If any procedural matter arises from this, I will take it up with the Bureau and see that your point is answered satisfactorily. I do understand the point you are making and at the moment I cannot give you a proper answer — not the one that you wish anyway.

6. Question Time

President. — The next item is the second part of Question Time (doc. 1-998/81).

We begin with the questions to the Council.

I call Mr Hutton.

Mr Hutton. — Madam President, it is a great pleasure to see you in the chair. I would like to ask you, Madam President, about the conduct of Question Time under Rule 64(2). Those of us who believe in the value of Question Time as a good democratic control are tired of hearing long tendentious speeches instead of short, crisp questions.

Could I urge you, therefore, Madam President, to be ruthless with the wafflers and in curtailing the number of supplementary questions you allow so that we have a chance to deal with a wide spread of Members' concerns during Question Time.

President. — Mr Hutton, I will follow Annex I (b) (2) of the Rules of Procedure which gives the President discretion to stop supplementaries if they become excessive. I will try and meet the wishes of parliamentarians who have, after all, submitted already 31 questions to the Council. It would be my wish, taking into account political and geographical representation, to get through as many questions as possible during Question Time.

President

In the absence of the author, Question No 80 will receive a written reply.¹

Question No 81, by Mrs Ewing (H-611/81):

Will the President-in-Office make a statement on the outcome of the recent Fisheries Council?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) The meeting of the Fisheries Council originally planned for 30 November and 1 December 1981 has been postponed to a date still to be notified.

On 29 December 1981 the Council was nevertheless able to adopt, by means of the written procedure, a set of decisions and regulations on the common fisheries policy concerning the conclusion of the EEC-Canada Fisheries Agreement, the allocation among the Member States of cod quotas in the Canadian zone, the introduction and allocation of Community tariff quotas for certain fisheries products imported from Canada in 1982, the new common organization of the market in fisheries products and finally the introduction and allocation of a tariff quota for herrings. As a result the Community and the Canadian Government were able on 30 December 1981 to sign the abovementioned EEC-Canada Fisheries Agreement, which came into force the same day.

Finally, the Council has taken a decision whereby the Member States, from 1 January to 31 March 1982, will conduct their fishing activities in accordance with the customary seasonal cycles with due regard for the TAC proposed by the Commission on 24 July 1981.

Mrs Ewing. — May I ask the President-in-Office which Member State he blames for this disgraceful state of limbo and uncertainty which is causing so many bankruptcies in the fishing industry in Scotland that there is an enormous lobby outside the House of Commons at this minute? Would he not have, therefore, a very early meeting — considering the delays in the meeting that he has just recounted to us — to deal with the latest herring crisis in particular, in which Denmark has got 11 500 tonnes by the end of January instead of the 1 000 allowed, and in which France and Belgium are not reporting catches? Would he please treat this matter as seriously as this long-suffering industry deserves?

Mr De Keersmaecker. — (NL) I am authorized to inform you of the results of the Council's deliberations, but I do not have to say anything about the way in which these results were reached. So much for the first point.

We all realize that the situation is a difficult one and that we must continue to work with the seasonal arrangements pending a final decision.

As regards the difficulties which the various countries are coming up against in the implementation of the agreement, the Council takes due note and will discuss the matter.

Mr Seligman. — Does the President-in-Office of the Council realize that at the end of this year the 12-mile limit will no longer apply to British coastal waters, and would he therefore press as fast as he can to get some settlement of this issue before it runs into the buffers at the end of this year?

Mr De Keersmaecker. — (NL) The Council is indeed very much aware of the situation to which the honourable Member has just drawn attention. We are also, as I have just explained, aware of the other difficulties in this sector. The Belgian Presidency intends to take this matter further and I have already contacted Mr Thorn, the President, and the competent Commissioner, Mr Contogeorgis, regarding the timetable for future work on this question.

I cannot say any more at this point. The date of the next Fisheries Council is still to be fixed and account must be taken of the very heavy agenda of the Agricultural Council. However, we shall endeavour to get to the heart of the matter and arrive at a final agreement.

President. — Question No 82, by Miss Brookes (H-649/81):

What steps is the Council taking to expedite agreement on the second tranche of appropriations for demonstration projects in the field of coal enrichment?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) At its meeting on 26 January 1982 the Council discussed the Commission proposals for an increase in the financial support for projects to exploit alternative energy sources (including the liquefaction and gasification of solid fuels) and for demonstration projects with a view to energy saving. Following this discussion the Council did not take any decision but noted that the Commission undertook to hold bilateral talks in order to get agreement on a compromise proposal.

The Council agreed to continue its discussion at the General Affairs Council on 22 February 1982 but regrets the fact that it has not yet received the Opinion of the European Parliament, which it wishes to take into consideration.

Miss Brookes. — I assure the President-in-Office that any information he may require from the European

¹ See Annex.

Brookes

Parliament will be dealt with rapidly, as we deal with everything else.

Does the Council agree that regions of the Community which are rich in coal, such as North Wales, could become the liquid-fuel gold-pots of the Community through the introduction of coal technology, and that it is politically imperative to prepare for the day when the world's natural hydrocarbon resources are exhausted, possibly in 30 years, time, by giving vigorous support for coal enrichment technology?

Mr De Keersmaecker. — (NL) I should like to remind you that the Council is pressing ahead with its work on all the various aspects of the problem. What we are discussing here is one of the aspects in which the procedure is of great relevance, but this observation should also be viewed in the light of the meeting to be held on 22 February 1982.

Mr Seligman. — Does the President-in-Office of the Council realize the importance of coal gasification, and that, if we had been able to push ahead faster, the Germans might not have needed this Russian gas pipeline? Coal gasification is now an economic project, and it needs pushing ahead at the fastest possible rate.

Mr De Keersmaecker. — (NL) I must give the same answer as I gave to the previous questioner. This is one of the points which the Council will consider along with all the others.

President. — Question No 83, by Mr Cousté (H-651/81):

In the light of the situation in the Community textile industry, the problems surrounding the renewal of the Multifibre Arrangement and the interest in certain sectors of production, in particular the clothing industry, in being allowed to develop outward processing traffic, can the Council explain why it has been unable, after three years of discussion, to overcome the differences of opinion in certain Member States on the technical aspects of the new arrangements proposed by the Commission which have prevented their adoption until now and state whether it will be able to take a decision on the draft OPT regulation within the near future?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) A fairly fundamental difference of opinion between Member States has so far prevented an agreement being reached on the adoption of the Regulation on outward processing traffic.

For some Member States OPT represents an indispensable instrument for maintaining a certain degree of competitiveness in Community industry. Other Member States, however, feel that although the posi-

tive aspects of this type of operation are not in doubt, their use cannot in any way meet the need to be forearmed against the danger of an undue increase in imports, whether they are ordinary imports or OPT re-imports.

These two approaches have led the Member States to adopt different attitudes to this type of operation. The result has been administrative practices which vary from one Member State to another and fairly marked differences in the extent to which OPT is used. Such a situation could not fail to make the discussions on defining a single Community Regulation very difficult.

Only during recent discussions within the competent Council bodies did some possible lines of approach begin to emerge for solutions to the various problems posed by the adoption of the Regulation.

However, I cannot provide you with any more detailed information on this subject since at this stage these are only suggested solutions which the Council still has to discuss at a meeting scheduled for 25 February 1982.

Mr Cousté. — (FR) My supplementary question is very simple and reflects my deep disappointment. This matter has been dragging on for three years and we now are told that the Council just begun to find some possible solutions. I should like to ask the Council what exactly these prospects are and whether we can expect to be disappointed once more on 25 February. We need to know the answer for the sake of the textile industry which, as everyone knows, is going through a particularly serious crisis in all the Member States of our Community.

Mr De Keersmaecker. — (NL) I should like to point out that the different attitudes adopted by various Member States continue to present an obstacle to a solution. Discussions are currently underway with a view to seeing whether a compromise solution would be possible or not. If I am not mistaken, a special meeting of the Council is to be held on 25 February to discuss the problems in the textile sector. I cannot say, at this stage, what the outcome of this meeting will be, but we hope that it will produce some results which we can report on later. I would also refer you to the information on this subject given by my foreign trade colleague this morning in the competent Parliamentary Committee.

Mr Enright. — Would the Council not agree that outward processing in conjunction with Taiwan and South Korea and their consequent massive penetration is harming not only the home industry but more specifically the developing countries and the African, Caribbean and Pacific countries, who have agreements with us under Lomé and cannot achieve the export penetration that they require?

Mr De Keersmaecker. — (NL) I take due note of the point made by the honourable Member but I can obviously not predict the outcome of the negotiations. I repeat, a Council meeting is to be held next week to discuss the textile sector. We join you in hoping that this will yield positive results which we can report on later.

President. — Question No 84, by Mr Cottrell (H-653/81):

On Tuesday, 1 December 1981, a DC 9 airliner carrying 174 people crashed at Ajaccio, in Corsica, killing everyone on board. It was reported that the airport at Ajaccio does not have radar facilities. While this may or may not have been a contributing factor to the accident, does the Council not feel that as a general priority all airports in the Community should be equipped with all-weather radar facilities, and if the Council's feeling is positive, ought this not to be a subject for a binding regulation?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) The Council has no detailed information on the causes of this accident. The outcome of the inquiries prescribed in such cases by international regulations is not yet known.

According to my information, the standards, recommended practices and international procedures concerning communications systems and air navigation aids, including ground lights, laid down by the International Civil Aviation Organization (ICAO), of which all the Member States of the Community are members, and the relevant national standards are applied at Ajaccio airport.

As the ICAO standards generally seem satisfactory, the Council does not contemplate formulating a Community regulation which might duplicate the standards laid down by the international organization specialized in this area.

Mr Cottrell. — The President-in-Office will, I am sure, be aware that there is concern among pilots of the major airlines of the Community that, whilst minimum standards may be observed at airports, there is something lacking in terms of radar at what are known as black-spot airports. Would he agree that the virtual emasculation of the Eurocontrol organization, a subject to which I recall his making a contribution when he was a member of the Committee on Transport, has in fact deprived the Community in its broader sense of an instrument whereby air safety could be increased at all Community airports?

Mr De Keersmaecker. — (NL) As regards the last point — which has been discussed in great detail in the Committee on Transport in the past — I must admit that, as you say, whether we like it or not, no agree-

ment has been reached regarding the future of Euro-control. However, I must also answer your question on the basis of the regulations currently in force, which I have just listed, and it is in the context of these existing arrangements and the ICAO that the problems you mentioned will be dealt with by the Member States and, I hope, solved.

President. — In the absence of their authors Questions Nos 85 and 86 will receive written answers.¹

Question No 87, by Mr Israël (H-662/81):

Can the Council confirm that an informal meeting of ministers of the interior was held in London on 8 December? Can it also state whether the question of terrorist activities in the Community was raised, in particular the recent bomb explosion in Antwerp?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) The informal meeting to which the honourable Member refers was a purely intergovernmental affair under the aegis of neither the Council nor political cooperation. Consequently, I am unable to comment on it as President of the Council.

Mr Israël. — (NL) The meeting in question was held in London, a seat of the Council of the Community, and was attended by representatives of all the 10 Member States of the European Community. I should like to thank you, therefore, for informing me that this was not a Council meeting. I take due note of this and should like to ask you the following supplementary questions. Could you, in your capacity as Belgian Minister, be so very kind as to give me some information on this meeting?

President. — I am sorry: I am not giving the floor to the Council, because I think this question would be inadmissible in this particular circumstance, and I would hope that Mr Israël would put down this question in another form to the proper body. If, of course, the Minister is prepared to reply in his individual capacity, then he may do so; but as the question is put, he is quite correct in refusing to do so on behalf of the Council.

Mr De Keersmaecker. — (NL) I can tell you that during the London meeting — and I am of course saying this in my capacity as Belgian Minister — the view that we must continue coordination and cooperation in the fight against international terrorism was reaffirmed. I can also tell you that we were able to compile a great deal of information under the Trevi arrangements partly in the light of the unfortunate events which we ourselves witnessed in Antwerp some months ago.

¹ See Annex.

Mr Purvis. — Could the President-in-Office of the Council perhaps tell us how often meetings of the ten ministers, or ten representatives of the Member States' governments who meet on a so-called informal basis and therefore do not consider themselves to be meetings of the Council of Ministers take place? Does this happen very often?

Mr De Keersmaecker. — (NL) I must consult my colleagues responsible for internal affairs and justice as I have not collected any information on this question, nor do I know whether such meetings take place on a regular basis. However, this is clearly not included under the activities of the Council as exponent of the European Community.

President. — Question No 88, by Mr Seligman (H-664/81):

What measures has the Council of Research Ministers taken to promote the investigation of Community-wide cooperation in the use of space technology in order to improve the worldwide competitive position of the Community's space industry?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) As stated earlier in the reply to Oral Question No H-504/80 put by Mr Turcat at the sitting on 17 December 1980, 'The Council has not to date had occasion to discuss a European space programme. The proposals which it has received from the Commission in the field of economic and industrial needs and the long-term objectives of scientific and technical policy have not dealt specifically with space'.

Mr Seligman. — Does the President-in-Office realize that the Turcat resolution — he referred, by the way, to 1980 — was passed by this Parliament in September 1981 and was forwarded to the Council? Can he tell me whether they are considering putting it on the agenda or whether they are just going to ignore the recommendation of Parliament? Does he not agree that some sort of cooperation between the European States in this field would prevent losing a whole series of satellite projects to our competitors in America and Japan?

Mr De Keersmaecker. — (NL) It was not, I think a report by Mr Turcat but an answer to an oral question of which the Council was in fact informed. As far as I know, however, all the Member States of the European Community, as well as some other countries are members of the organization to which I have just referred, which is the forum in which all the problems of the Member States are dealt with. I was not present at these discussions but it strikes me that our wish to avoid both duplication of effort and duplication of costs rules out the idea of setting up an organization

peculiar to the European Community, in view of the fact that an appropriate organization already exists to deal with these questions, and this is probably the reason why the course of action I have described has been adopted. It is also the appropriate place to do this.

Mr Hutton. — Is the President-in-Office aware of the fact that within the next few years a number of satellites will be put into orbit to broadcast to the Member States of the Community and is he telling us that the Council is really not interested in discussing any kind of coordination of the activities of these satellites which bear directly upon the Community and in respect of which some people are suggesting Community-wide response?

Mr De Keersmaecker. — (NL) Naturally, the Council is interested in these things. The question, however, is where they are dealt with. If the European Community had a body in which this subject could be dealt with, in accordance with its competency — such as the Committee on Transport, simply to give an example — then this would be a matter for Parliament or else the Council of Transport Ministers and could form a logical part of their work. If this was of specific relevance with a view to a European space travel programme, the interested Member States could then bring up the problems in this body.

President. — Since its author is not present, Question No 89 will receive a written reply.¹

At their author's request Questions Nos 90, 91 and 92 have been deferred until the next part-session.

Question No 93, by Lord Douro (H-680/81):

Why is the Commission's proposal (COM/77/735) for the seventh draft Directive on VAT, and the amendment to the proposal (COM/79/249), transmitted to the Council on 16 May 1979, still awaiting a decision in the Council?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) The purpose of the proposal for a seventh Directive on VAT is to lay down the common VAT rules to be applied to works of art, collectors' items, antiques and second-hand articles.

Examination of this proposal for a Directive by the Council bodies has shown that Member States' opinions differ greatly in this area, and to date it has proved impossible to reconcile these differences. Some Member States agree with the Commission that special VAT rules should be applied either to all of the goods in question or to certain of them. Other Member

¹ See Annex.

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States take the view that there is no economic need for particular rules and want these goods made subject to the normal VAT rules laid down in the sixth Directive. Even those Member States which want special rules applied do not agree on the type of rules that ought to be introduced.

The Council is continuing work on the matter but, in view of the difficulties being experienced, it seems unlikely that a solution will be found in the near future.

Lord Douro. — In view of that rather negative reply from the President-in-Office and in view of doubts about the workings of the sixth Directive as it relates to antique works of art, is the Council aware that failure to agree on the seventh Directive could, firstly, seriously hurt the antique market both in France and in the United Kingdom where special derogations presently apply; secondly, that it will have the effect of encouraging the flow of works of art out of the Community to the United States and Japan, for example, and, thirdly, that it may have the effect of creating a clandestine market in works of art?

Mr De Keersmaecker. — (NL) As I have already said, the Council is faced with all these problems. The difficulty does not reside in a failure on the part of Council to recognize the difficulties but in the fact that opinions differ regarding the problem you have mentioned. This is the real problem and we must wait and see what happens. As I have explained, we must admit for the sake of honesty that there is little likelihood of a solution in the near future in view of the complexity of the problems.

Mr Müller-Hermann. — (DE) Does the Council realize that progress in the harmonization of VAT within the Community could play its part in helping us to make a great leap forward as we were urged to do yesterday by the President of the Commission?

Mr De Keersmaecker. — (NL) We do indeed, but this would not appear to be the main difficulty. I repeat — this is one of the problems but it is by no means the greatest. The main problem is the differences of opinion between the various Member States.

Mr Delorozoy. — (FR) I should simply like to ask the Council whether, in view of the replies just given on the subject of VAT, the Member States will see the *status quo* maintained during the coming period, or whether they will be able to continue increasing certain VAT rates?

Mr De Keersmaecker. — (NL) Six directives are currently in operation. We must wait and see.

President. — Question No 94, by Mr Hutton (H-681/81):

Will the Council inform Parliament of the timetable for its discussions on the proposals contained in the resolution on relations between Parliament and the Council and on the legislative initiative of Parliament which were adopted on 9 July 1981; and will the Council fix a deadline for these discussions so that decisions can be taken by the Council or the European Council by the end of March 1982?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) As already indicated in its reply to the honourable Member's Question No H-519/81, the Council has started and is continuing the examination of the different suggestions contained in the resolutions adopted on the basis of the reports by Mr Hänsch and Mr Van Miert.

At the meeting between the ten Ministers for Foreign Affairs and the enlarged Bureau of the European Parliament on 17 November 1981, Lord Carrington outlined the Council's position on certain subjects at this stage in the proceedings.

The examination of these resolutions is being actively pursued within the Council, which will not fail to inform the European Parliament of its conclusions as soon as it has reached them — which it hopes will be in the near future.

Mr Hutton. — It is now seven months since Parliament adopted its resolutions on relations with the institutions and three months since the Foreign Ministers met the enlarged Bureau of Parliament to discuss them. If the Council really wants to improve its relations with the whole Parliament, why can the President-in-Office not tell us that the Council's decisions will be taken and announced to us by Easter?

Mr De Keersmaecker. — (NL) If you had been present at the debate on the Blumenfeld report you would have heard me say that the Council was very actively examining this question. In my file here I have an initial draft for a decision on the proposals contained in the Hänsch and Van Miert reports. However, I am not authorized to give an answer today, since the deliberations on this matter have not yet been concluded. The Council has already discussed the matter and intends to continue work on it very shortly. I hope to be able to give you some real news in the not too distant future.

President. — Question No 95, By Mr Eyraud (H-684/81):

The Commission has just published its annual report on exports of New Zealand butter to the United Kingdom in 1980. This report merely confirms earlier trends: consumption in Britain is decreasing — from

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486 000 tonnes in 1975 to 333 000 tonnes in 1980 — although its production is increasing sharply while sales of New Zealand butter remain steady. As a result, Community butter finds itself excluded from the British market. For example, in 1980 the United Kingdom imported 95 000 tonnes of butter from New Zealand but only 1 832 tonnes from France. Since provisional figures show that this trend has continued in 1981 and will be even more marked in 1982, what does the Council intend to do to ensure compliance with the principle of Community preference, i.e. with the Treaty of Rome?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) The Council is currently examining the annual report submitted to it by the Commission covering exports of New Zealand butter to the United Kingdom in 1980. On 1 April 1981, however, it adopted Regulation (EEC) No 858/81 which provides for new arrangements governing imports of New Zealand butter into the United Kingdom on special terms, applicable from 1 April 1981 to 31 December 1983. New Zealand will be authorized to export 92 000 tonnes of butter to the United Kingdom during the 1982 calendar year, which represents a continuous phased reduction compared with previous years. Before 1 October 1982, the Council, acting on a proposal from the Commission, will decide how much butter New Zealand will be authorized to export to the United Kingdom in 1983, in the light *inter alia* of trends on the Community butter market and the development of the world butter market.

The Council will not fail at that time to take account of the Commission's annual report and of the problems raised by the honourable Member. Furthermore, the Council will re-examine before 1 August 1983, on the basis of a report and proposal from the Commission, the operation of the present scheme with a view to taking a decision on the import arrangements that may be applicable after 1 January 1984, in accordance with Article 5(2) of Protocol No 18 of the Act concerning the accession of the United Kingdom of 22 January 1972.

Mr Eyraud. — (FR) I am not entirely satisfied with this reply since the Council tells us that last April it adopted a decision to reduce the imports of butter from New Zealand to the United Kingdom to 95 000 tonnes, which makes only 3 000 tonnes difference. We cannot, of course, deny the historical, political, economic or cultural links which exist not only between New Zealand and the United Kingdom but also between New Zealand and the European Community as a whole, and we are also fully aware of the efforts made by New Zealand to diversify exports of dairy produce and find other outlets, particularly in the Soviet Union. The fact nevertheless remains that in 1981 the United States sold 100 000 tonnes of butter to New Zealand at \$ 1 500 per tonne when, at the same time, New Zealand butter was more than twice the price...

(Cries of 'Question, question!')

President. — Mr Eyraud, you wished to put a question to the Council. This is not a moment for speeches. I would be grateful if you would terminate your comments and put a question to the Council.

Mr Eyraud. — (FR) I should like very respectfully to remark, Madam President, that the last time you were in the chair and I started to speak you interrupted me. Am I to conclude from this that you have something against me?

President. — This is absolutely not the case, Mr Eyraud. I remember giving you the floor on a point of order when you asked for it and I shall always give you the floor when you require it. But it is a rule of Question Time that questions must be put and that speeches may not be made.

Mr Eyraud. — I think it is. May I continue?

President. — If you would be kind enough to put a question to the Council I am sure the Council will answer you.

Mr Eyraud. — (FR) There are various conclusions to be drawn from this state of affairs, Madam President.

Firstly, there is the fact that the United States are doing a roaring trade in selling off their stocks of butter via New Zealand at dumping prices and that they are therefore not in a very good position to lecture to France about the conclusion of the French-Soviet gas agreement. My question therefore is as follows. Has the Council entered into any commitment *vis-à-vis* the United States or New Zealand, for commercial reasons, under the terms of which it would not stand in the way of the United States selling off their stocks of butter?

Mr De Keersmaecker. — (NL) No.

(Applause)

Mr Marshall. — Would the President-in-Office of the Council not agree that the Community has always accepted that it has a moral obligation to New Zealand and that to exclude New Zealand butter from the Community market would be a complete denial of that obligation and a complete breach of faith on the part of the Community and would be seen as such throughout the world?

Mr De Keersmaecker. — (NL) The previous questioner himself has just described the fundamental

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historical and, in part, economic reasons for the Community's attitude in this matter, i.e. that while taking account of New Zealand's needs a deadline must be fixed to enable New Zealand gradually to open up new possibilities with a view to ensuring ultimately that the well-known principle of Community preference can be respected as far as possible in the European Community. I just wanted to say this to explain why the Council and Commission take the attitude they do.

Mr Enright. — Would the President-in-Office not agree that if French butter were much cheaper than it is at the moment, then the British consumer would be able to take more French *and* more New Zealand butter?

Mr De Keersmaecker. — (NL) This is not even a moot point, it is a veritable catch question. Any questions on this subject must be answered in the light of what I have said regarding the commitments into which the European Community has entered and the situation which we created in so doing and which we must therefore accept. That is my answer to the honourable Member's supplementary question.

Mrs Poirier. — (FR) Does the Council not think that the threat of imposing a ban on the imports of New Zealand butter at preferential rates could be a good way of answering the blackmail practised by the United Kingdom during the negotiations on agricultural prices?

Mr De Keersmaecker. — (NL) Madam Poirier I will repeat that whatever aspect of this problem people may wish to bring up here, I will always be obliged to repeat the basic answer I have just given, since otherwise we would end up in a dispute, as is in fact sometimes the case in the Agricultural Council. I cannot make any exceptions and not even comment since a Council meeting on this subject was held only yesterday and the day before. Everyone knows what the problems are but their attitudes differ. I have no right to say the last word on the question here today but I can comment on the way the Council applies the relevant decisions, as I made very clear in my last paragraph. It should be clear to everyone that the Council is respecting the procedure prescribed in the protocol to the Accession Treaty and remains true to the philosophy that I have just described.

President. — As its author is absent, Question No 96 will be answered in writing.¹

At its author's request Question No 97 has been deferred until the next part-session in March.

Question No 98, by Mr Rogalla (H-693/81):

Has the Council noticed that the European Parliament is devoting increasing attention to the abolition of identity checks at the Community's internal frontiers, and is it prepared — in accordance with its professed desire for improved cooperation between the Community's institutions — to make the abolition of such identity checks a central feature of its 1982 programme with a view to making gradual progress towards further simplifying these identity checks in an appropriate manner and, where necessary, by means of provisional agreements between governments, irrespective of whether or not the Commission has submitted proposals to that end?

Mr De Keersmaecker, *President-in-Office of the Council.* — (NL) The aims of free movement enshrined in the Treaty have led the Community to accord particular importance to the elimination of internal barriers within the Community.

The Council is aware that checks at frontiers may sometimes appear cumbersome.

Such checks are mainly to ensure compliance with rules concerning police and security matters (prevention of traffic in drugs and in arms, etc.), VAT, excise duties, health, preservation of the artistic or cultural heritage and the protection of industrial and commercial property and are in conformity with the Treaties of Rome.

Within the limits of its powers, the Council is pursuing its action to eliminate internal barriers within the Community.

Mr Rogalla. — (NL) Mr President of the Council, are you aware of Article 3c of the EEC Treaty which explicitly lays down the total elimination of obstacles to the free movement of persons as an objective of the Community? Is he prepared to arrange for a group of experts from all the Member States to make a start on preparatory work during the course of this year, i.e. if possible during his Presidency with a view to listing first of all and then gradually eliminating the various border checks he mentioned? Does he think that the experts will have enough imagination to ensure that the legitimate interest of the Community, particularly in the fields of drug abuse and security, are protected without this necessitating checks at internal borders?

Mr De Keersmaecker. — (NL) The Council is naturally aware of this fundamental provision of the Treaty establishing the European Community. I go along with you in your opinion that it is a dreadful state of affairs that we cannot manage to eliminate the internal difficulties at the borders, both to the movement of persons and to trade. This goes without saying, and I am in favour of supporting any arrangement intended and likely to bring about improvement. However, I have indicated on behalf of the Council the limits to what

¹ See Annex.

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we can do. These are twofold. Firstly, there is the fact that many of these arrangements fall outside the competency of the Council, i.e. they are legal or defence matters etc. I have given you a few general headings. Secondly, there is a lack of harmonization at various levels in the Community which makes any practical measures whatsoever impossible. The Council is aware of this, it is devoting attention to this matter and I can assure you that the Belgian Presidency fully intends to bring about some progress in this field.

Mr Eisma. — (NL) Does the President of the Council agree that the example of the situation in the Benelux could be taken as a model for border traffic between the Member States of the Community, and does it not also feel that the analogy with the Benelux situation could produce results quicker than the Council President has just suggested?

Mr De Keersmaecker. — (NL) This is indeed the situation between the Benelux countries. If I am not mistaken, a similar situation ought to exist in the case of the United Kingdom and Ireland and we would be able to count ourselves very lucky if this could be introduced at Community level. However, I repeat that we have come up against certain obstacles and there is a great danger of more obstacles arising from other situations. At the economic level, virtually unrestricted movement of persons and trade between the Benelux countries has existed for years without a single problem but now, because of the devaluation of certain currencies, monetary compensatory amounts have been introduced between my country and the Netherlands and barriers are being raised which we had forgotten about decades ago. Thus, there are an enormous number of problems and new difficulties are constantly arising as a result of the economic crisis. We regret this and we must attempt to eliminate them as soon as possible.

Mr Schinzel. — (DE) Obstacles are there to be overcome and I am somewhat dumbfounded to hear you merely list a series of new obstacles since you yourself at one time supported the unanimous resolution of this Parliament to the effect that border checks should be eliminated without delay when you were a member of this Parliament.

I should like to ask you, therefore, what you or the Council have done in the meantime to put this resolution into practice — or am I to understand from what you said today that you have already given up on this?

Mr De Keersmaecker. — (NL) I can only repeat what I have already said. I have expressed my personal views on this matter very clearly and I have also said the Council will do all it can to solve this difficult problem. However, neither of these statements —

either my own personal one or the one I made on behalf of the Council — can do anything to change the practical difficulties which have nothing to do with my personal wishes. Thus, I have no intention of giving up but I am sufficiently clear-sighted to recognize the realities of the situation.

President. — Question No 99, by Mr Habsburg (H-698/81):

Does the Council consider it possible to bring forward the date for the introduction of the European passport from 1 January 1985 to 1 January 1984 at the latest, in view of the fact that as a Member of the European Parliament the new President of the Council was one of the first advocates of the passport and that the Community's citizens are entitled to see visible evidence of progress in Europe before the next European elections?

Mr De Keersmaecker, President-in-Office of the Council. — (NL) By the Resolution which they adopted on 23 June 1981 the Representatives of the Governments of the Member States of the European Communities, meeting within the Council, resolved that the Member States would endeavour to begin issuing the common format passport by 1 January 1985 at the latest.

This provision does not rule out the possibility of certain Member States issuing passports of this type before that date.

Mr Habsburg. — (DE) Do you not realize that now that it has been decided in principle to introduce a standard passport, it will be very damaging to the credibility of the Community in the eyes of the public if we still have to wait several years before the passports are issued? Is the Council prepared to put some pressure on the national governments to encourage them to finally get on with the job?

Mr De Keersmaecker. — (NL) I take due note of your concern and the impetus you would like to give to this matter. However, the difficulties we are coming up against in this connection are for the most part the same as those I mentioned in my answer to the previous question. I can inform you, however, that various Member States, such as my own and, I believe, Ireland and Italy too, are clearly in favour of introducing an appropriate arrangement before the date fixed either by way of an example or in anticipation.

Mrs Hammerich. — (DE) I should like to ask the Council in connection with this wine-coloured uniform passport whether any very precise rules have been drawn up regarding the optically readable page which there was talk of and which would permit checks and registration by electronic means at border crossings. What precise rules have been drawn up?

Mr De Keersmaecker. — (NL) This might be an optional feature but would not be compulsory as a result of this arrangement.

Mr Harris. — Since this question, as the President-in-Office has recognized, is related to the previous one, does he accept that we will never, never make real progress on the problem of breaking down barriers to travel unless we jointly launch a full-scale campaign on this issue? Would the President-in-Office accept that he must play his part in that, just as he played it when he was a Member of this House, and could he make a start in such a crusade by removing some of the barriers which exist in Brussels Airport — barriers which we as Members encounter all the time — and the delays we experience in getting to the capital city of his country?

Mr De Keersmaecker. — (NL) I will try to do my bit, as I said at the beginning of my first answer, but I must remain within my competency as President of the Council. I cannot act instead of the Member States. If we are to remove these obstacles we need both the political will and the practical opportunity. For the rest, I take due note of the problem you have mentioned regarding the difficulties at Brussels airport and will bring up the matter at the next opportunity at governmental level and refer to the motion of the Committee on Transport of this Parliament.

Mrs Viehoff. — Mr President of the Council, do you not think that the European passport is more a symbol than something which will in fact make all that much difference to the people of Europe and that we have more important things to talk about instead of devoting so much time on this question at every part-session?

Mr De Keersmaecker. — (NL) No, Mrs Viehoff, I think this passport is a very valuable thing. Apart from the symbolic value there is also the practical value whereby the existence of the European Community will take on a some real meaning for the people of Europe in the daily reality of contacts across the borders. However, this does not mean that there are no difficulties and that there are not indeed many other important problems.

President. — I call Mr Van Minnen on a point of order.

Mr Van Minnen. — (NL) I should like to make a point of order, Madam President, since I had a supplementary question down which concerned an unsatisfactory answer which could be clarified very briefly, and you have cut this question off in the middle of the discussion. I should very much like to put this supple-

mentary question regarding the passport since at the moment the situation is unclear and we could probably remedy this situation if you allow me to put the question.

I should simply like to ask in connection with the previous answer by the President-in-Office on the optical readability of the passport whether or not what his predecessor, the previous President-in-Office of the Council, said in this Parliament not so long ago still applies, i.e. that this was impossible. If the current President-in-Office now gives an answer which is incompatible with the previous answer, this is indeed a matter which concerns the internal, democratic running of this Assembly, Madam President.

President. — Mr Van Minnen, you took it upon yourself to put a very short question to the Council. I think you have been discourteous to the House but, as the question has now been put, I will ask the Council to answer very quickly. But I would also like to make the comment that other Members of this House throughout Question Time have been extremely cooperative by accepting an agreement at the beginning that we try to take only one Member from each political group, and your group, Mr Van Minnen has already put a question. So if you are going to behave like this I hope you will none the less realize that there was an agreement on conduct before we started Question Time.

I shall now ask the Council to reply.

Mr De Keersmaecker. — (NL) I am not competent to answer this question. However, my assistant tells me at any rate the complete readability of all relevant data will be guaranteed.

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

Mr Israël. — (FR) Madam President, our Rules of Procedures state that questions should be grouped according to the subject. However, looking through the questions to the Foreign Ministers meeting in political cooperation, I see that once more they have been thrown together in a haphazard fashion. I should therefore like to remind the Presidency that the questions should be grouped.

President. — I am sure the Council takes note of your comments, Mr Israël.

We now turn to questions addressed to the Foreign Ministers meeting in political cooperation.

Question No 112, by Mr Vandemeulebroucke (H-620/81):

President

Are the Ministers prepared to take joint action in the framework of political cooperation to press the Cuban Government to release Armando Valladares, a Cuban poet who has been imprisoned for the last 20 years because of his political beliefs and who has been subjected to the strictest and most degrading form of imprisonment?

Mr De Keersmaecker, President-in-Office of the Foreign Ministers. — (NL) The Ten have not discussed the specific case of Armando Valladares, although certain individual Member States have expressed their concern regarding this particular case as well as the general situation regarding political prisoners and the human rights problems in Cuba. The Cuban authorities are very well aware of the views of the Ten on this subject.

Mr Vandemeulebroucke. — (NL) May I ask the President-in-Office of the Council then to include this matter, which is a fundamental human rights issue, on the agenda for the next meeting, perhaps with the request that one of the Member States might grant political asylum and that this should be officially made known to the Cuban Government?

Mr De Keersmaecker. — (NL) I can inform you on behalf of my government, that the Belgian Ambassador has approached the director for political relations with Europe on this matter. However, the Cuban authorities take the view that this would constitute interference in its internal affairs.

President. — As their subjects are related, Questions Nos 113 and 118 will be taken together:

— Question No 113, by Mr Purvis (H-702/81)¹

What is the current position of the Baha'is in Iran and what action is being taken by the Community to help them?

— Question No 118, by Mr Moorhouse (H-708/81):

In view of the news that eight of the nine members of the National Spiritual Assembly of the Baha'is of Iran were executed on 28 December, would the Foreign Ministers report on the efforts they have been making to bring pressure to bear on the Iranian authorities to desist from this barbarous persecution?

Mr De Keersmaecker, President-in-Office of the Foreign Ministers. — (NL) The Ten's support for the protection of the rights of minorities, including religious minorities such as the Baha'is, is well known and has been reiterated on several occasions. The Ten have made it known to the Iranian authorities that they are

deeply concerned at the recent executions of Baha'i leaders. They have drawn their attention to the relevant passages in the Universal Declaration of Human Rights and the two human rights pacts of 1966. The Ten are also looking into ways in which they might take action in this connection in the context of international institutions such as the United Nations — indeed I might say 'they have looked into this question', since this action in the meantime has been taken. The ambassadors of the Ten have also approached the Iranian authorities together with other countries, in particular the United States, Sweden, Switzerland, Australia and Austria.

Mr De Keersmaecker. — (NL) I would remind you that, as I have just said, this matter has in the meantime been brought up with the United Nations.

Mr Purvis. — The Minister will not be surprised to see this item yet again on the list of questions. It has been reappearing, I should think, for about two years. Every time it is asked the reply is that we hope it is going to show some improvement and we are thinking of discussing it; and we are thinking of bringing it up at the United Nations.

Can I ask the Minister why in fact it has not yet been brought up at the United Nations and will he undertake to do so with the utmost urgency?

Mr De Keersmaecker. — (NL) This would indeed be possible under paragraph 12 of the Declaration of Human Rights. I take due note of this and we might perhaps make this proposal.

Mr Moorhouse. — One appreciates the delicacy of the situation *vis-à-vis* the Iranian authorities. Reference has been made to the United Nations and I would like to ask the President whether he would consider taking the issue to the United Nations Commission on Human Rights which, I understand, is meeting in Geneva at this very time?

Mr Habsburg. — (DE) Are you aware that the Iranian Embassies in the Member States of the Community are currently compiling lists of all Baha'is with a view to withdrawing their passports or otherwise persecuting them? Has the Council already devoted any attention to the question of protecting at least those Baha'is who are living in Europe from the tyrannical regime in Iran?

Mr De Keersmaecker. — (NL) I can only take due note of the points you make and look into the question of whether this has yet been done. If not, I shall propose that this be taken up.

¹ Former oral question without debate (0-51/81).

President. — Since its author is not present, Question No 114 will receive a written reply.¹

Question No 115, by Mrs Castellina (H-655/81):

Are the Ministers aware that certain non-European countries, including Uruguay where a dictatorship is in power, are intending to send contingents of their troops to participate alongside European troops in the projected Sinai peace-keeping force, and do the Ministers not consider that such collaboration confers legitimacy on a deeply repressive regime?

Mr De Keersmaecker, President-in Office of the Foreign Ministers. — (NL) Mrs Castellina's question concerns the participation of Uruguay in the Sinai peacekeeping force.

The Eastern Republic of Uruguay intends, like other countries wishing to play their part in maintaining peace, to make a military transport unit available to the Sinai peacekeeping force. Participation of this kind, if accepted by the United States, Israel and Egypt, has no political implications and cannot result in the approval or rejection of the type of regime in force in the country in question.

Mrs Castellina. — (IT) Given that the Uruguayan troops will not be going to the Sinai like a group of boy scouts, do you not think we should give some serious attention to the fact that this participation in the Sinai operation, which is unfortunate in itself, constitutes, at it were, a tacit legitimization of this fascist regime?

What are the President of the Council's reactions to a statement made in a Uruguayan newspaper according to which the democratic countries of the European Community are quite calmly accepting the idea of a fascist country participating in one of their own military operations?

Mr De Keersmaecker. — (NL) I can only repeat what I said in my original answer. It is the country which is participating and not the regime, and the participation of a particular country in a specific operation does not imply recognition of the regime or type of regime.

Mrs Hammerich. — (DA) I am amazed to hear the President of the Council say that Uruguay is concerned about peace. This is the first I have heard of it! However, I should like to ask whether he agrees that Uruguay's participation in the Sinai force will cast a shadow over the European Community's first military operation — since this is the first time Community Member States in political cooperation

have sent troops off with a joint declaration in their kit bags, and we are against this. What will happen next, both as regards the militarization of the Community and our cooperation partners? The next time there is an opportunity, will it be troops from all ten countries who are sent off, and might they be sent off alongside troops from, for example, South Africa?

Mr De Keersmaecker. — (NL) The only aim of this operation is to maintain peace under difficult conditions and in a strategically important location.

I repeat that the anticipation of the various countries has no influence whatsoever on the attitude of the European Community to the regimes in force in the countries providing this peacekeeping force.

Mr Van Minnen. — (NL) The President-in-Office is going a bit far this time and I should therefore like to ask him outright what about the credibility of the Community, the credibility of all the moral appeals in which we indulge, what about the credibility of the Community when crack troops from one of the most abhorrent regimes in the world today, i.e. Uruguay, are claiming to protect peace and human rights alongside our own troops in the Sinai.

Mr De Keersmaecker. — (NL) When introducing the Belgiah programme, President Tindemanns said that the European Community must endeavour to protect and ensure the respect of human rights anywhere in the world and in whatever way possible. That is the attitude which has been adopted and a fundamental answer to your question.

Mr Welsh. — Without expressing any form of approval of the regime in Uruguay, would the President-in-Office accept that if it was a necessary qualification for supplying troops to a peacekeeping force that one was also a pluralist democracy, it would be very difficult indeed to find troops from the continent of Africa or from Latin America and, indeed that it might be impossible to have enough troops for any peacekeeping force at all?

Mr De Keersmaecker. — (NL) That was not a question but a comment.

President. — In the absence of its author, Question No 116 will receive a written reply.

Question No 117, by Mr Habsburg (H-697/81):

During the December part-session the European Parliament adopted a motion for a resolution for entry in the register calling on the Foreign Ministers to urge the ten

¹ See Annex.

President

governments to accept Polish refugees — in particular from the overcrowded camps around Vienna — in the Community countries. What action has already been taken and what action is to be taken?

Mr De Keersmaecker, President-in-Office of the Foreign Ministers. — (NL) This question concerns the attitude of the European Community to the problem of refugees from Poland. In their communiqué of 4 January, the Foreign Ministers of the Ten decided to look into possible steps which could be taken to ease the lot of the Polish citizens outside Poland who have no wish, under present circumstances, to return to their country. The Ten have devoted constant attention to this question and a series of measures have already been taken by the Member States and the other Western countries to which this request was addressed. The Member States will react in as positive a way as possible to this request in the light of the situation and possibilities in the individual countries.

Mr Habsburg. — (DE) I should like to thank you for your answer, but at the same time I would urge you to put as much pressure as possible on our governments since, as you know, the situation in Austria at the moment is extremely difficult and there are enormous problems in Berlin, for example.

Mr De Keersmaecker. — (NL) I take due note of this, Mr Habsburg, and will pass on your concern. I can inform you on behalf of the Belgian Government that we have already taken certain steps including the extension of residence permits for Polish refugees in our country and that we intend to take further measures in the near future. It is our aim to act jointly, as far as possible, with the other governments on the basis of the joint condemnation of the Polish regime expressed by the Ministers meeting in political cooperation on 4 February.

Mr Tyrrell. — Would the President-in-Office consider whether the Foreign Ministers meeting in political cooperation might extend to those political exiles from the eastern side of our continent the rights of residence and movement that are bestowed on Community nationals, once those refugees have been accepted by any one of the Member States. The President-in-Office will recall that when 18 months ago, Parliament was considering the proposed directive on rights of residence, which the Council still has not adopted, it appended a recommendation that political exiles in the Community should have the same rights as nationals of Member States in the Community. Would he not agree, that the case of the Poles provides an excellent opportunity for implementing of this policy?

Mr De Keersmaecker. — (NL) I must repeat that I find this an excellent recommendation, but one which may well have many implications for international private law, etc. I will be pleased, however, to take this into consideration as much as possible.

President. — In the absence of its author, Question No 119, will receive a written answer.¹

At the request of its author, Question No 120, has been deferred until March.

Since their subjects are related, Questions Nos 121, 122 and 123 can be taken together.

Question No 121, by Mrs Wieczorek-Zeul (H-728/81):

What steps have the Foreign Ministers taken to translate the Community's 1980 Venice Declaration on the Middle East into practice?

Question No 122, by Mr Schmid (H-729/81):

Do the Foreign Ministers share the view of the French Foreign Minister that the Community's 1980 Venice Declaration on the Middle East is 'wrong and absurd'?

Question No 123, by Mr Albers (H-730/81):

In the view of the Ten, is the Community's Venice Declaration on Middle East policy still as important as ever?

Mr De Keersmaecker, President-in-Office of the Foreign Ministers. — (NL) These four questions, by Mr Schmid, Mr Albers, Mr Van Minnen and Mrs Wieczorek-Zeul concerning the same problem. I shall therefore answer them jointly. The Ten stand by the principles set out in the Venice Declaration and the subsequent declaration. These principles have been repeated and reaffirmed on numerous occasions. There are two fundamental points, i.e. the right to existence and security of all the States in the region, including Israel, as well as justice for all peoples, which presupposes acknowledgement of the legitimate rights of the Palestinians, including the right of self-determination. These then are the two basic principles underlying the Venice Declaration and the Ten's policy in this respect has remained unchanged.

Although it is not for the Presidency to comment on the policy of individual Member States, I might point out nevertheless that, as I understand it, the French Foreign Minister did not in fact make the statement he is alleged to have made in Question 729.

¹ See Annex.

Mrs Wieczorek-Zeul. — (DE) Have not certain statements made by individual Foreign Ministers given the public the impression that they were made on behalf of the entire European Community in the context of political cooperation? Can you give us your assurance that they will not have the effect of curtailing the Community Middle East initiative?

Mr De Keersmaecker. — (NL) I can inform you that insofar as the Council has discussed the problems of the Middle East, there have been no indications that it has changed its attitude to this question. I repeat that the Council does not draw the same conclusion as the Questioner would appear inclined to draw from the text, which I have before me, of the statement by the Minister to whom you refer. However, I do not intend to enter into any polemics on the basis of this statement and will make no further comment on it. The position of the Council is clear and I can tell you that as far as I know there are no grounds whatsoever for doubt.

Mr Schmid. — (DE) Mr President of the Council, you have just stated that the Venice Declaration still applies, particularly as regards its two basic principles, i.e. Israel's right to existence and the legitimate rights of the Palestinians, i.e. their right to self-determination. Can you tell us exactly what the Council understands by 'right to self-determination' since there are indications that the interpretation has shifted somewhat?

Mr De Keersmaecker. — (NL) The Council has not, I think, issued any text containing an interpretation of its declaration. The Council, I think, adopted a certain attitude at a particular moment. I have just read out to you what this attitude was but, for the sake of clarity, I can, if you like, repeat it once again. There are two fundamental principles: i.e. the right of all the States in the region, including Israel, to existence and security, and the principle of justice for all peoples. This presupposes acknowledgement of the legitimate rights of the Palestinians, including the right to self-determination.

This, I think, should be clear enough. Naturally, one could go on at great length about the way in which these principles should be put into practice, in the light of the historical and geographical difficulties of the area in question. I repeat, the Council has not issued any text in interpretation of this declaration. As it stands it is clear, but no more than that.

Mr Albers. — (NL) Madam President, can the President-in-Office of the Foreign Ministers meeting in political cooperation also give me his assurance that it is the intention of the Belgian Presidency to see to it

that the Euro-Arab dialogue is resumed during the next six months, since this is surely of relevance from the point of fulfilling the wishes contained in the Venice Declaration?

Mr De Keersmaecker. — (NL) We certainly intend to continue the work we have made a start on. Since the Venice Declaration, contacts have repeatedly been taken up on behalf of the Council with various countries involved in the problem. The Council has already, among other things, adopted a position with regard to the so-called 'Fahd plan' of which it takes a generally favourable view, but does not wish to comment at this stage on all the various elements contained in it. On the basis of its standpoint, with which you are familiar, the Council intends to continue its activities with a view to contributing towards the possible solution of the problem.

Mr Van Minnen. — (NL) I should like to know whether the President-in-Office of the Foreign Ministers meeting in political cooperation can perhaps nevertheless tell us what the Ten mean exactly by 'the right of the Palestinian people to self-determination'. I should be pleased to hear how the President-in-Office interprets this phrase.

Mr De Keersmaecker. — (NL) I must repeat what I have already said. Self-determination of the peoples involved. This clearly concerns the Palestinian question and I have no interpretation to give. The fact that contacts have been taken up so often and with so many parties and are still to be taken up, is in itself evidence of the fact that the practical implementation of this principle, which is so fundamental, is posing various problems. However, this does not affect the resolve of the European Community to continue its endeavours in the light of these principles.

Mr Marshall. — Would the President-in-Office of the Council accept that the Venice Declaration has caused a great deal of consternation to many of our friends in the Middle East and that many people now regard it as effectively dead?

Mr De Keersmaecker. — (NL) I do not think — at least this is my opinion — that this declaration has caused any confusion, but nobody can prevent it being interpreted in different ways by different parties. This again demonstrates the very complicated nature of the problem.

Mr Blumenfeld. — (DE) Does the President of the Council take the view that the mere reiteration of the

Blumenfeld

Venice Declaration in itself constitutes politics, when we consider that over the last year and a half and recently there have been a whole series of new political developments among the Arabs, Egyptians and Israelis as well as on the American side, which the Ten should consider too?

Mr De Keersmaeker. — (NL) This is indeed true, but I am always referring to the attitude of the European Community. For the time being, its position regarding the Venice Declaration has not changed, regardless of the statements or interpretations of statements which may have been made. I have nothing to add at present.

President. — Question Time is closed.

I should like to convey my thanks to the President-in-Office, who has answered so well so many different questions, and also to the House for its cooperation in enabling us to get through so many questions.¹

(The sitting was closed at 7 p.m.)

¹ *Agenda: see Minutes.*

ANNEX

Questions which could not be answered during Question Time, with written answers

*I. Questions to the Commission**Question No 3, by Mr Cluskey (H-585/81)*

Subject: Community campaign against poverty

Will the Commission report on the progress to date in relation to the preparation and publication of its final report on the first programme to combat poverty and outline its proposals for future action?

Answer

1. The final report on the first programme to combat poverty was agreed by the Commission on 9 December 1981 and will shortly be made available in all language versions. The Commission also intends in due course to publish summaries of the national reports produced within the framework of the first programme. (The Commission has also authorized the authors of the national reports to proceed independently with the publication of the full version of their reports and some of these have already appeared in print).
2. The final report shows that poverty not only still exists but is on the increase in all Member States. It indicates that action to combat poverty, whilst continuing to be the subject of specific measures, should also be incorporated into a wide range of social and economic policies. The concluding section of the report summarizes the recommendations made by independent experts for action at national level and indicates the scope and the justifications for further action at Community level.
3. The Commission intends that the final report together with the complementary national reports should stimulate debate at Community level and within Member States. Proposals for further action will be drawn up in the light of this debate and taking account of the results of the supplementary actions authorized by the Council Decision of 22 December 1980 and launched by the Commission during 1981.

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Question No 5, by Mr Ansquer (H-592/81)

Subject: Measures to be taken *vis-à-vis* shoe imports from Brazil

Does the Commission intend, as a result of its inquiry into shoe imports from Brazil, to propose that a duty be levied to countervail the export subsidy granted by the Brazilian Government?

Answer

The honourable Member will be pleased to learn that in the course of the consultations the Brazilian authorities expressed their intention of taking the necessary steps so that the subsidies to which the honourable Member refers would be completely neutralized. The Commission regarded this undertaking as acceptable and a Commission Decision was accordingly published in the Official Journal of the European Communities L 327 of 14 November 1981.

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Question No 18, by Mrs Fuillet (H-538/81)¹

Subject: Information campaign on the facilities of the European Social Fund

In Chapter 2 — Social Fund — of the resolution on the position of women in the European Community which it adopted in February 1981, the European Parliament called on the Commission and the Member States:

to organize a large-scale information campaign in order to make the citizens of the Community more aware than hitherto of the facilities offered by the European Social Fund.

I feel this matter is particularly important in view of the present state of female employment; can the Commission therefore state:

- whether it has launched such an information campaign?
- how it proposes to organize the campaign in the Member States?
- if not, when it intends to start?

Answer

The Commission accords the highest regard to the requests for information contained in the European Parliament's resolution of February 1981 on the position of women in the Community.

The Commission's information department (DG X) has been particularly keen to publicize the opportunities available to women through the European Social Fund. A brochure on the subject was printed in large quantities and widely distributed in the relevant circles. A second edition of this brochure has been updated with a greater amount of practical information and has just appeared in the seven Community languages. It will also be widely circulated (Supplement No 6 to *Femmes d'Europe*).

In several Community countries in 1981 seminars were organized in collaboration with women's organizations to provide detailed and practical information about the European Social Fund and women.

There is also frequent mention of the European Social Fund in the publication *Femmes d'Europe* with its articles on projects and annual progress reports and so on.

DG X has also made a special effort to make the European Social Fund more widely known in trade union circles. This campaign has been primarily connected with the regional information meetings.

Applications to the European Social Fund have shown a marked increase in the last four years, thanks to the extra efforts to publicize the Fund in the Member States. Part of the credit for this increase in the number of applications may be attributed to the Commission's information campaign which was undertaken with the aim of encouraging applications. Although the campaign has been significant, it is nevertheless only one of the factors involved in the steady growth of applications. A more important factor is the readiness of national authorities to promote a policy which benefits women.

The Commission would also point out that the information department's staff and financial resources are limited.

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Question No 20, by Mrs Scrivener (H-460/81)

Subject: EEC Regulation on exclusive distribution contracts.

Does the Commission intend to replace the present EEC rules governing exclusive distribution contracts, due to expire in 1982, and does it plan to put an end to the exclusive distribution agreements in which retailers undertake to sell only certain products supplied by one producer, an abuse that occurs particularly in the brewing industry? If not, can the Commission explain in what circumstances certain undertakings will be able to obtain exemption from the EEC's rules on competition?

¹ Formal oral question without debate (0-30/81) converted into a question for Question Time.

Answer

It is true that the Commission is preparing a new regulation to replace Regulation No 67/67/EEC with effect from 1 January 1983. It is the Commission's intention in the future to deal in separate regulations with exclusive distribution and exclusive purchasing agreements. There will probably be no major change in the regulation concerning exclusive distribution agreements.

More precise rules will be drawn up to cover agreements whereby a retailer undertakes to obtain certain products from only one manufacturer. In cases where, either in isolation or in conjunction with agreements of the same kind, there is a risk of trade between the Member States being affected, such agreements will be exempt from the cartel provisions if they fulfil certain conditions regarding the duration of the agreement and the extent of the obligation to obtain supplies from a single source.

As far as contracts with breweries are concerned, the Commission feels that, given the present state of discussions, these can, generally speaking, be exempted, especially in cases where the contracts have been concluded for a period of not more than 10 years, provided the publican is given the opportunity to put an end to this exclusive franchise arrangement after five years. Consideration is not being given to allowing the exclusive franchise arrangements to apply to drinks other than beer or to other products offered by the brewery which is party to the contract.

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Question No 21, by Mr Galland (H-486/81)

Subject: Incompatibility of the French nationalization programme with the Treaty of Rome.

Article 7 of the Treaty of Rome states that within its scope of application 'any discrimination on grounds of nationality shall be prohibited'. However, Section II of the French Nationalization Bill of 23 September 1981 concerning the nationalization of banks and in particular Article 13, paragraph 2, subparagraph 3 states that those banks whose capital is largely owned, either directly or indirectly, by natural persons not resident in France or by legal persons whose registered place of business is outside France, will not be nationalized. Are these provisions not discriminatory, under Article 7 of the Treaty, against banks whose capital is largely owned by French natural or legal persons? If so, what measures does the Commission intend to take to ensure that Community law is respected?

Answer

The logical extension of Article 7 of the EEC Treaty, under which the Member States are required not to apply any discrimination, is that the same obligation applies to the subjects of another Member State.

Although special provisions of Community law may, in certain cases, prohibit a Member State from treating its own subjects less favourably than the subjects of another Member State, the Commission feels that Article 7 as such cannot cover such a prohibition.

The draft French legislation on nationalization provides for the non-nationalization of banks whose capital is largely owned, directly or indirectly, by natural and legal persons not resident in France.

In the light of what I have just said, and in the absence of specific provisions in Community law on this matter, it would appear that the resultant discrepancy in the treatment of banks whose capital is largely owned by French natural or legal persons is not covered by the discrimination provisions of Article 7.

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Question No 22, by Mr Calvez (H-504/81)

Subject: Incompatibility of French nationalization measures with the Treaty of Rome

Article 3(c) of the Treaty of Rome provides that the activities of the Community shall include 'the abolition, as between Member States, of obstacles to freedom of movement for persons, services and capital'.

This fundamental rule of the free circulation of capital is not being respected in the nationalization of

three French companies, CII Honeywell Bull, ITT France and Roussel Uclaf — 'notable for their large foreign shareholdings' (Nationalization Bill tabled by Mr Pierre Maurois on 23 September 1981).

In view of this, does the Commission intend to invoke Article 169 of the Treaty of Rome?

Answer

As I have said on a previous occasion, the Commission does not believe that the draft French legislation of September 1981 on nationalization conflicts with Community provisions in general and does not therefore violate the existing legislation in the field of the free movement of capital. In these circumstances, the Commission sees no reason to invoke Article 169 of the Treaty.

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Question No 24, by Mr Kirk (H-575/81)

Subject: Temporary extension of the technical measures for the conservation of fishery resources

Since the technical measures for the conservation of fishery resources have been adopted as temporary measures on several occasions by the Council and in view of the Community's special obligations concerning fishery resources, why has the Commission requested the Member States to adopt national measures, when at the Council meeting of 27 October 1981 there was apparently no opposition to the technical conservation measures being temporarily extended?

When does the Commission intend to submit a new proposal on technical conservation measures?

Answer

The Council decided on 29 September 1981 to extend indefinitely Regulation 2527 on technical conservation measures, which expired on 31 October 1981. In view of the fact that the Council was unable to adopt a regulation formalizing this decision at its meeting of 27 October, the Commission requested Member States to adopt national measures in conformity with the provisions of Regulation 2527/80 to be submitted to it in accordance with normal procedure. Since the Belgian presidency requested the Commission to propose a regulation on technical conservation measures, the Commission has just sent a new regulation on this subject to the Council.

The Commission cannot share the opinion of the honourable Member that there was no opposition at the Council meeting of 27 October to the technical conservation measures being temporarily extended.

Question No 25, by Mr Lezzi (H-582/81)

Subject: Urban Renaissance

1981 was declared 'Urban Renaissance Year' by the Council of Europe. To this end, a campaign was launched in London on 21 October 1980 and will end in Berlin early in 1982. In the context of increased cooperation between the Council of Europe and the European Community, what action has the Commission taken or what are its plans for making public opinion aware of the problems of urban renewal?

Answer

At the Commission's behest, a study of the environmental problems facing inner cities was carried out and has been widely read since its publication in 1978.

The Commission would draw Members' attention here to the major conferences organized under its aegis on urban planning problems in the European Community (Liverpool 1979) and the conservation of Europe's architectural heritage (Brussels 1980).

In the presence of representatives of the Council of Europe and of the Economic and Social Committee, the Commission concluded, on 14 December last year, its EURA-HABITAT competition, with prizes being awarded to the best city centre renovation plans from the planning, economic and social aspects.

The winners of the competition were 16 cities from 8 Member States, whose plans were the subject of a final report and of audio-visual material.

The final report is available in English, French and German and will be forwarded to the Council and the European Parliament as soon as it has been translated into the other official languages of the European Community. In the meantime, the authors of the report will be taking part in the work of the final conference of the European campaign for the rejuvenation of inner cities, to be held jointly with the Council of Europe and the City of Berlin in Berlin from 8 to 12 March.

The opportunity will also be taken to present a report on the participation of the general public in the process of urban renewal, to be drawn up by a working party appointed at the conference held in 1979 on urban planning problems in the European Community.

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Question No 27, by Mr Christopher Jackson (H-607/81)

Subject: National aids relating to apples

What progress has the Commission made in meeting the requests made by Parliament in its resolution of 13 March 1981, and in particular what action has been taken regarding the requests to examine distortion of competition by national aids and make the list of national aids available?

Answer

The Commission has not recorded any instances of specific national aids either planned or granted for apple production in the past few months.

The Commission is careful to examine all national aids which are reported to it by the Member States and to make representations to them when these aids are incompatible with the common market or infringe Community law.

It has sent a confidential list, drawn up by the Member States, of existing national aids updated each year (in the original languages) to 1978, to the chairman of the Committee on Agriculture of the European Parliament.

The Commission does not intend to disclose the contents of these lists to the members of the national parliaments and organizations recognized by the EEC institutions. Most Member States have asked the Commission to keep these documents confidential.

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Question No 29, by Mr Newton Dunn (H-637/81)

Subject: Choosing who makes studies for the Commission

Will the Commission explain clearly why they prefer to choose privately themselves who is to carry out the many studies financed by them each year, and why they prefer not to advertise these opportunities throughout the Community using the 'S' series of the Official Journal?

Answer

The tender procedure seems quite unsuited to the Commission's aim; there is no 'market' where studies are concerned. There are no experts or institutes who might potentially be interested in and

capable of carrying out any kind of study likely to be published. Furthermore, the invitation to tender procedure seems extremely cumbersome, involving lengthy procedural and material delays (translation into all languages, printing, etc). The number of studies carried out each year, on broad or specific topics, is very high. The organization of these invitations to tender would involve an inordinate amount of administrative work. On the other hand, twenty years' experience has shown that the procedure adopted by the relevant Commission departments — i.e. direct contact with institutes, universities and individual experts who are best qualified and best able to meet the requirements of any given study project — is by far the most efficient and the most rational.

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Question No 30, by Mr Delatte (H-641/81)

Subject: Community accession to the International Sugar Agreement

Could the Commission say what stage the negotiations on Community accession to the International Sugar Agreement have reached, given that during the meeting held in London on 19 and 20 November 1981 between representatives of the Commission and members of the Executive Committee of the ISA it was decided that a joint working party should be set up?

Answer

As a follow-up to the meeting of the International Sugar Council to which the honourable Member has referred, the Commission, assisted by the Member States, on 8 December met members of the ISC's informal Working Group on Accessions. At that meeting the Commission gave details of improvements the Community would like to see in the ISA. Discussions on Community-ISC cooperation are continuing.

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Question No 32, by Mr Ceurtsen (H-652/81)

Subject: Factors distorting competition in the glasshouse sector

The Commission obviously believes that the price paid by Dutch market-gardeners for natural gas to heat glasshouses distorts competition in the Community. Competition can of course also be distorted by other factors such as special fiscal and/or social measures, subsidized interest rates and the like. Will the Commission therefore conduct a thorough investigation into the special arrangements and measures in the various Member States which may influence prices and earnings and as a result competition in market-gardening under glass and, where its investigation points to the existence of such arrangements and measures, take the necessary steps to put an end to them; and will it present the results of this investigation to the European Parliament?

Answer

The Commission shares in principle the opinion of the honourable Member; moreover it expresses this in its report on the situation in the market gardening sector. It is true that there are other reasons apart from the price of gas in the Netherlands for the difference in costs in this sector, in particular fiscal or social measures.

However, the Commission considers that, except in specific cases, it is not possible to separate the search for a solution in this sphere from the alignment of the fiscal and social policies of Member States.

Where interests subsidies are concerned, the Commission is already studying these as part of its permanent examination of reported aid projects and in accordance with the criteria laid down for

assessing capital grants with the same objective. There is one exception to this. The Commission is reserving its position as regards management credits, that is credits limited to one year.

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Question No 34, by Mr Penders (H-656/81)

Subject: Food aid to Poland

In Poland nobody knows that food aid is being provided by the EEC. Is the Commission prepared to take steps to ensure that goods supplied to Poland as food aid are clearly marked to show their Community origin?

Question No 34, by Mrs Lenz (H-657/81)

Subject: Supplies of Community aid to Poland

Does the Commission intend to take steps to ensure that in future supplies of Community aid to Poland are clearly designated as such? Otherwise there is a danger that these substantial Community consignments will be marked incorrectly as to their consignor, so that neither the Poles nor indeed the European public as a whole will be aware of their origin.

Joint answer

The Community has undertaken and financed three different types of food operation in favour of the Polish people

- aid through non-governmental organizations
- a direct gift of 8 000 tonnes of beef and
- large sales of food, worth about 600 million ECU, at specially favourable prices.

In the first case, the Commission is satisfied that when foodstuffs purchased with Community funds by charitable organizations such as Caritas are distributed to recipients in Poland, the origin of the gift will be generally known and appreciated.

In the second case, the Commission has taken special steps to ensure that we are informed about the places and method of distribution and has noted that the Polish press reported the Community's gift of 8 000 tonnes of beef in several newspapers on 8 December 1981.

In the third case, the scale of the Community's effort may not have been sufficiently appreciated but the Commission would stress that an important part of this food effort begun more than a year ago was in the form of bulk products such as wheat or barley which only reach the consumer after further processing. When products such as butter have been delivered in packs from intervention, the Commission has required that the European Community is shown as the place of origin on the packet.

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Question No 35, by Mr Adam (H-659/81)

Subject: Coal research

Technical coal research is currently supported by the ECSC budget. Will the Commission undertake to introduce proposals whereby financial support will also be available from Community funds?

Answer

The Commission is fully aware of the fact that the funds granted for coal research in 1982 were subtracted from the ECSC Budget instead of being in addition to it and that the funds granted in 1982 are inadequate to meet needs.

However, this reduction is a result of present budgetary constraints, which are exceptional and necessary, imposed by the social situation in the steel industry and the very difficult decision taken not to increase the rate of the levy (at present 0.31%). Had it been increased it would have produced damaging economic effects.

The Commission therefore intends to rethink coal research (and steel, too) to ensure that it better matches development needs in this sector.

To this end, in the matter of coal research, it plans on the one hand to concentrate financial aid under the ECSC on production, coking, and mines safety and on the other hand to set up for solid fuels an R & D programme on the new technologies in utilization and exploitation, to be financed from the general budget.

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Question No 36, by Mr Pearce (H-660/81)

Subject: Nuclear power

Does the Commission agree that only a substantial increase in the use of nuclear power for the generation of electricity over the next two decades can avoid the energy crisis reaching proportions where there is not enough electricity to meet the demand and, if so, does it deplore the current campaign by the anti-nuclear lobby to denigrate the use of nuclear power for civil as well as for military purposes?

Answer

Further to its communication to the Council of 1 October 1981 on 'the development of an energy strategy for the Community' which was designed to reduce the Community's dependence on oil, the Commission has recently submitted a communication on the various aspects of nuclear energy to Parliament and the Council.

The Commission shares the honourable Member's opinion on the need for the Community to make increasing use of nuclear energy — particularly for generating electricity — in order to cope with the energy challenge which is facing it. However, it in no way underestimates the special problems raised by the development of this energy source.

Objective comprehensive and reliable information on matters concerning nuclear energy and a permanent dialogue between the public and the sectors concerned (authorities, industries) should help to enlighten public opinion on the inherent advantages of nuclear energy and the reasons why the nuclear power has a vital contribution to make to enable us control the future energy situation in the Community.

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Question No 38, by Mr Patterson (H-665/81)

Subject: Imports of fruit pulp from third countries

Following allegations and reports of dumping of fruit pulp from Poland and Yugoslavia in the 1981 marketing season, can the Commission report on its negotiations with third country importers — particularly Poland and Yugoslavia — to guarantee prices of fruit pulp entering the Community for the 1982 season?

Is the Commission satisfied with the undertakings — if any — it has received?

Answer

Examination of the situation regarding imports of certain fruit pulp, particularly of strawberries and raspberries, has shown that a certain increase in the prices charged by Polish exporters could have a beneficial effect. To this end, contacts took place with the Polish authorities in September 1981. However, owing to the events in the country since then, no official reply has yet been given to the Commission.

No contact has been made on this matter with the Yugoslav authorities, since the quantities imported from Yugoslavia are small compared with the total of Community imports.

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Question No 39, by Mr Alavanos (H-666/81)

Subject: Unemployment as a factor in calculating the allocation of resources to Member States

According to the latest EEC statistics on unemployment in the Member States, it appears that in November 1981 the unemployment rate in Greece was 0.8%. The unemployment rate is a major factor in deciding on the allocation of resources to Member States. Does the Commission base itself on this figure of 0.8% for Greece and, if not, then what unemployment figure is used as a basis for calculating the allocation of resources?

Answer

The situation of the labour market and the various elements which are features of it, especially unemployment, are naturally considered when Community aid is allocated to the Member States and the regions of the Community. However, it must be pointed out that the eligibility and selection criteria used in allocating the various forms of Community aid are not uniform, in view of the particular aims of the Community's various structural policies.

For the use of the various financial instruments in the specific case of Greece and the Greek regions, attention was paid to the whole range of social, economic and structural factors which are characteristic of this part of the Community. It must also be stressed that the Greek regions are considered priority regions for most of the Community's financial instruments.

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Question No 40, by Mr Adamou (H-667/81)

Subject: The marketing of Greek citrus fruits

In 1980-81 EEC countries accounted for only 3% of Greek citrus fruit production (oranges, lemons and tangerines) compared with 93% which went to the Eastern bloc countries. What concrete measures does the Commission intend to take — given that this year's production of oranges is 36% up on last year's — to increase the percentage share of Greek citrus fruits going to EEC countries and to ensure that the principle of Community preference is applied to Greek citrus fruits and fruit juices?

Answer

To the extent laid down by the Accession Treaty, Greek citrus fruits and fruit juices will benefit from all the measures adopted in favour of other Community citrus fruits.

No regulation exists permitting the Commission to take special measures to ensure that the other Member States of the Community increase their imports of Greek citrus fruit.

Nonetheless, the Commission is aware of the advantages of an increase in intra-Community trade. Having studied the trend in prices and the latest trade figures, the Commission is of the opinion that

it is likely that there will be an increase in exports of Greek citrus fruits to other Community Member States.

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Question No 44, by Mrs Squarcialupi (H-672/81)

Subject: Consumer protection in the cosmetics sector

Throughout their lives, both men and women use cosmetics, including toiletries for everyday use. The effects of using these products over a prolonged period, even in the absence of any contra-indication, may, after a certain number of years, prove very serious.

In view of this, does the Commission plan to issue a framework directive containing standards designed to protect the consumer from the production stage onwards by requiring producers to give full manufacturing details which would provide a clear indication of the proportions of active ingredients and additives used, the exact quantities and the controls, including restrictions on the filling of containers, that are necessary before a product qualifies as a cosmetic?

Answer

The main aim of Council Directive 76/768/EEC on cosmetic products is to protect public health.

For instance, Article 2 of this Directive states that 'cosmetic products put on the market within the Community must not be liable to cause damage to human health when they are applied under normal conditions of use'.

Article 11 requires the Commission to submit to the Council, on the basis of the results of the latest scientific and technical research, appropriate proposals establishing lists of permitted substances. A great deal of work is in progress in this field, and the Commission has given it high priority. The Commission has already forwarded two lists — one concerning preservatives and the other solar radiation filters — to the Council, but these cover only specific sections of the whole field. The Commission therefore sees no reason — and, indeed, would not be in a position to do so given the resources at its disposal — to undertake the work on the drafting of a directive as proposed by the honourable Member. The fact is that the measures initiated by the Commission are in the interests of improved consumer protection.

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Question No 45, by Mr van Aerssen (H-673/81)

Subject: GATT conference of ministers

What preparations is the Commission making for the GATT conference of ministers in November 1982 and if it is to prepare appropriate guidelines or a brief, what does it envisage as the main points?

Answer

Preparations for the adoption of a joint position on the part of the Community for the planned GATT conference of ministers in November 1982 are going ahead exactly as on similar occasions in the past. The Community's preparatory work will be done mainly by the special committee, comprising high-ranking officials from the Member States, as provided for in Article 113 of the EEC Treaty.

A formal mandate is not necessary as the Community does not anticipate negotiations at the present stage.

It is as yet impossible to say precisely what the main subjects of the conference of ministers will be, as sufficient progress has not yet been made with the preparatory work within GATT. However, the

decision taken by the contracting parties in November of last year states that the aim of the conference of ministers will be to examine the functioning of the multilateral trade system and to intensify joint efforts on the part of the contracting parties to support and improve that system.

Four major subject areas are identified:

- implementation of the outcome of multilateral trade negotiations;
- problems relating to the trade system;
- the position of the developing countries in world trade;
- future prospects for the development of trade.

The Commission is in agreement with these subject areas.

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Question No 47, by Mr Pintat (H-682/81)

Subject: Floods in southwest France

Following the torrential rain which affected the French departments of Gironde and Lot-et-Garonne for more than a week and the consequent widespread flooding caused by high water levels in the Garonne and its tributaries, especially in the Langon and La Réole areas, can the Commission state how it intends to help the victims, knowing that the damage caused by the rain is not covered by insurance?

Answer

The Commission decided on 22 January 1982 to grant an exceptional aid of 1 250 000 ECU, under Article 690 of the Budget, in favour of French victims of the disastrous rainfall which affected the southwest of the country and the Saône valley between the end of 1981 and the beginning of 1982.

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Question No 48, by Mr Wedekind (H-683/81)

Subject: Delivery charges for newspapers and periodicals within the Member States

Is the Commission aware that inland delivery charges for newspapers and periodicals in the Member States of the Community are subsidized but that full rates are charged in the case of delivery to another Member State?

This means that the cost to a foreign subscriber, especially in the case of Dutch-German transactions, is more than 110% higher than the inland price. Does not the Commission feel that it has a duty under the Treaties of Rome to make every effort to ensure that goods may be sent from one Member State to another without frontiers or national subsidies in one Member State adversely affecting citizens of other Member States, and does it see any possibility of establishing a uniform rate for newspapers and periodicals along the lines of the harmonized inland and intra-Community postage rates for letters?

Answer

1. The Commission is aware of the fact that deliveries of domestic and foreign newspapers and periodicals are dealt with differently in the Member States of the Community; this applies to both delivery charges and to the process of delivery itself.
2. A distinction should be made here between the internal delivery and dispatching systems on the one hand and direct dispatching from another Member State on the other.

3. As regards the internal delivery systems in the Member States and possible cases of discrimination, the Commission is currently investigating the conformity aspect in the light of Article 39(f) of the EEC Treaty.

The Commission's investigations have brought to light the fact that, in a number of Member States, there are regulations which favour the delivery of domestic newspapers and periodicals over newspapers and periodicals from other Member States (especially in France, Germany, the United Kingdom and Ireland). In one case (Luxembourg), the Commission has already enforced a change in discriminatory delivery methods to bring those methods into accordance with the Treaty by initiating proceedings for failure to fulfil an obligation under the Treaty in accordance with Article 169 of the EEC Treaty. In the other cases, the Commission has also taken appropriate steps to ensure that the arrangements are changed to accord with the terms of the Treaty.

(The Commission has already decided to initiate proceedings for failure to fulfil an obligation against France and Ireland; at the Commission's urging, the Federal Republic of Germany and the United Kingdom have agreed to make the necessary changes to their arrangements.)

4. As regards the direct dispatch of newspapers and periodicals from one Member State to another, the main problem concerns the harmonization of postal charges for printed matter.

In this respect, the Commission's scope for action is limited by the fact that it is up to the Member States to decide on postal charges.

On this point, the Commission would point out that, on 29 May 1979, it issued a recommendation to the Member States calling for the domestic postal rate to be applied reciprocally to postcards and standard letters of up to 20 g. Despite the fact that this is the most important category of postal items, the recommendation has so far been complied with fully only by Denmark, Luxembourg and the Netherlands.

The Commission will persevere with its efforts to induce the other Member States to implement its recommendation.

The Commission will at the same time investigate, in conjunction with the Member States, to what extent the rate for other items can be harmonized, with special reference to the dispatch of newspapers and periodicals.

5. The Commission is sure that the Members of this House will regard it as one of their tasks to make representations of the national governments and thus to support the Commission's action. The introduction of the use of the domestic rate for as many items as possible would undoubtedly greatly enhance awareness of the Community's existence among the people of the Community.

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Question No 49, by Mrs Salisch (H-685/81)

Subject: Community cohesion in the face of possible future divergences

Can the Commission give a summary of Community instruments or actions, either existing or in preparation, which it feels are (or were) appropriate to improve, or at least to maintain, Community cohesion in the face of possible future divergences?

Answer

Community cohesion is determined by numerous factors and it is a constant and major concern of the Commission to further and maintain it with the aid of existing Community policies and instruments.

This cohesion is affected firstly by the development of the economic policies of Member States. The Commission has proposed machinery for coordinating these policies. In the particular case of monetary policy the Commission is trying to develop the European monetary system and arrive at more concerted planning of national monetary systems. Where borrowing and credit policy is concerned, the Community's financial instruments (EIB, ECSC, EURATOM and NCI) help to strengthen the Community's internal structures with a view to a global industrial and economic strategy. In this respect the Commission considers that the introduction of the new Community credit instrument and the increase in its capacity will be useful in supporting the investment effort to be made throughout the Community.

The consolidation of Community cohesion, particularly in the face of the divergences which may result from the present economic and social crisis, depends also on the Community's industrial policy. The strengthening of the internal market through the adoption of numerous directives is designed to facilitate the integration of economies by liberalizing trade and by the free movement of persons. In this context the Commission is at present putting the emphasis on Community industry. These measures are continuing while at the same time the Commission continues to monitor respect for the conditions of fair competition.

But one of the principal challenges which the Community must take up in order to preserve its internal cohesion is the innumerable inequalities which persist between the regions and various social categories. The regional policy and in particular the European Regional Development Fund and the social policy and its main instrument, the European Social Fund, are providing more and more resources to remedy this.

Their support is made indispensable in view of the incontestable divergences which arise both from the contrasting economic development of certain areas and of certain sectors and also from the reactions which this trend can inspire amongst national or local authorities.

In the Commission's view, this cohesion must continue at the level of external economic policy and in particular, in trade policy. A long-term action is under way in this sphere based on an examination of positions which are common to the Member States. This action relates both to questions of principle (for example, maintaining the free trade system) and to procedure (e.g. export credit policy).

More generally, the Commission confirmed during the work carried out in the context of the mandate of 30 May 1980, that greater cohesion in all areas of economic activity is the condition for a Community recovery. It also emphasized that this effort should be accompanied by measures designed to overcome the budgetary dispute between the Member States.

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Question No 51, by Mr Caillavet (H-690/81)

Subject: Exceptional aid and funds for flood victims

Southwest France, especially the Lot-et-Garonne department, has been devastated by floods, with substantial damage caused to agriculture, craft trades and commercial, industrial and wage-earning activities, not to mention buildings. Can the Commission indicate what exceptional aid and funds it could grant to the flood victims, as it has done in the past, and what measures will be taken?

Answer

The Commission decided on 22 January 1982 to grant an exceptional aid of 1 250 000 ECU, under Article 690 of the Budget, in favour of French victims of the disastrous rainfall which affected the southwest of the country and the Rhône valley between the end of 1981 and the beginning of 1982.

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Question No 52, by Lord Bethell (H-692/81)

Subject: Airline tariffs

On 7 August the Commission wrote to Member States' governments enquiring about the system under which airline tariffs within the EEC are fixed. On 31 August the Commission wrote to airlines within the EEC enquiring about alleged violations of competition policy.

Which governments and which airlines have replied and which have not replied? Did any airline refuse to give a substantive reply and what measures has the Commission taken against the governments and airlines which have not replied or whose replies have been unsatisfactory and will the Commission make the replies already received available to Members of the European Parliament?

Answer

1. Letters to Member States: Belgium, Denmark, Germany, Luxembourg, the United Kingdom and Italy have replied. France, Greece, Ireland and the Netherlands have not. The Commission wrote to the Permanent Representatives of these Member States on 26 January to remind them of their obligations under Article 5 of the Treaty and to extend the deadline for reply to 15 February, with the comment that if the Member States did not answer before 15 February the Commission would use its powers under the Treaty.

2. The 74 letters to airlines: by 1 February 54 had replied, letters to six (very small) airlines were returned as unknown at the addresses available to the Commission and 14 had not replied. The latter were sent a second letter (on 27 January) giving 15 February as the ultimate deadline.

3. Seven companies gave no substantive reply and the Commission has taken measures against five, pursuant to Article 89, through the Member States concerned, requesting help and cooperation in obtaining information; it has informed the companies of this. The other two companies have stated that they will supply the information in a different form (orally).

From the smaller companies' replies two legal problems have been highlighted with regard to application of the Treaty and these are being investigated. The answers from the remainder are satisfactory but in some cases additional questions are necessary.

4. The Commission does not intend to make the replies available to the European Parliament.

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Question No 53, by Mr Purvis (H-695/81)

Subject: Energy plan for Italy

What steps can the Community take to contribute to the successful implementation of the energy plan for Italy, announced by the Italian Government on 7 December 1981?

Answer

1. The Italian energy plan involves investment for the period 1981-1990 of the order of LIT 85 billion. The Community could contribute to the success of this plan through its Community loan instruments.

The Commission attaches decisive importance to increasing investment in the energy sector, a point which it stressed in its recent communication on this subject in which it proposed giving special encouragement to investment for the rational use of energy.

2. The doubling of capital recently approved by the Board of Governors of the EIB and the Commission's proposals for the new tranche of Euratom loans and the single tranche of the NCI II, each amounting to 1 000 m ECU, should equip the Community with substantial resources to contribute to the promotion of investment in energy.

Italy, which has always been the major beneficiary of the financing facilities offered by the Community, could obtain from it the funds needed to finance its energy programme (nuclear power, coal power stations, district heating, URE in industry and in the home) to a greater extent than in the past.

3. These loans might also be eligible for interest rate subsidies.

Subsidies for SMUs, at 133 m ECU per year, will still be available until the end of 1983. The Italian Government must select the projects it considers suitable for a subsidy. For example, a subsidy has been granted on the EIB loan for the Montalto di Castro power station.

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Question No 54, by Mr Habsburg (H-696/81)

Subject: Polish refugees

During the December part-session the European Parliament adopted a resolution for entry in the register asking the Commission to allocate money for Polish refugees, for example in Austria. Has any action been taken already and what is to happen in the foreseeable future?

Answer

The Commission informs the honourable Member that it does not exclude the possibility of an exceptional aid in favour of Polish refugees in Austria as part of the aid of 8 million ECU decided on recently and which will be transferred accordingly, subject to the agreement of the budget authority, to Article 950 of the Budget.

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Question No 55, by Mr Van Miert (H-699/81)

Subject: Development areas

Can the Commission indicate, with regard to the economic aid measures which Member States may apply, whether there is a Community rule or norm defining the concept of 'replacement investment' and what criteria are used to determine whether a particular investment project serves the purpose of 'replacement' or 'expansion'?

Answer

The Commission has always been opposed in principle to operating aids. These are aids which simply contribute to an enterprise's production costs without the enterprise, by way of counterpart, contributing to development by adding to investment, creating jobs or making existing investment and jobs more secure through a fundamental change in an existing enterprise. For this reason the Commission draws a distinction according to whether an investment involves an extension or a fundamental change in the product or production process of an existing establishment by means of rationalization, restructuring or modernization, or whether it simply arises from the need to periodically replace plant and machinery. It is on the basis of these criteria that the Commission examines the manner in which Member States identify aid-eligible investments in its review of aid systems under Article 93 of the EEC Treaty.

Question No 56, by Dame Shelagh Roberts (H-703/81)

Subject: Stunning of animals before slaughter — exceptions.

Since the introduction of European Community Directive 74/577 relating to the stunning of animals before slaughter, has the Commission reviewed the effect on the welfare of animals of the exceptions for special methods of slaughter which are required for particular religious rites; is it satisfied that no suffering is caused to the animals slaughtered by such methods, and, if the answer to either part of this question is no, what action does the Commission propose to take?

Answer

The Council Directive of 1974 requires all Member States to ensure that livestock are stunned before slaughter. The Directive does not affect national provisions related to special methods of slaughter which are required for particular religious rites. The Commission has not made a special review of the application of this derogation and does not intend taking any further action in this field. I think this important question of public policy should remain subject to the authority of Member States.

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Question No 57, by Mr de Courcy Ling (H-704/81)

Subject: Excise duty on alcoholic drink in the UK

The method of payment of excise duty on alcoholic drink in the United Kingdom at present differs, I understand, with respect to wine, made wine and beer. Is the Commission aware of this diversity? Does the Commission consider that this might fall foul of the Community rules on differential taxation and/or free movement of goods? If so, what is the Commission doing, or what does it propose to do about it?

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Answer

The Commission is aware of the differences mentioned by the honourable Member. The position is that in the United Kingdom the excise duties on imported beer, wine, made wine, and on cider and perry must be paid before the goods are delivered for consumption. The duties on similar domestic products need not be paid until after such delivery.

The first paragraph of Article 95 of the Treaty prohibits Member States from imposing on the products of other Member States 'taxation in excess of' that applied to similar domestic products. The question is, therefore, whether in reality payment of tax on imports amounts to taxation in excess of a later payment of the same sum on similar domestic products. The Commission believes that it does, and in case 55/79 — a case concerning Irish deferment provisions some of which were very similar to the British provisions in question here — the Court upheld the Commission's viewpoint.

In my view it is therefore established beyond doubt that a Member State's deferment provisions for imported beer must be no less favourable than those for home produced beer; its provisions for imported wine no less favourable than those for home-produced wine and so on.

Accordingly, my services have written to the United Kingdom's authorities explaining our views that the United Kingdom's provisions for duty deferment contravene the terms of the first paragraph of Article 95 of the Treaty and calling for their observations.

We have yet to receive those observations; should they not be forthcoming, or prove negative, I shall recommend the appropriate action under Article 169 of the Treaty.

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Question No 59, by Mr Balfour (H-707/81)

Subject: Time limits for payment of grants and subsidies to agricultural producers

Will the Commission propose that payments to agricultural producers arising from Community Regulations or Directives, should be subject to a time limit, in order to ensure that recipients of structural and similar aids are not penalized financially by excessively long delays by the national authorities in effecting payment?

Answer

The Commission shares the honourable Member's concern that payments should reach producers as quickly as possible, particularly as any delay may reduce the effectiveness of the measures in question. However, there is often a conflict between the need for adequate controls and the desire for rapid payment.

In view of the diversity of these measures, the decision whether or not to propose fixed time limits must be made on a case-by-case basis.

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Question No 61, by Mr Nyborg (H-714/81)

Subject: Definition of development areas

Does the Commission apply the same methods of assessment in all the Member States in defining development areas and, if not, what are its criteria?

Answer

The point must be made that it is not the Commission so much as the Member States themselves which are responsible for defining national regional development areas, although it is up to the Commission, in cooperation with Member States, pursuant to Article 93, to keep under constant review all systems of aid existing in those States and to examine whether such systems are compatible with the Common Market.

In scrutinizing the regional development areas in the Member States, the Commission applies the criteria used in those States, provided that these criteria are a true reflection of the actual regional problems. If there is a difference in the specific characteristics of the regional problems in different countries, the Commission applies differing criteria in line with the problems at hand.

In deciding whether, in the light of Community interests as defined in Article 92(3) of the EEC Treaty, the instatement of a particular region as an aid area is compatible with the Common Market, the Commission's task is to view the areas proposed by the Member States in a European context, applying the same main indicators and methods to all the Member States.

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Question No 62, by Mr Müller-Hermann (H-719/81)

Subject: Aid programme for Egypt

At its meeting in London following the assassination of President Sadat, the European Council and the Commission announced that the European Community would make a special aid programme available to the Egyptian Government for the development of the country. Can the Commission say whether these fine words have since been translated into concrete action and whether it has drawn up and initialled a European aid programme for Egypt on the basis of the Council's recommendation?

Answer

The final statements of the European Council of 26-27 November 1981 did not — as far as I am aware — contain any specific reference to Egypt. However it is of course true that, following the assassination of President Sadat, considerable emphasis was given by the Community to the need to support Egypt during a difficult period in her history. This feeling was clearly present during the meeting of the European Council and is one which the Commission shares.

Parliament will know that the Commission has been negotiating a new Financial Protocol in the framework of the Cooperation Agreement with Egypt. Once this Protocol is initialled there will be a programming mission to Egypt to discuss and agree with the Egyptians the priorities that will determine the use to be made of the funds made available under the new Protocol. In particular we understand that the Egyptians wish to discuss with us the whole question of their food security. This of course we are more than willing to do and the programming mission could provide an excellent opportunity to do so. In the meantime, the implementation of the existing Financial Protocol continues.

Parliament will also know that the EEC-Egypt Cooperation Committee met in Cairo on 16-17 January 1982. This meeting gave the Community a chance to have a first exchange of views with the Egyptians on their present development priorities and enabled the Community's delegation to emphasize, by its presence in Cairo for the meeting, the continued support of the Community for Egypt.

The Commission is therefore confident that the various activities that are either already under way or that are planned for the future will constitute a significant contribution to Egypt's efforts to develop her economy and one which will continue to be appreciated by our Egyptian partners.

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Question No 63, by Mr Griffiths (H-722/81)

Subject: Car prices

Does the Commission have any view about the wide differences of car prices in the EEC besides those mentioned in their Bulletin of the European Communities, Supplement 2/81 entitled 'The State of the European Automobile Industry'?

Answer

The communication from the Commission to the Council of 16 June 1981 and the Commission document on which it was based 'The state of the European automobile industry' (Supplement 2/81 of the Bulletin of the European Communities) arose out of the European Parliament's extended debate on the automobile industry on 13 January 1981 and Parliament's resolution of the same date. They were not drawn up to explain the Commission's views on the price differences which exist for new motor vehicles between various Member States. They therefore do not contain an exhaustive statement on the Commission's views.

Under the Treaty of Rome the Commission has no legal powers to act at Community level to regulate prices in the motor vehicle sector. Pursuant to Article 3(f) of the EEC Treaty, it must ensure that a system is instituted which guarantees that competition within the common market is not distorted; such a system could also function to regulate prices in the automobile sector. One essential result of effective competition throughout the sales process is that it is possible to exert pressure to achieve price reductions, to the benefit of the majority of consumers.

As soon as the Commission observes that there are considerable price differences over extended periods it attempts to discover the reasons for this and to use its powers to improve the situation for the European consumer. It has therefore consistently opposed bans on exports and imports within the common market and measures having a similar effect, regardless of whether or not these are based on national measures or on sales agreements of the car manufacturers or their importers (Articles 30 and 85 of the EEC Treaty).

The increasing difficulties recently for British citizens in acquiring right-hand drive cars on the continent induced the Commission to reconsider this complex problem. At present it is investigating whether certain forms of restricting the freedom of imports, e.g. non-supply of right-hand drive vehicles to consumers and agents, the systematic delays on transfer and certain forms of guarantee restrictions are compatible with the EEC Treaty's competition rules. In particular, the Commission is considering the extent to which certain selective sales practices constitute an abuse.

The Commission has also prepared a regulation specifying actual conditions for the admissibility of transfrontier selective distribution systems for motor vehicles. The preliminary draft of this regulation will be submitted shortly.

In connection with the, in some cases considerable, price differences for motor vehicles in the common market the Commission has recently received a number of written questions. A reply was given to the question by Mr Dalziel (No 48; H-550/81 at the European Parliament's sitting on 8 November 1981. The replies to the further questions by Mr Michel (No 1515/81), Mrs Collins (No 1527/81) and Mr Hord (No 1585/81) will soon be forwarded to Parliament.

The oral question 0-65/81 by Mr Berkhouwer, Mr Bangemann, Mr Delorozoy, Mr Calvez and Mrs Scrivener also relates to this matter. Pursuant to Rule 42 of the Rules of Procedure this question will be dealt with soon at a sitting of the European Parliament. It offers the Commission the opportunity to deal in more detail with the price differences for motor vehicles in the common market and the measures which it considers should be taken at Community level.

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Question No 66, by Mrs Gaiotti de Biase (H-738/81)

Subject: Application of the EEC-Yugoslavia agreement

Negotiations have now been concluded on the adjustments of the EEC-Yugoslavia agreement following Greece's accession to the Community. The Community has agreed to increase the quantity of baby beef exported by Yugoslavia to the Community market by 15 600 tonnes per annum, bringing the total quantity Yugoslavia can export under the preferential arrangements to 50 400 tonnes per annum. At the same time, the Community has maintained the principle of limiting Yugoslavian exports to 4 200 tonnes per month, and has thus agreed only in part to Yugoslavia's request that the system of monthly quotas be changed to allow for special arrangements for the tourist season.

What action does the Commission intend to take in due course to adjust the system to ensure that the entire annual quota of 50 400 tonnes of baby beef which may be imported into the Community is actually used up, since this concession is essential in helping to re-establish a balance in trade between the Community and Yugoslavia and to safeguard the political considerations and economic interests on which Yugoslavia's agreement with the Community is based?

Answer

The negotiations on the adjustment of the EEC-Yugoslavia agreement following Greece's accession to the Community were recently concluded. In the course of these negotiations, the question of exports of Yugoslavian baby beef to the Community was brought up in two respects. Firstly, there was the question of increasing the quantity Yugoslavia is allowed to export to take account of the traditional trade between Yugoslavia and Greece; secondly, there was the question of improving market access conditions.

Now that Yugoslavia has been given the opportunity to carry the quantity not exported in one month over to the next month and to use up the surplus (within certain specified limits) during the tourist season, Yugoslavia can, in the Commission's view, now restore balanced trading relations with the Community and with Greece in particular.

In addition, the Community has, with effect from 7 December 1981, unilaterally allowed Yugoslavia a 50% reduction on the import quota for baby beef, something which should make it easier for these goods to be sold on the Community market. The intention is to review this arrangement after a year, although the Commission has reserved the right to review the modalities of the arrangement before a year is up, should it transpire that Yugoslavia is not actually using up the export quantity allocated to it.

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Question No 69 by Mr Michel (H-743/81)

Subject: Arbitrary disqualification of areas affected by persistent serious economic depression as Community development regions.

With reference to the Commission's letter of 19 November 1981 to the Belgian Foreign Minister concerning the Belgian economic expansion act of 30 December 1980 and the authorization of regional public aids, can the Commission state what objective criteria guided its decision not to recognize the Verviers area as a development region, even though that area is suffering severely from a profound and persistent economic depression as evidenced by a very low level of employment, an all-round industrial slump and a growing need to provide work both for the very large number of people due to arrive on the labour market in the coming years and the large number of people already out of work, who are given very little incentive to retrain?

Answer

The Commission's view, as referred to by the honourable Member, is based on the analysis made by the Commission of the social and economic situation in the Verviers area.

The Commission came to the conclusion that the Verviers area enjoys a high level of income and, since 1970, has been a net immigration area and, since 1972, has enjoyed a more rapid increase in

employment than in Belgium as a whole. The unemployment rate in the Verviers area used to be above the national average (1970 index: 147), but has since fallen (1980 index: 96).

As regards the northern part of the Verviers area, the Commission regards the changeover from the local textile industry as completed; as regards the southern part of the area, which belongs to the Ardennes region, the Commission believes that there will be a certain slowing-down in the pace of development which might justify the granting of regional aid.

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Question No 70, by Mr Pattison (H-746/81)

Subject: Development of the role of local airports

What analysis has been made within the context of a Community transport policy of the role of local airports and what Community aid is available for their development?

Answer

It is clear that local airports are of great importance to regional development and to integration of the Community. This was recognized by the Council in its priority programme of June 1978 for air transport and in its invitation to the Commission to bring forward a proposal on interregional air services. As a consequence the Commission proposed in October 1980 a regulation¹ on interregional air services which opens the way for more direct operations to and from local airports. This proposal is still before the Council.

The necessary investments for the development of airports such as those envisaged by the honourable Member could come within the field of application of various Community financial instruments.

Thus such investments could benefit from grants under the European Regional Development Fund, and could qualify for loans from the European Investment Fund and the New Community Instrument, provided the relevant conditions under these instruments are met.

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Question No 71, by Mr Treacy (H-747/81)

Subject: Interest equalization subsidy for farmers

Will the Commission state, in the interests of securing equality of treatment in terms of costs for all farmers throughout the Community, whether or not it is proposed to introduce an interest equalization subsidy to farmers.

Answer

The principle of an interest equalization subsidy has already been taken into account by the Commission in making proposals for adoption by the Council relating to the provision of special interest rate subsidies in Member States where current interest rates are abnormally high. For example in July 1981 the Council adopted a special measure for Ireland which provided for the payment of a special interest rate subsidy, of up to 10% in normal areas and 12% in less favoured areas, to farmers who implement approved development plans. And although this measure applies specifically to development farmers, it can indirectly affect non-development farmers also through the provisions of Article 14 (2) of Directive 159.

A similar type of measure has been in effect in Italy since 1976.

¹ COM(80) 624 final and modified by COM(81) 77 final.

A Commission proposal which is currently under discussion in the Council also provides for the payment to development farmers of an additional interest rate subsidy on a selective basis to make allowance for varying levels of interest rates in individual Member States.

Question No 72, by Mr De Goede (H-749/81)

Subject: Entry of the United Kingdom into the European monetary system

The substantial fluctuations in the exchange rate of the pound sterling are having an adverse effect on trade between the United Kingdom and the other Community Member States. What steps has the Commission taken so far to persuade the United Kingdom to join the European monetary system and what further action does it intend to take to bring this about as soon as possible?

Answer

Since the introduction of the European Monetary System in March 1979, the Commission has on several occasions invited the British Government to participate fully in the European Monetary System.

The Commission is convinced that the entry of the United Kingdom into the European Monetary System would be beneficial both for the United Kingdom and for the other Member States. Nonetheless the final decision remains with the British authorities and the Commission can only continue to present the political and technical arguments which militate in favour of this.

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Question No 73, by Mr Provan (H-757/81)

Subject: Prices for cereals

Will the Commission consider returning to Duisberg prices for cereals and thus create the right conditions for proper production patterns within the Community and, therefore, rescind the regional pricing policy, and if not, will it give its reasons?

Answer

The Commission considers that by doing away with regionalized intervention prices as proposed by the Commission, the Council has not abandoned the principle of the price system for cereals which existed before.

The Council simply wanted to let the law of market forces come into operation for all cereals, between the guarantee based on the lowest price in the surplus area (Orleans) and the protection based on the highest price in the deficit area (Duisburg):

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Question No 74, by Mr Megahy (H-761/81)

Subject: Import curbs

To what extent is the Commission now prepared to accept proposed import curbs by individual nation States?

Answer

Assuming that Mr Megahy's question relates to the measures devised in recent months by the French Government with a view to winning back the French market, the Commission would stress that, in its

capacity as guardian of the Treaties, it immediately opened talks with the French Government and drew attention to the dangers presented by certain measures for the freedom of movement of goods in the Community.

In these talks the French Government gave the Commission its assurance that it would not adopt any measures incompatible with the principle of the free movement of goods.

For its part, the Commission emphasized that it would investigate in the usual way any complaints concerning administrative practices or industrial agreements prejudicial to trade within the Community.

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Question No 76, by Mrs Viehoff (H-769/81)

Subject: The Kreysing Fund

When does the Commission intend to submit to Parliament a report on the activities during 1981 financed by the Kreysing Fund?

Answer

The Commission intends to transmit the report requested by the honourable Member to the competent Committee before Easter and will obviously be at that Committee's disposal for any subsequent meeting which might be organized to discuss this report.

The Commission departments are at present preparing this document which covers the budget year 1981, taking stock not only of activities carried on from Brussels but also drawing up a detailed list of all activities of this nature carried out under the responsibility of the Press and Information Offices in the Member States.

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Question No 77, by Mrs Duport (H-770/81)

Subject: Finance for training organizations from the European Social Fund

Many training organizations, particularly those running courses for foreigners, which have been in existence for several years and hitherto received 50% of their finance from national sources and 50% from the European Social Fund, were apparently informed between August and October 1981 that the ESF financing would be 'weighted' i.e. reduced on average from 50% to 15% of the overall total.

Some of these organizations face serious difficulties as a result.

Can the Commission explain why it had to take these steps during the current year in relation to duly accredited organizations, ignoring the problems thereby created for the students concerned and the staff of the organizations, and state whether it sees any solution to these problems?

Answer

In 1981, the volume of applications for assistance from the European Social Fund concerning measures on behalf of migrant workers was four times greater than available appropriations.

This situation arises in several fields of Fund intervention.

The Commission was therefore obliged to apply the weighted reduction method provided for in the Guidelines for the Management of the Fund. The reduction was not unexpected. It was first referred to in the May 1978 Guidelines for 1979-1981 and was renewed annually. Promoters are fully informed about the Guidelines which are published in the *Official Journal of the European Communities*.

The Commission is aware of the special situation in the field of migrant workers. For a number of years, it has tried to obtain a greater increase in the amount of appropriations but has not obtained the approval of the budget authority.

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Question No 78, by Mr Horgan (H-771/81)

Subject: Community aid for planned 'Southern Cross' route for Dublin

Can the Commission state what support is available to aid the 'Southern Cross' route planned by Dublin County Council, to channel juggernauts and other heavy traffic away from residential areas in south Dublin, does the Commission agree that such a by-pass is essential for environmental reasons and can it make such support available as rapidly as possible after receipt of the appropriate proposals from the relevant authorities?

Answer

The Commission is aware of the need to reconcile the demands of both traffic and environment. In the absence of a formal request from the Member State concerned however, the Commission is not in a position to make an assessment of the project mentioned by the honourable Member nor can it express an opinion regarding the type of financial support for which it might be eligible.

The Commission can simply make the general comment that investments necessary for the development of the road network are likely to come under the area covered by such Community financial instruments as the European Regional Development Fund, the EIB, and the new Community borrowing and lending instrument according to the conditions imposed by these instruments.

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Question No 79, by Mr Pannella (H-781/81)

Subject: Actions prejudicial to Community agreements and interests

What measures has the Commission taken or does it propose to take in response to the endlessly recurring incidents of intolerance in the wine sector in a country where criminal law, and the rights of freedom of movement and personal security are apparently flouted in face of the demands of certain social or professional categories which the French Governments apparently consider have an implicit right to indulge in peasant uprisings and violence and to serve as a lever to constantly undermine Community agreements and interests?

Quite apart from the legitimate interests which are harmed in this way, what consequences do such political methods and practices have for the European tax payer and for the French tax payer in particular?

Answer

On 3 February last, following the restricted measures implemented a second time by France against imports of Italian wines, the Commission decided to submit the case to the Court of Justice, requesting it at the same time to prescribe the necessary interim measures (pursuant to Article 186 of the EEC Treaty).

The Commission considers that the principle of free trade within the Community is one of the foundations of the Treaty and that repeated attacks on this principle might seriously interfere with the functioning of the common market organization and affect the operation of the common market.

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2. Questions to the Council

Question No 80, by Mr Galland (H-489/81)

Subject: Incompatibility of French nationalization measures with the Treaty of Rome

Since Article 52 of the Treaty stipulates that 'restrictions on the freedom of establishment of nationals of a Member State in the territory of another Member State shall be abolished by progressive stages in the course of the transitional period. Such progressive abolition shall also apply to restriction on the setting up of agencies, branches or subsidiaries by nationals of any Member State established in the territory of any Member State', and since, in particular, Article 53 expressly states that 'Member States shall not introduce any new restrictions on the right of establishment in their territories of nationals of other Member States', what steps will the Council take to ensure that the French Government complies with the rule on freedom of establishment in all fields, including the banking sector?

Answer

It is for the Commission and not the Council to assess whether the nationalization plans to which the honourable Member refers comply with the Treaties.

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Question No 85, by Mrs von Alemann (H-654/81)

Subject: Discussion of enlargement at the London European Council

On 1 December 1981 Mr Atkins reported to the European Parliament-Spanish Cortes Joint Committee on the discussion on the enlargement of the Community to include Spain and Portugal held at the London European Council on 26 and 27 November. From this report emerges the impression that such a discussion was neither in depth nor detailed. Could the Council explain why there has not been a more serious discussion on this issue?

Answer

The conclusions reached by the London European Council on Portugal and Spain are important and provide clear confirmation at the highest level of the Community's political determination:

- support for Spanish and Portuguese democracy; desire to achieve a successful conclusion to the negotiations and the consequent need for continuous progress;
- reiteration of the basis principle of the negotiations, namely: acceptance of the *acquis communautaire*, with the negotiations only being concerned with transitional measures;
- finally, they mention certain practical conclusions to be drawn as of now with future enlargement in mind: the need for both parties to prepare for accession by carrying out the necessary reforms; the Community's intention, in its internal discussions on its own further development, to take account of the future accession of Portugal and Spain; association of these two countries in political cooperation discussions.

As the honourable Member is aware, significant progress was achieved in the negotiations during the British Presidency. Practically all the major dossiers (with the exception of fisheries) are now under discussion, albeit at different stages. The Belgian Presidency will endeavour to ensure that progress in the negotiations continues. It is my particular desire — and I had occasion to discuss this with my Spanish and Portuguese colleagues — to get down to some real negotiation on a series of dossiers where possible and to strive for common negotiation on these dossiers as far as possible. This is the aim in view for the forthcoming ministerial meetings with Spain and Portugal.

The Council has already taken the appropriate measures to pave the way for the participation of Spain and Portugal in European political cooperation. Addressing Parliament on 21 January, Mr Tindemans said in this regard: The Ten decided on 15 January that contacts between the directors dealing with political problems in the respective Foreign Affairs departments will be held with the participation of Portugal and Spain. At the same time, certain special ministerial meetings of the Ten

will be held annually within the framework of political cooperation, to which Spain and Portugal will also be invited.

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Question No 86, by Mr Adam (H-658/81)

Subject: Length of Presidency

Has the Council given any recent consideration to the length of the Presidency? Would Member States welcome some change whereby (now that there is an even number of members) the same countries would not hold the Presidency during the month of August?

Answer

The question of the length of the Presidency-in-Office of the Council was considered most recently during the discussion on the report of the Three Wise Men.

During that discussion the Member States' representatives took the view that, for political and practical reasons, it was preferable not to amend Article 2 of the Treaty establishing a Single Council and a Single Commission of the European Communities.

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Question No 89, by Mr de Ferranti (H-675/81)

Subject: The internal market

As no decisions were reached on the improvement of the internal market during November, would the Council indicate what plans it now has for making progress with the internal market?

As the lack of decision is costing UKL 15 million per day, can the Council give any reassurance that it is dealing with these matters with appropriate urgency?

Answer

Although the Council adopted no formal act by the end of 1981 regarding the strengthening of the internal market, whether specifically or within the context of the Mandate of 30 May 1980, the Council is as determined as ever on the subject of the action needed in this sphere.

In the current economic situation, one of our fundamental objectives is accordingly to ensure that the internal market is strengthened, since the establishment of a genuine single market represents the indispensable foundation for the creation and expansion of Community policies in spheres where our achievements have sometimes fallen short of ambitions.

It is our intention, as the Belgian Presidency announced when it presented its programme of action to you in January, to make a further intensive effort to establish the internal market.

The Council is still examining a number of directives intended to eliminate non-tariff barriers to intra-Community trade and to establish an atmosphere of healthy competition for economic interests.

Major progress has already recently been made on a large number of matters, and we shall be making a particular effort in the coming months to overcome the difficulties that remain. I would mention, in particular, all matters relating to the simplification of formalities in trade between Member States, renewed efforts to harmonize technical requirements and type-approval procedures, the liberalization of government purchasing procedures in the Community, with particular reference to advanced technology products, further progress in establishing a common judicial framework for Community industry and, finally an effective competition policy involving stricter discipline over subsidies.

Like the honourable Member, therefore, the Council attaches particular importance to achieving substantial progress in this field, with a view to ensuring the cohesion and strength of the internal market, which are essential if there is to be a sound industrial cooperation and development policy in the Community.

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Question No 96, by Ms Clwyd (H-689/81)

Subject: Council's response to the resolution on the handicapped adopted by Parliament

What recommendations has the Council made, or does it intend to make, to the Commission, arising from the resolution on the International Year of the Disabled adopted by Parliament in March 1981?

Answer

On 21 December 1981 the Council and the Representatives of the Member States meeting within the Council adopted a resolution on the social integration of the handicapped. Apart from the Commission communication of 29 October 1981, a number of other texts were taken into account, including Parliament's resolution of 11 March 1981 and the Economic and Social Committee's opinion of 2 July 1981.

The resolution contains a number of guidelines, both for the Member States, in pursuing and if possible stepping up their action to promote the economic and social integration of the handicapped, and for the Commission, with a view to the action to be initiated or continued at Community level.

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Question No 101, by Mr Adamou (H-710/81)

Subject: Electricity prices

The Council of Ministers have recommended 'a price structuring for electricity in the Community'; this provides, among other things, that electricity prices are no longer to be kept down for social or deflationary reasons.

In Greece, farmers are allowed certain reductions in electricity prices but some farmers' organizations are rightly asking for lower prices still.

Does the Council understand the negative consequences this will have on the incomes of Greek farmers, especially at a time when they are suffering under the Communities' unacceptable price policy and is the Council willing to exempt Greek farmers and Greece as a whole from these regulations?

Answer

On 27 October 1981 the Energy Council adopted the recommendation on electricity tariff structures in the Community stating, that 'consistency in energy pricing structures is a fundamental element of economic and energy policy'.

Article 6 of that Recommendation states that 'tariffs should not be kept artificially low, for example on social grounds or for anti-inflationary policy reasons'.

However I would also point out to the honourable Member that Article 6 adds 'in such cases, separate action, where warranted, should be taken'. In any event, the solution to the problems of agriculture in Greece must be found within the framework of the common agricultural policy and in particular, farmers incomes are subject to decisions which the Council is called on to take on the basis of proposals from the Commission.

It is, however, the Commission's responsibility to check whether the electricity prices fixed for farmers in Greece are likely to distort competition.

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Question No 102, by Mr Alavanos (H-711/81)

Subject: Prices of agricultural products for the 1982/83 period

According to official Community statistics published on 22 December, the average rate of inflation in the Community is 12.5%; in Greece, however, the country with the highest rate of inflation, it is 23-25%, about double the Community average.

Does the Council at last recognize that Greece is a special case in this respect? And as regards price increases for agricultural products, is the Council considering introducing special prices for 1982 to reflect the high rate of inflation and the increase in production costs in Greece? This would prevent a recurrence of the situation in 1981, when Greek farmers suffered a very severe drop in their incomes because of CAP prices, which are based on the average rate of inflation in the Community.

Answer

The Council is aware of the problem arising in connection with the fixing of agricultural prices as a result of the differing rates of inflation in the Member States.

This is one of the problems which the Council is to examine on the basis of the 1982/83 price proposals recently submitted to it by the Commission. Furthermore the Commission states in these proposals that it is looking into the problem of the different rates of inflation and that it will make a report on the subject before 1 March 1982.

As the Council is due to take a whole series of decisions, it would hardly be appropriate at this stage for it to single out one aspect for comment, especially before the Parliament has delivered its Opinion.

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Question No 104, by Mr Müller-Hermann (H-720/81)

Subject: Aid programme for Egypt?

At its meeting in London following the assassination of President Sadat, the European Council announced that the European Community would make a special aid programme available to the Egyptian Government for the development of that country. Can the Council say whether these fine words have been translated into concrete action and what steps it has taken to initiate a European aid programme for Egypt

Answer

The European Council did not publish any statement on Egypt at its meeting in London on 26 and 27 November 1981. It is nevertheless true that the Community is conscious of Egypt's needs. It is trying to respond at a dual level. At contractual level the 1977 EEC-Egypt Cooperation Agreement is an effective and dynamic instrument for strengthening relations between the Community and Egypt. As a result of an initial financial protocol involving a total amount of 170 million ECU, the Community shared in the financing of important investment and cooperation projects in Egypt. The first financial protocol will shortly be followed by a second for an amount of 276 million ECU, demonstrating the Community's desire to ensure continuity of financial cooperation with Egypt and to improve the quality of of Community aid to that country, thus taking more account of its needs. At non-contractual level, it should be pointed out that Egypt benefits from the improvements which the Community regularly makes to its generalized preferences scheme. Furthermore, the Community has

for several years been supplying food aid to Egypt at a steadily increasing rate, which makes Egypt one of the main beneficiaries of Community food aid.

The EEC-Egypt Cooperation Committee recently held an important meeting in Cairo for the purpose of laying the groundwork for the EEC-Egypt Cooperation Council meeting which will take place in Brussels shortly. The information supplied by the Egyptian authorities (now being studied within the Community) regarding priorities in the use of Community funds should allow the Cooperation Council to establish guidelines to ensure a rapid implementation of the second financial protocol.

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Question No 105, by Mr Welsh (H-723/81)

Subject: Subsidized gas — Council meeting of 20 January 1982

Would the Council confirm that the issue of subsidized natural gas for horticultural growers in the Netherlands was discussed at its meeting on 20 January under the heading 'any other business', and would the Council make a statement on its conclusion with particular reference to Parliament's resolution at its December part-session¹?

Answer

At its meeting of 20 January 1982, the Council was informed by the Commission representative that the Dutch Government was advised by letter of 15 December 1981 that the discrepancies between tariffs for natural gas for the horticultural sector and those applied to industry must be abolished before 1 October 1982. The Commission representative also pointed out that in its reply, which reached the Commission before 15 January 1982, the Dutch Government contested the Commission's legal arguments whilst confirming its readiness to continue discussions in order to find a solution and added that it had made no commitment to abolishing the difference between tariffs by 1 October 1982.

At its meeting of 15 and 16 February 1982, the Council gave this matter further consideration. On this occasion, the Commission representative stated that the Commission was still considering the Dutch Government's reply and would communicate its position at the next meeting of the Council of Ministers of Agriculture.

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Question No 108, by Mrs Gaiotti de Biase (H-737/81)

Subject: Application of the EEC-Yugoslavia agreement

Negotiations have now been concluded on the adjustment of the EEC-Yugoslavia agreement following Greece's accession to the Community. The Community has agreed to increase the quantity of baby beef exported by Yugoslavia to the Community market by 15 600 tonnes per annum, bringing the total quantity Yugoslavia can export under the preferential arrangements to 50 400 tonnes per annum. At the same time, the Community has maintained the principle of limiting Yugoslavian exports to 4 200 tonnes per month, and has thus agreed only in part to Yugoslavia's request that the system of monthly quotas be changed to allow for special arrangements for the tourist season.

What action does the Council intend to take in due course to adjust the system to ensure that the entire annual quota of 50 400 tonnes of baby beef which may be imported into the Community is actually used up, since this concession is essential in helping to re-establish a balance in trade between the Community and Yugoslavia and to safeguard the political considerations and economic interests on which Yugoslavia's agreement with the Community is based?

¹ (Docs. 1-814/81 and 1-794/81).

Answer

Various measures have been taken with a view to helping Yugoslavia to make optimum use of the baby-beef quota:

- the Community has agreed to make provision for greater flexibility in the use of the monthly volume of 4 200 tonnes; Yugoslavia is authorized to carry over the quantities not utilized from one month to the next, up to a total of 1 200 tonnes. During the 'tourist season' (June to September), a certain additional carry-over is also authorized, if certain conditions are met.
- In November 1981 the Council decided to grant, on an autonomous basis, a 50% reduction in the basic levy for Yugoslavian baby beef, which constitutes a significant derogation from the normal arrangements under the Agreement.
- The Community and Yugoslavia agreed to continue to seek stable, long-term solutions for access for Yugoslavian baby beef to the Community market, guided by the principles and objectives of the Cooperation Agreement, which is tantamount to a clause providing for a review of the situation in the light of experience.

In this sector of particular sensitivity for the Community the latter has thus concluded discussions, which you will appreciate to have been long and difficult, by making a considerable effort to allay the Yugoslavian concern. It is now for Yugoslavia to make the necessary effort to exploit to the full the possibilities available to it.

The intention of the Community and Yugoslavia to continue to seek stable and long-term solutions in this area can be interpreted as an undertaking to reconsider the situation in the light of experience.

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3. Questions to the Foreign Ministers

Question No 114, by Mrs Fuillet (H-638/81)

Subject: Political prisoners in Colombia

Roughly a thousand people have so far been subjected to arbitrary arrest in Colombia. Could the Foreign Ministers give further information on the position of political detainees in that country?

Answer

The Ten have repeatedly condemned any form of violation of human rights, but have not discussed the special case of the detention of political prisoners in Colombia.

If the honourable Member seeks further information on this point, he may find certain answers to his questions in the report produced by the Inter-American Committee for Human Rights of the Organization of American States, dated 30 June 1981.

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Question No 116, by Mr Deniau (H-674/81)

Subject: Strengthening political cooperation

Following the meeting of Foreign Ministers in London and the November meeting of the European Council, how do the Foreign Ministers plan to set about strengthening political cooperation and what policies do they propose to adopt to restore strength and independence to a Europe currently caught up in East-West and North-South difficulties?

Answer

As the honourable Member will know, the Foreign Ministers of the Ten stated in the London report that they attach great importance to a constant improvement in European political cooperation. To this end, and following approval of the report by the European Council, the Ten have made various arrangements with a view to improving the mechanisms and procedures of European political cooperation. Documents on the construction of Europe are also being examined by the Ten at this moment with the same view in mind.

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Question No 119, by Lord Bethell (H-713/81)

Subject: Visas

Are the Foreign Ministers aware that, while American citizens may visit EC Member States without visas, citizens of EC countries require visas in order to visit the United States and will they approach the American Government and request them to adjust this arrangement on the basis of friendship and reciprocity?

Answer

At present the Ten have no plans to approach the United States on this matter.

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Question No 124, by Mr Van Minnen (H-731/81)

Subject: Venice Declaration

Does the European Community now have a new policy for the Middle East region and, if so, what is it?

Answer

The Ten continue to espouse the principles set out in the Venice Declaration and in subsequent declarations, principles which have been reiterated and affirmed on a number of occasions. The two basic principles are the right to exist and the right to security for all the States in the region, including Israel, and justice for all peoples, assuming recognition of the legitimate rights of the Palestinians, including their right to self-determination.

The Ten's policy remains unchanged. Although it is not the task of the Presidency to comment on the policies pursued by the individual Member States, the Presidency none the less understands that the French Foreign Minister did not make the comment attributed to him in Question No H-729/81.

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Question No 125, by Mr Schinzel (H-732/81)

Subject: Venice Declaration

Do the Community's Foreign Ministers support the main points of the Fahd Plan for the Middle East?

Answer

As was stated in the answer to Question No H-498/81 in November of last year, the Ten welcomed the eight principles proposed by Prince Fahd as a positive contribution to the quest for a peaceful solution to the Middle East problem. The Ten still believe that this initiative comprises constructive elements. It must be noted, however, that the eight points which have become known as the Fahd Plan have not yet been the subject of in-depth discussions on the part of the Arab heads of State and government.

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Question No 126, by Mr Moreau (H-733/81)

Subject: Repression of trade union activity in Poland

What action do the Foreign Ministers of the ten Member States intend to take within the Geneva International Labour Organization over the complaint by a number of trade unions, particularly French trade unions, about the repression of trade union activities in Poland and do they intend to adopt a common position in support of that complaint with the aim of instituting an international inquiry of the kind contemplated by the ILO's constitution?

Answer

The Ten are keeping a close watch on developments in the situation in Poland. In their communiqué issued after the meeting on 4 January, the Ministers of the Ten condemned the repression in Poland, which went hand-in-hand with the violation of the most elementary human and civil rights.

The Ten have also made representations to the Polish Government in support of a request by the Director-General of the International Labour Organization to be allowed to visit Poland.

The Ten are currently studying what opportunities are open to them in the context of the International Labour Organization to do something in support of respect for trade union rights in Poland.

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Question No 127, by Mrs Lizin (H-744/81)

Subject: European Middle East initiative

Can the President of the Foreign Ministers meeting in political cooperation describe the outcome of his talks on the above matter with Mr Colombo and Mr Cheysson and, in particular, can he confirm that, at the close of his official visit to Italy, it was agreed that the Belgian Presidency would ensure that this initiative was pursued further and, if so, what steps does the Presidency intend to take in this direction?

Answer

The Ten remain determined to pursue an active policy as regards the quest for peace in the Middle East on the basis of the principles set out in the Venice Declaration and subsequent declarations. To this end, the Ten remain in close contact with the parties directly affected and are ready at all times to make a contribution towards a global peace settlement and to support any initiative taken by the countries in that region with the aim of making progress in this respect.

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Question No 128, by Mr Israël (H-750/81)

Subject: The situation in Poland

Are the Foreign Ministers satisfied that they have done everything in their power to encourage a unanimous Community response to, and a united Community policy on, the events in Poland which have culminated in the suppression of all socio-economic freedom and a deterioration in the situation of the Polish people? Do they feel that these events have jeopardized the process begun in Helsinki and what attitude do they intend to adopt in the future?

Answer

On 4 January, the Ministers of the Ten expressed their absolute disapproval of developments in the situation in Poland, and have since condemned the violations of human rights and the acts of violence which have occurred in that unhappy country. In addition, the Ministers agreed on a number of warning signs designed to make their attitude known to the Soviet Union and in Poland itself.

The Council of Foreign Ministers decided that Community aid to Poland should take the form of food and medical aid sent via the NGOs. The Community will also be proposing to its partners in the OECD that a change be made to the credit categories applying to the USSR, the effect being to increase the amount of interest payable by the Soviet Union.

The Community and the individual Member States are keeping a close watch on developments in Poland. While the Ten remain committed to the CSCE process, they have made it clear that recent developments in Poland constitute a serious violation of the Helsinki Final Act, and condemned this state of affairs at the re-convening meeting in Madrid.

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Question No 129, by Sir Peter Vanneck (H-751/81)

Subject: Protecting the Community's vital interests outside the NATO area

What would be the most appropriate institutional framework for consultations and in what timescale could action be taken, if the Community's vital interests outside the NATO sphere of responsibility were threatened?

Answer

In the London report the Ten agreed to maintain the flexible and pragmatic approach which has enabled them to act in political cooperation on certain important areas of foreign policy relating to political aspects of security. It was also agreed that, in the event of a crisis, a meeting of the Foreign Ministers of the Ten could be convened within 48 hours to decide on the most appropriate action. The Ten do not however discuss defence matters as such.

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Question No 130, by Mr Van Miert (H-752/81)

Subject: Sending of observers to elections in El Salvador

Are the Foreign Ministers convinced that free elections without any form of intimidation or terror are possible in El Salvador at the present time, or do they take the view that to send one or more observers in the context of European political cooperation or on the initiative of one or more Member States of the European Community to monitor and assess the validity of the elections which may be held in March 1982 would not be incompatible with the letter and spirit of the UN Resolution on the violation of human rights in El Salvador of December 1980, the attitude adopted by the majority of the Member States at that time and the Franco-Mexican declaration of August 1981 and do they therefore intend to send such observers to El Salvador?

Answer

It is at present impossible to say with absolute certainty what will be the freedom and safety conditions surrounding the elections in El Salvador.

As regards the possibility of sending observers to these elections, the Ten were not invited as such to monitor the election process *in situ*. It is up to each of the Member States approached on this matter to decide for itself.

Question No 131, by Mr Megaby (H-760/81)

Subject: East Timor

What representations have been made to the Indonesian Government following recent alarming reports of killings and arrests in East Timor?

Answer

The situation in East Timor has been regularly considered by the Ten. However, contacts with the Indonesian Government on this matter were the sole responsibility of individual Member States. With regard to the honourable Member's reference to the reports by two members of the provincial parliament of East Timor, the Indonesian Government is known to have started investigations into the allegations made therein.

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Question No 132 by Mr Pannella (H-772/81)

Subject: Military dictatorships

What do the Ministers think of the theory which seems to be gaining increasingly wide acceptance that military dictatorships may be the best and surest way of restoring order and democracy?

Do the Ministers feel that, if this is true, the same military dictators could be more effectively employed in maintaining order and democracy?

What is the Minister's position on the statements made by the Secretary-General of NATO, Mr Luns, on 29 January last to the effect that 'the difference between the Polish generals and the Turkish generals is identical to the distinction between traitors and patriots' and that 'the generals in Warsaw are terrorizing their population while those in Ankara are restoring a national awareness of individual security'? How does the Council view that affirmation in the light of the daily evidence of mass executions, indiscriminate acts of torture in Turkish prisons, tens of thousands of arrests and the positions adopted by the European Parliament and the other institutions on the situation in Turkey?

Do the Ministers not feel that it is opportune and urgently necessary to seek clarification of these statements from the NATO Secretariat and Council?

Answer

The Member States of the European Community have repeatedly affirmed their determination to ensure respect for the legal, political and moral standards to which they owe allegiance and to safeguard the principles of democracy in the form of the law, social justice and respect for human rights.

On this point, I should like to draw the honourable Member's attention more particularly to the declaration issued by the European Council in Copenhagen in 1978 on democracy and a document relating to European identity.

The statements referred to by the honourable Member have not been discussed by the Foreign Ministers meeting in political cooperation.

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IN THE CHAIR: MR DANKERT

President

(The sitting was opened at 10 a.m.)¹

President. — I call Mr Fuchs.

Mr Fuchs. — (DE) I am very surprised and also disappointed to find that the joint debate which has already started on the reports by Mrs Walz and Mrs Lizin is not on today's agenda at the time it could be expected, at three o'clock. This is the continuation of an item which has already been started. The chairman of the Committee on Energy and Research asked me to raise this point.

¹ Approval of minutes — Documents received: see minutes.

President. — The agenda you have is identical with the order of business as decided by the House itself. I agree that this is not a very happy state of affairs as regards the report by Mrs Walz, but that is what the House decided and I can change nothing in this respect.

I call Mr Boyes.

Mr Boyes. — I noticed, Mr President, that the Rinsche report has been changed from Wednesday to Thursday. I'm not sure if it is going to be taken today but I notice it is on the agenda for later today.

I just want to say to the President, that if this Parliament wants to be taken seriously, and wants visitors to come and participate in our debates outside the Chamber and to listen to them inside the Chamber, it cannot keep changing the agenda. Yesterday a high-powered delegation from the National Union of Mine

Boyes

Workers in Britain came for the debate on the Rinsche report. They have to return home this morning because of other business. Now we have to be aware, if we want visitors to come to this Parliament and listen and participate in our debates, that we are not a national parliament down the road to which they can come by train and go back to their headquarters the same day. Once they've flown out here, if the debate doesn't take place, it really is a waste of time, energy and expense to the visitors. I would hope we would try and be more careful when rescheduling important debates that we at least do not change the date on which they are scheduled to take place. Otherwise, apart from visitors who come for the sake of the trip we will never get serious people to come and help us in our work.

President. — Mr Boyes, I think your point is a valid one. My problem is that we sometimes incur delays in the agenda with the result that visitors who come at a given moment do not find the debate taking place at the scheduled time. I think it is not only for the Chair but for all of us to try and remain within the time limits established by the agenda. That would make it possible for visitors to come and watch the debates at the time indicated in advance. We shall have to do our best in the interest of visitors to adhere more closely to the times laid down in the agenda. I shall certainly try to do so.

I call Mr Deleau.

Mr Deleau. — (FR) Mr President, I want to make the same comment as Mr Fuchs made about the interruption of debates on the reports. My view is that if a debate is interrupted, the reports should then come first on the agenda. This applies to the item I presented on Tuesday. The debate was adjourned and it is not going to be resumed at the start of the afternoon, which means that we might not get round to a vote at six o'clock on a motion for a resolution which is of tremendous importance, as every Member must be aware.

President. — Mr Deleau, it was the decision of the House.

I call Mr Seligman.

Mr Seligman. — Mr President, the fundamental reason for overshooting in our agenda is the enormous amount of time we take on voting on amendments. I would suggest that we limit: (a) the number of paragraphs in the motions for resolutions to, say, 15 or 18, and (b) the number of amendments. I think this is something the Committee on the Rules of Procedure and Petitions should look into.

President. — I call Mrs Focke.

Mrs Focke. — (DE) Mr President, I am fully confident that you will deal with the agenda in a fair and efficient fashion. But I would insist that today's urgent debate, the start of which has already been delayed, should be conducted in the most rigorous and efficacious manner. This is our only hope of getting through to the last item on the agenda, which is the only one which deals with problems outside the Community and I mean problems of hunger and flooding and people who are homeless. I think that this is Parliament's duty to itself and to these suffering people.

President. — I call Mr Delorozoy.

Mr Delorozoy. — (FR) Mr President, there is nothing left for me to say as Mr Deleau said just now what I wanted to say. But I would like to add — and I am not punning — that you should occasionally turn to the right, Mr President, because over here we are asking to speak with no chance of being allowed to.

President. — I am aware of the problem, Mr Delorozoy, and I shall make every effort in this respect.

1. Membership of Parliament

President. — I wish to inform the House that this morning I received a visit from Mr Clément who delivered in person a letter confirming his resignation as a Member of Parliament with effect from 16 February 1982. In view of the difficulties that have arisen, I think it would be a good idea if I read out his letter:

With the aim of observing the provisions of the new Rules of Procedure of the Assembly and in order to rectify the misunderstanding which some people have sought to encourage in connection with the letter of resignation I sent you, I hereby confirm that it was pursuant to Rule 7(3) of the Rules of Procedure of the European Parliament that I notified you of my resignation as a Member representing France in the Assembly of the European Communities.

I should be grateful if you would inform the Assembly, at the beginning of its plenary sitting at 10 a.m. on 18 February 1982, of this confirmation and to add the following statement:

It was a free and independent decision on my part to submit my notice of resignation with effect from Tuesday, 16 February 1982.

Yours etc.

(Mr Pannella rose to ask leave to speak)

Before I give you leave to speak, Mr Pannella, I should like to ask you to postpone the general discussion on the interpretation of the Rules of Procedure

President

until this afternoon, when the Committee on the Rules of Procedure and Petitions, to which the matter has been referred, will offer its conclusions.

For the moment, I ask the House to take note of Mr Clément's letter.

2. Topical and urgent debate

President. — The next item is the joint debate on two motions for resolutions:

- motion for a resolution (Doc. 1-1002/81) by Mr Wagner and others on the anti-dumping suits brought by the American iron and steel industry against Community exports,
- motion for a resolution (Doc. 1-1010/81), tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats, on the obstacles to the traditional patterns of trade between United States and the EEC.

I call Mr Wagner.

Mr Wagner. — (*DE*) Mr President, ladies and gentlemen, all those members of the Economic Affairs Committee present at their last meeting adopted, after a detailed discussion with the Vice-President of the Commission, Mr Davignon, this joint motion for a resolution, which is now before this Assembly and which stemmed from their deep concern regarding exports of steel from the European Community to the United States.

I should like very briefly to outline the reasons underlying the motion for a resolution and urge all the Members of this House right from the outset to give it their unanimous support and in so doing stress the fact that the European Community can act jointly and decisively. We should give our united backing to the Commission, which has made great efforts and which we can only encourage to do all it can. In this matter we must take particular account of the time factor, since it is a question of warding off the impending confrontation in the field of trade in steel products, which will inevitably affect other sectors, and bringing the American steel producers back to their senses after they have virtually *en masse* taken action against European steel exporters in the form of proceedings concerning dumping and inadmissible subsidies. We can already detect the first negative consequences for the European Community. The American steel importers have started soft pedalling.

This has devastating effects — to which we have devoted considerable attention in our Committee — on the massive restructuring efforts being made in the European Community itself, which necessitate the sacrificing of many jobs and make great demands on social security. In addition, all our efforts at stabilizing

prices and re-establishing the balance of the market — which had produced some positive initial results — are being undermined. For this reason, the actions of the American steel producers are totally unjustified and we call for negotiations with a view to reaching a solution.

Finally, I should like to state my personal view quite unambiguously and make my personal appeal, which also reflects views shared by my political colleagues. We must get to the root of the problem too. We must not only negotiate fair trade practices between the United States and the European Community: we also need a joint initiative designed to reduce interest rates and an offensive against unemployment, which poses such a threat.

President. — I call Mr Deleau, who is deputizing for Mr de la Malène.

Mr Deleau. — (*FR*) Mr President, ladies and gentlemen, Europe is being forced to cross swords, both in the literal and figurative sense of the term, with the American steel industry. Let me remind you that in 1980 the number one steel company, US Steel, brought a series of anti-dumping suits against companies in seven Community countries. As a long shot it was undoubtedly from their point of view a master stroke because simultaneously European steel exports to the United States dropped by 30% in 1980.

This time in 1982 it is eight of the main American steel companies which are engaging in economic warfare against seven Community countries. However it is clear that European steel cannot in any way be damaging the American steel industry. In fact the trend for European sales to the US in 1981 shows that they have not regained the relative level they enjoyed in 1979, before the drop recorded in 1980. The share of European exports in total American imports fell, from 36.7% to 35.4% between 1979 and 1981. Furthermore, between 1978 and 1981 the proportion of imports in European steel consumption increased from 6.4% to 6.5% and in the case of France to 1.5% compared with 1.1%. It must also be recalled that American steel companies have recorded substantial profits which invalidate the claim of damage in 1981. US Steel had a profit of 1 million dollars or more than twice 1980 profits. Armco Steel, Bethlehem Steel, National Steel and Inland Steel had profits ranging from 294 million dollars to 57 million dollars. In this context let me just mention the latest complaints lodged by Washington with the GATT secretariat and which concern agriculture. Let me quote a figure: agricultural trade between the Community and the United States shows a deficit of about 36 000 million francs for the Community of Ten. This figure speaks for itself.

What can be said in the face of such an offensive? The least that can be said is that more effective economic

Deleau

cooperation is necessary if Western solidarity is to be strengthened in this period of international crisis. Also it is surprising that those very persons who on their own behalf have implemented excessive measures to control and restrict imports should take umbridge at the Community's efforts to control such imports and that this should take place at the very time when the United States is requesting the rapid opening up of negotiations with a view to liberalizing services under the GATT agreements.

Is the aim perhaps to hinder the Community even more in its initiatives? We have the saying 'strike while the iron is hot' so let us not wait to react until it cools.

Ladies and gentlemen, I think we can say that the ball is in the Americans' court but also in our own. There are thousands of jobs at stake, let us not sacrifice them owing to a laxist trade policy.

President. — I call the Socialist Group.

Mr Moreau. — (FR) Ladies and gentlemen, the present offensive carried out by American firms and trade departments against exports of European steel products does not surprise us. Trade relations between the United States and the EEC have often been strained in this sector. Traditionally the American steel sector has adopted a protectionist stance *vis-à-vis* the world and the Community steel industry.

This case is typical. Indeed it indicates the protectionist attitude of the USA and their bad faith. It reveals also European weaknesses and the difficulties Europe encounters in presenting a united front and resisting the American attack. It is symbolical in that it reflects our problems and our difficulties: the need for an internal Community policy, the necessary precondition for a coherent external trade policy. The responsibility for the current American difficulties in the steel sector lies principally with the companies on the other side of the Atlantic and with the monetary policy of the US Government. We all know the reasons for the imports of certain steel products to the USA: obsolescence, rigidity of the American steel industry with its consequent incapacity to meet the sharp and rapid increase in demand, particularly in the energy industry; deliberate policy of high American interest rates.

Globally, Community steel imports have been dropping for several years, apart from a few products. American criticism is not justified. Their arguments which concern the aid and subsidies granted to the European steel industry under the restructuring plan, while they pass over in silence the indirect aid accorded their own industry through a tax system which is clearly more advantageous than European tax systems, are designed only to conceal their determination to protect their own market at any price.

We must criticize and denounce this attitude, particularly since the American Trade Department is a party to the process. A return must be made to consultation and we must reject unilateral measures as agreed in 1977 within the OECD. The American complaints have no place within the GATT. In our view the American attitude bears the seeds of a deeper crisis in world trade. However there can only be an end to the crisis and a solution to the difficulties of the steel industry at world and at European level if the centrifugal forces are replaced by consultation in the spirit of the GATT agreements while respecting the legitimate interests of the various parties.

Consequently we ask the Commission to be firm and remind the United States that their attitude is damaging to the development of trade in the medium term. The Socialist Group will support the Commission in such action in so far as the Commission really does act resolutely.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr van Aerssen. — (DE) Mr President, we welcome the fact that Mr de la Malène and Mr Wagner have taken up this question since it is a real hot potato at the moment, particularly as the tensions have increased enormously.

We have therefore drawn up an amendment — though it is rather different from what Mr de la Malène had in mind. We take the view that there is little use at present in adopting a harsh tone or taking a hard line. Our relations with the United States are, I think, so delicate at the moment in several areas of foreign trade — agricultural policy is also under discussion — that we should go back to the point of departure for the strategy we have adopted i.e. the Ottawa Summit, at which we jointly agreed that we should develop an open world-trade system and oppose any protectionist measures in no uncertain terms. Protectionism is an insidious poison which in the long run only leads to the loss of still more jobs for all concerned. We must return to these basic principles and urge our American friends to do so too.

We will put in another insistent plea — as the Committee on External Economic Relations has already done — for a return to GATT. We take a different view from that of Mr Moreau regarding the way in which this matter should be settled. The basis for our negotiations is the General Agreement on Tariffs and Trade, i.e. GATT. We are also prepared to work out a joint strategy for the forthcoming GATT negotiations together with the Commission. We could also come to an agreement on the subjects to be dealt with in November or December of this year. The Americans have already expressed their wish that we should not only discuss steel, but deal with investment

Aerssen

protection too and include the services sector in GATT.

Thus, we should like to point out to the Commission that, in view of this new problem, we are prepared to develop a joint strategy in the coming week and months. We do not wish this opportunity to be used to upset this important question of trade balance with the USA within GATT by adopting too stern an approach and acting overhastily.

President. — I call the European Democratic Group.

Mr Purvis. — Mr President, I think it is sad to note the unconciliatory attitude of the American regime to all the attempts made by the Commission to reach some form of conciliation in advance of the legal processes. Perhaps we should be aware that there are more moderate voices in the American body politic and try to encourage *them* to come out on top.

However, we have passed on to the stage where the legal forces come to bear, and we have to accept that the United States has a well-developed legal system for dealing with these problems. We can only presume, until proved otherwise, that these organizations will behave properly. Nevertheless, we can keep impressing on our friends on the other side of the Atlantic that this is a mutual problem and that it covers a variety of industries. We can show them that it is in the American interest as much as ours to keep an open trading policy running, not least because of the American surplus with the EEC which last year was estimated at 14 billion dollars, and, putting the steel question in perspective, that our penetration of the US market is relatively minor. However, there are many other industries concerned from pulp and paper to agriculture, as Mr Von Aerssen has mentioned.

Now GATT is the proper forum to deal with such problems and the GATT procedures are the proper procedures to be invoked. Here is a prime case where Community solidarity is clearly, the only way for us in Europe to work. We in Europe have determined that ourselves; there is no other way but to work on a solidarity basis within Europe. Perhaps the Americans too are realizing in this case that the EEC is a fact of trading life. Perhaps this is the root of their defensive position. They now face a truly solid and formidable trading ally, shall we say, rather than adversary.

The only solution must be not the raucous retaliation some are advocating but to continue all possible attempts at conciliation. This conciliation can take place at all levels. It isn't only the Commission meeting the Administration in the States; it is also at our level — individual Members of Parliament making contacts and trying to explain the position to their counterparts in the American Senate and Congress. We must be firm. We must above all work together on a

Community basis when dealing with these trading problems. But it should be with an eye to the long-term future of a free trading regime across the Atlantic and around the world.

President. — I call the Communist and Allies Group.

Mr Leonardi. — *(IT)* Mr President, I am in favour of the motions for resolutions on the steel industry. We believe that the American attitude regarding prices and dumping has been adopted as a mere pretext. The truth is that the United States has taken some definite decisions in its industrial policy which have slimmed its steel industry down to the absolute minimum necessary to satisfy the requirements of defence and the economy; this means that American steelworks are assured of a favourable rate of utilization of capacity, and consequently fat profits, whilst swings in the business cycle are coped with by resorting to imports from abroad, in particular from Japan and the EEC, which countries, as a consequence, are obliged to put up with the serious damage that oscillations in the trade cycle inflict on highly capitalized plant.

When it comes to choosing between Japan and the EEC, once again the United States give preference to Japan and treat the EEC as a kind of shock absorber to even out disequilibria in relations between themselves and Japan. By rejecting this attitude on the part of the Americans, therefore, as regards the steel industry, not only are we defending our own steel industry, as we should, but we are also affirming principles of trade policy concerning our relations with the United States, relations which must at all costs be revised.

President. — I call the Liberal and Democratic Group.

Mr Brøndlund Nielsen. — *(DA)* In this question we are dealing with here today, i.e. trade relations between the United States and Western Europe, two things are of vital importance. Firstly, that we should maintain our mutual confidence and cooperation — since we share the same ideals of a free society — and secondly that we should work towards ensuring free international trade on as wide a scale as at all possible.

In the context of the problems under consideration here today, I should like to discuss the question of trade in the agricultural sector. Our trade with the United States is very substantial, in the sense that we in the European Community import large quantities of American agricultural products. Our main purchases from the United States, are unprocessed agricultural products and, when we are considering the political question, the United States should also recognize the fact that the common agricultural policy of the Community has done more than anything else to establish stable political cooperation with Europe and I

Brøndlund Nielsen

was therefore pleased at the passage in the statement made by Mr Block, the American Secretary of State for Agriculture when addressing the Agricultural Committee of the Senate. He said, 'I made it clear, as Secretary Haig had before me, that we are not attacking the common agricultural policy'. This, I think, is good to hear and I think the reason for it is that the value of the common agricultural policy has been recognized.

The real problem with the common agricultural policy is something different. It is the fact that we have been so weak in recent years that agricultural incomes have, as is well known, lagged behind considerably and have dropped sharply in real terms. Now is not the occasion to take up this question, but it should nevertheless be pointed out that this is the problem and the people of the United States should understand this too.

What we could do about trade in the present situation would be to improve coordination in some of our international trade in agricultural products, and later today we are to discuss the Aigner Report on behalf of the Committee on Budgetary Control which deals with this very question of the monitoring of trade in agricultural products with Eastern Europe. There might be a need for greater understanding in this area, with the United States too. We know, for example, that the United States have sold large amounts of butter to New Zealand and it is not clear where it will end up.

I will conclude by stressing that I go along with Mr van Aerssen when he says that there is no point in adopting a harsh tone, but that we should consider and discuss the matter calmly in the interests of the Western Alliance and for as free international trade as possible.

President. — I call Mrs Wiczorek-Zeul.

Mrs Wiczorek-Zeul. — (DE) Mr President, ladies and gentlemen, I should first of all like to thank Mrs Gredal and Mr von Wogau for the fact that they have raised this question with our American colleagues on behalf of the European Parliament Delegation for contacts with the US Congress.

Secondly, I would like to propose that our Parliament develop, on the basis of a joint discussion and report by, for example, the Committee on External Economic Relations, a strategy for trade between the European Community and the United States, in which we should give the Member States and the Commission some guidelines for the negotiations at the GATT Conference scheduled for November 1982. The question of the plans which are being discussed in the USA and are of relevance to trade policy under the headings 'reciprocity of legislation' or 'liberalization of services' should also be dealt with.

I should like to say to the Commission, which held talks in the USA only a few days ago that there is no use whatsoever in just hoping things will get better in this sector. The only thing which will help is a firm common policy based on the principle of partnership — and this applies to the United States too since they should not unilaterally break international trade agreements either!

Mr van Aerssen said that we should not take such a hard line. The US Government in the agricultural sector and the US steel companies in the field of trade policy are currently pursuing a deterrent strategy, to put it bluntly, *vis-à-vis* the European Community with a view to one-sidedly asserting their own policy.

I should like, if I may, to try and substantiate this claim. The strategic objective of the 100 and more anti-dumping suits brought by American steel companies is as I see it — and the US Government could not deny this — is to split up the international market and restrict the Community's chances.

As I see it, these unjustified suits are intended to force the Community into a kind of self-limitation. Thus the anti-dumping suits are being deliberately used for what is from our point of view a false policy and purpose. Holding people to ransom, if I may put it so bluntly, is not any less reprehensible merely because it takes place in the field of trade policy.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, the Commission welcomes the fact that Parliament today has taken a definite position on these various points.

If you permit, I would like to make two very clear distinctions in the steel question. I think that it is quite clear that there is abuse of the provisions made available to the various States in the trade sector and that, in these circumstances, it does not suffice to say that the provisions should be properly applied; in addition they must not be used to distort the spirit in which they were introduced.

The end of this month marks a very important deadline, when the American Trade Tribunal will take a decision on whether there is an initial indication of damage, and we will have to determine in which cases they find such initial indication of damage and in which not. In fact there are cases, which have not been proceeded with for the moment, where the accused firms have not had any exports to the United States in 1981; these cases have been prepared simply because there might in future be exports to the United States.

Secondly, I think that it is very important that the United States realize that they have a political respon-

Davignon

sibility apart from the mere question of respecting provisions. It is not acceptable, in the framework of relations between the United States and Europe, that at the very time when Europe is making a painful and particularly critical effort to restore order in the steel industry — which will have to experience very difficult moments in 1982 — that the United States should create an additional problem. If the Europeans were doing nothing the Americans could complain. If the Americans were doing as much as the Europeans are to restructure their steel industry they would have no reason to bring actions. This is the root of the problem, and therefore I can assure Parliament that the Commission will act, both politically and legally, with extreme firmness and determination because this question must be resolved rapidly. In point of fact these legal actions already represent a form of sanction *vis-à-vis* the European steel industry, because as long as they continue there is uncertainty as to export capacity.

On the point of extending the debate beyond the steel question, first of all I should like to say that the Commission is quite ready to provide full information on the state and development of relations between the United States and the Community. As we decided at Ottawa, as Mr Haferkamp, Mr Dalsager and I said at Washington, a week ago, it is clear that the rules which were negotiated must be accepted and that the American claim that the concept of subsidy is contrary to the GATT, is diametrically opposed to what we negotiated under the GATT. During the negotiations of the Tokyo Round it was established that subsidies, when they met a certain number of criteria, were not contrary to the rules of the GATT. Now we are being told that a subsidy constitutes a violation of what was negotiated. That is not acceptable.

But apart from that, Mr President, as the President of the Commission said in his speech on Tuesday and in his reply on Wednesday, there is the fundamental question of the political attitude to economic relations between the United States and Europe. Are we still at the stage we were at in the 50s, where in the context of a basic contract we had mutual understanding for our respective economic problems because we wished to be political partners, or, on the contrary, are we in 1982 in a situation where the problems of one side tend to compound the difficulties of the other? It is quite clear that, in the present context, the policy of the United States is having repercussions on our economic policy; thus the interest rates — which increased another half percentage point today — are making economic recovery more difficult and making it more problematical to introduce this economic and industrial policy offensive which we need to solve our employment problems.

On this point also, Mr President, the Commission prefers the amendment to Mr de la Malène's draft resolution to the draft resolutions which have been proposed, because it answers the overall problem

better. We are ready to outline in detail to the competent committees of Parliament how we are acting in this matter. But on the second point as on the first, the problem related to our political determination to be respected as partners and to have our rights heard is at least as important as the straightforward respect for the letter of provisions.

(Applause)

President. — The joint debate is closed.

We shall now vote on the *motion for a resolution (Doc. 1-1002/81) by Mr Wagner and others: Anti-dumping suits brought by the American iron and steel industry against Community exports.*

(Parliament adopted the resolution)

We shall now vote on the *de la Malène motion for a resolution (Doc. 1-1010/81): Obstacles to the traditional patterns of trade between the United States and the EEC.*

(Parliament adopted Amendment No 1 replacing the text of the *de la Malène motion for a resolution*)

3. Soviet exports of natural gas

President. — The next item is the joint debate on two motions for resolutions:

- motion for a resolution (Doc. 1009/81), tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats, on the signature by certain Member States of the Community of major contracts with the USSR for the supply of natural gas;
- motion for a resolution (Doc. 1-1018/81), tabled by Mr Berkhouwer on behalf of the Liberal and Democratic Group, on Soviet exports of natural gas to certain Member States of the European Community.

I call Mr Junot who is deputizing for Mr de la Malène.

Mr Junot. — (FR) Mr President, ladies and gentlemen, the signature by certain Member States of the Community of contracts with the USSR for the supply of natural gas has grave consequences now and may have even more serious consequences in the future.

This is what prompted us to ask Parliament for an emergency debate. Let us look first at what these agreements, which are obviously excessive, represent. 800 000 cubic metres per year or, for some countries, 35% of consumption; very heavy initial investments at ridiculous interest rates; payment of enormous royal-

Junot

ties; excessive duration, e.g. 25 years in the case of the French contract.

There are two main consequences which strike one immediately. Firstly, the dangerous dependence of the signatory States *vis-à-vis* a single, or practically single, supplier. Secondly the substantial financial aid thereby given to this supplier. These contracts place their signatories, members of the EEC, in a situation of excessive energy and economic dependence, make them assume serious and long-term political risks whereas according to the experts, the risks of a shortage of gas relate only to four or five years at the end of the present decade.

And yet these signatory States are the very ones which, within the Community institutions, emphasize the vital need for the Community to adopt a common energy strategy, with the greatest possible diversification of supplies, so as to progressively reduce the Community's dependence! The contradiction between this medium and long-term strategy and the situation arising out of such significant and long-term contracts is obvious. Finally, what guarantees can the signatory States have of the security and perenniality of supplies of such magnitude that their interruption would be disastrous? I will not insist here on the very evident inadvisability of these contracts signed shortly after the grave events which have shaken Poland and of which the West is but the saddened though powerless witness, if not indeed in some areas it could almost be said the accomplice. I will not go into this, because we believe that, whatever the date and the circumstances of these agreements, they are intrinsically bad, dangerous and were not inevitable. Other diversified sources of supply could have been found, for example in Canada, in the countries of the North Sea or the Gulf of Guinea.

For all these reasons, we hope that Parliament will invite the Council to draw the Member States' attention immediately to the grave risks involved by the bilateral contracts which some of them have concluded with the Soviet Union. These contracts, excessive as regards their volume, their duration and their cost are contrary to the energy policy objectives defined by the Community. They are dangerous in their consequences, particularly as regards the dependence in which they place the signatories *vis-à-vis* a non-member country, regarding which the least that can be said is that its peaceful intentions are not evident. Altogether these contracts are, morally and politically speaking, inadvisable.

President. — I call Mr Berkhouwer.

Mr Berkhouwer. — (NL) Mr President, our resolution is not as extensive as that of Mr de la Malène. His centres on the following point. I quote in German:

(*The speaker continued in German*)

Our main concern is at the fact that several Member States are proceeding along different lines. Each is acting on an independent basis so that one negotiating partner is being played off against the other with respect to the terms on which the supplies are made. This will lay us open to not only economic pressure from the Soviet Union but also to political blackmail.

(*The speaker continued in Dutch*)

Thus, once more we see that a genuine Community energy policy is lacking. The question is whether or not we should have dealings with the Soviet Union. There is nothing fundamentally against this: I do not think it would be tantamount to imposing sanctions if we were to start rethinking our approach to gas supplies from the Soviet Union and to decide not to buy any more Soviet gas, or at least smaller quantities. I should like to stress that it is not a question of imposing sanctions on the Soviet Union but, at least as far as we are concerned of protecting our own interests. It is not a question of damaging Soviet interests but merely protecting our own.

Viewed on this basis, the question is to what extent we can allow ourselves to make our energy supply, the energy supply of the Ten as a whole, dependent on supplies from elsewhere, particularly in the form of natural gas from the Soviet Union.

More important still is the related question of how far we can go without jeopardizing our own security.

In the light of our own vital interests, therefore, it is regrettable that a number of the Member States have gone it alone — that is they have acted *en ordre dispersé*, as the French would put it — with the result that they are being played off against each other. My own country has reduced the amounts initially envisaged by 50% and for the rest it is also extremely regrettable that in the case of our country — and in the case of other countries too, but to a lesser extent — there has as yet been very little in the way of trade in the opposite direction.

In addition, we find it very regrettable that from both the psychological and the political point of view Western Europe should be conducting business as usual with the Russian oppressors at a time when the people of Poland are suffering from a Russian terror by proxy.

And in order to set the seal on it, there is also the fact — which is perhaps not sufficiently widely known amongst the Members of this Parliament — that the Soviet Union also takes large amounts of natural gas from occupied Afghanistan. Thus, we too are indirectly taking natural gas from that oppressed country via a system of communicating vessels, as it were.

Berkhouwer

These then, Mr President, are our objections to what has happened so far as regards supplies of natural gas from the Soviet Union. We hope the Commission will side with us since it is that body which must take the necessary initiatives. We hope to be able to work hand in hand with the Commission so that the question of Community purchases of Russian natural gas might at least provide an initial element in the development of an effective Community energy policy.

President. — I call the Socialist Group.

Mr Linkohr. — (DE) The Community's Energy Policy objectives include the diversification and reduction of our dependency on any single supplier or small group of suppliers. The agreements recently concluded with Algeria and the Soviet Union serve this end in that our dependency on a small number of suppliers is decreasing and the number of suppliers increasing.

We regret, however that the Community has not arrived at any binding arrangement regarding energy policy, with the result that it is every man for himself in this vital matter. We therefore support the plea for a united European approach. Europe should — at least in the future — speak with a single voice in the field of energy policy too.

However, what is the political heart of this debate? Recently the United States have been making noises to the effect that we in Europe should not buy gas from the Soviet Union — indeed pressure has even been brought to bear. We intend to stand up against this pressure and make it clear that we in Europe are perfectly capable of assessing the advantages and disadvantages of this trade in gas ourselves!

We all know that in the past it has not been the Soviet Union but rather the OPEC countries which have indulged in blackmail. The price crises of 1973 and 1979 have shown us that we must do all in our power to avoid becoming dependent on a small number of oil and gas producers. We have succeeded in this attempt by means of this gas supply contract, which we therefore support. However, if we are to believe people on the other side of the Atlantic and some people in this House too, who say that we should boycott the Soviet Union and refuse to buy gas from them in view of the events in Poland, we can counter their argument as follows.

We in Europe are not prepared to pay the price of an American boycott policy, since such a policy would not be in our interests. If the United States' threats are intended seriously, how are we to understand the fact that over 11 million tonnes of grain has been sold to the Soviet Union in the last few months alone. One gets the impression that the United States are more concerned with business than politics and for this reason we support the motion for a resolution tabled by Mr Berkhouwer, but not his speech.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Müller-Hermann. — (DE) Mr President, the two requests for urgency concern, basically, three problems. Firstly, there is the question of whether the Community or individual Member States will end up being to dependent as regards energy supply as a result of the supplies of natural gas from the Soviet Union. In view of the relatively small amounts involved, I do not think there is any need to worry too much about this, even from the point of view of diversification.

Secondly, there is the question of whether, not only from the point of view of trade and economic policy but also from the political point of view, it is sensible and right in this two-way deal — that is to say the Community is providing the most up-to-date technology in return for natural gas — to offer the Soviet Union up-to-the-minute technology on exceptionally favourable financial terms? We should not, I think, heed Mr Linkohr's strongly anti-American words. It is particularly when political issues are at stake that we should try to arrive at a common position with the United States. This problem is a case in point. Thirdly, there is the question of the extent to which we should accept deals being made in which various national governments are heavily involved and have a considerable say, but which are uncoordinated and, what is more, on which the Commission is not consulted? In his motion for a resolution, Mr Berkhouwer draws attention to the lack of a common energy policy. This, however, does not go far enough and for this reason we have amplified Mr Berkhouwer's motion and deeply deplore the fact that several national governments were heavily involved in the negotiations with the Soviet Union on the exchange of natural gas for up-to-the-minute technology but that the Commission was not consulted and were not involved in a coordinating capacity.

We should steer clear of a go-it-alone policy in this area, which has both political and economic applications. My political colleagues and myself therefore call on the Commission to state its views on this whole problem including its political aspects at the March part-session insofar as Commissioner Davignon does not do this today.

President. — I call the European Democratic Group.

Lady Elles. — Mr President, before starting on my three minutes I wonder if I could make a request to you in view of the fact that the topical debates have been moved to the morning. My group would approve the change of time provided that a Member of the Council of Ministers or the President-in-Office of the Foreign Ministers meeting in political cooperation is here to listen to the debates where there is a crucial

Elles

political interest to the Community. I believe that this particular debate is of crucial political interest just as the previous debate was and I would therefore request formally, Mr President, that when these topics are on the agendas of parliamentary plenary sessions, a formal request in writing be made to the President-in-Office to have a representative sitting here in the front row to listen to the debates of this Parliament.

Now to turn to the matter in hand, my group welcomes the questions which are put to the Commission and the Council in both resolutions, and both these resolutions raise fundamental political issues concerning East-West relations and indeed reinforce the need, as has been repeated by previous speakers, to recognize the genuine and urgent necessity for a Community energy policy. But it must be asked whether there is (a), the need, and (b), any advantage in entering into long-term commercial contracts to prop up corrupt and inefficient economic and oppressive political regimes. There is no evidence to show that commercial contracts in the past have contributed to liberating the peoples either of the Soviet Union or its satellites.

It must also be asked if the Soviet Union is indeed, as it would appear, forced to rescue the bankrupt economies of her satellites. It is clear that she will not be able to honour her long-term financial and commercial obligations arising directly from the construction of the Siberian gas pipeline, the cost of which has already risen as a result of an increase in interest rates charged to the Soviet Union and agreed — and we welcome this agreement — by nine out of the ten Member States. This is a question which has been considered seriously by the governments entering into these contracts.

We must also ask of what purpose is being served by the Madrid Conference? The West has always been told that the three baskets in the Helsinki Final Act are interdependent. What evidence, indeed, has the Federal Republic of Germany had that obligations concerning the freedom of movement of peoples from East to West have been honoured? Is it therefore justifiable to enter into economic engagements with those countries which continue to deny humanitarian movement in response to the obligations undertaken by 35 Member States under Basket Three of the Helsinki Final Act?

These contracts also raise considerations as to whether the West should rely on energy supplies — at prices which, of course, cannot either be controlled or foreseen — from a country which has created imbalance in the European theatre in both conventional and nuclear weapons.

Another question we must ask is whether there is a need for increased energy supplies which estimates, rightly or wrongly, show are going to be needed in the Community, and whether Western countries cannot

find alternative sources, both as to region and as to quality.

A famous British scientist, Lord Rutherford, at the Clarendon laboratories when they were doing the atomic studies, said: 'If we have not got the money, let us at least use our brains.' And this is a recommendation I would warmly make.

President. — I call the Communist and Allie Groups.

Mr Leonardi. — (*IT*) Mr President, we should like to point out that the problems and the risks are still with us, and that we continue to be dependent on others and have still not succeeded in extricating ourselves from this situation after so many years of effort devoted to creating a common energy policy.

Given our present situation, our problem is to diversify our sources of supply as far as possible. Only in this way shall we improve our supply and security situation. This is the very basis of the argument in favour of importing gas from the Soviet Union, just as it is also the reason why we support this initiative, which we believe is in the Community's best interests.

Obviously, this project will impose financial burdens on us, but these financial burdens are a direct result of the situation of weakness in which we find ourselves and from which — I repeat — we have not managed to extricate ourselves over the last 10 to 15 years because we have not presented a united front. On the other hand, the financial burdens can be made up for by an increase in economic activity and by the opportunity we shall have to nurture in this way a new industry and to improve our situation in terms of technological progress, so that we can construct in more favourable circumstances other plant and equipment for the supply of gas that has been ordered from us by other countries.

President. — I call the Group for the Coordination and Defence for Non-attached Groups and Members.

Mr Skovmand. — (*DA*) Mr President, Mr Berkhouwer's motion for a resolution contains a powerful appeal to the Council and the Commission to obtain supplies of natural gas from sources outside the Community. However, I get the impression that the Commission is already working in this direction. According to the Danish daily 'Information', a 'communication' was sent to the Council of Ministers on 12 February this year pointing out possibilities for natural gas from Bahrain, the Cameroons, Canada, Qatar and Nigeria. I should like to ask the Commission whether this is in fact the case. The number of the communication was 8245. I should also like to put a specific question regarding the possibilities of

Skovmand

obtaining natural gas from one of the countries mentioned, i.e. Canada. As far as I can see, this gas would come from the Beaufort Sea to the northeast of Alaska and would be transported eastwards and southwards by means of icebreakers until it reached the Atlantic. Can natural gas transported under these difficult conditions compete economically with natural gas from the Soviet Union and have there been any negotiations with Canada on this question, since Canada could also sell the gas to someone else — for example, the United States?

President. — I call Mr Fuchs.

Mr G. Fuchs. — (FR) Mr President, ladies and gentlemen, first of all I do not think it right to allow untruths to circulate in a parliamentary forum. The energy independence of the Community and its Member States, presupposes first of all — and Mr de la Malène or Mr Junot know this well — the diversification of its energy sources. In this respect, in France's case, to increase the share of natural gas from 12% in 1980 to 15% in 1990 at the expense of oil is undoubtedly an improvement.

In view of the gradual depletion of the European deposits currently being exploited such a policy calls for the signing of new contracts, the search for new supplies, hence the contracts recently signed by my country with the Soviet Union, it is true, but also — and I am surprised Mr de la Malène did not point this out — with Algeria.

By energy independence is meant, secondly, the diversification of the geographical origin of imports. May I point out in this respect that the USSR, the subject of the special attention of the group of European Progressive Democrats, which today supplies 5% of French energy, will continue in 1990 to supply only 5%, as a result of the foreseen decline in our Soviet oil imports.

This figure of 5% is not simply a symbol, it represents the threshold accepted at the Ottawa summit of industrialized countries as the threshold of non-dependence.

Where gas is concerned your reaction is the more ridiculous in that our policy of sale to industrial users — and Mr de la Malène and Mr Junot know this — is based in France to a large extent on contracts which can be broken, that is contracts in which the clients' installations make it possible for them to have recourse to another form of energy where necessary.

Having said this, I should like to point out what I consider to be politically shocking in the motion for a resolution of the group of European Progressive Democrats.

Do I have to remind Mr de la Malène, that when the Left came to power in France in 1981, half of my country's oil imports came from Saudi Arabia alone? I must admit that I have difficulty in understanding in what way that situation conformed to the objectives of the voluntarist policy of independence of which the group of European Progressive Democrats today quite rightly claims to be the partisan, though in my opinion somewhat late.

(Applause from the left)

As regards the question of the advisability of the signing of the French-Soviet contract a few weeks after the declaration of martial law in Poland, let me say simply that such a transaction of an economic nature appears to me certainly less questionable than the Giscard-Brezhnev meeting in Warsaw a few weeks after the entry of Soviet troops into Afghanistan.

Ladies and gentlemen, the opposition undoubtedly engages in half-truths and I would not swear that the French Socialists have never had recourse to them, but please, Mr Junot and Mr de la Malène, in the interests of democracy, do not exaggerate.

President. — I call Mr Penders.

Mr Penders. — (NL) Mr President, firstly I should like to point out that I can go along unreservedly with the points made by my colleague, Mr Müller-Hermann. There are, as I see it, three important aspects. Firstly, are we in the West making ourselves too dependent on Russian energy? Secondly, is it sensible to export so much high technology to the Soviet Union? And thirdly, would not Western, or at least European, unity be more appropriate than the free-for-all which is going on at the moment, and is this not further proof of the need for a definite European energy policy?

I should like to give a brief answer, Mr President, to all three of these questions. When considering dependency, we must look not only at the question of natural gas, but at energy sources as a whole and consider whether our dependence on the Soviet Union is too great. In this respect, I am moving in the unimpeachable company of the Secretary-General of NATO, Mr Luns, who has also pointed out that the importance of the natural gas contracts should not be exaggerated but viewed in the overall context. Secondly, the export of high technology. As I see it, this question is really more serious than the first. We should not only consider that technology which is directly usable for military applications. The allocation of research funds by the Soviet authorities themselves is also important. If the West puts money into the Russian's trouser pockets, the Soviets, we can be sure, will see to their jacket pockets themselves. The only thing which works reasonably well in the West is the application of

Penders

the Cocom list, i.e. the list of strategic materials. However, is this not too limited and are the definitions and descriptions still adequate?

Finally, Mr President, the third point, i.e. western unity, and there is no getting away from the fact that this is a fairly grotesque matter, as Lady Elles has already pointed out. If we consider it from the point of view of the Madrid Conference we should be ashamed of ourselves, since this is a classic example of the famous paper tiger. Basket 1, i.e. security, was coordinated in detail in Madrid and we have been working on it for months now. Considerable coordination was carried out with respect to Basket 3 on human rights and free flow of information and persons as well, and we have been working on this for months too. Then there is a yawning gap in the form of Basket 2 where nothing is being done and the Western countries are running neck and neck in their race to conclude contracts. Finally, Mr President, it is indeed vital, in the view of my Group, that we draw up a joint European energy policy in which account is taken of, among other things, the questions of energy imports.

President. — I call Mr Beazley.

Mr Beazley. — Mr President, it is natural that a risk analysis should be made when considering the desirability of importing gas in quantity from the Soviet Union through a pipeline whose construction is largely dependent on European technology, West European pipes and equipment and West European loan capital at favourable rates. The two resolutions which bring this subject before the House rightly do not in themselves make judgements but ask the Commission to provide this House with the relevant facts on which judgements can be made, and so I can support them.

The pertinent economic criteria are quite clear, and the political risks of dependency and exposure can be measured. We already know that the Commission's estimates of our dependency on gas as compared with other energy-carriers will be 19% in 1990, of which 46% will be imported. Furthermore, out of these total figures Western Europe's dependency on Soviet gas per se after the signing of the new Soviet contracts would vary from approximately 11% in the case of Holland to some 35% in the case of France and Germany and 40% in the case of Belgium.

The degree of overall dependence would not seem to me to be too high, in view of the political risks involved in imports from alternative suppliers, whose prices in any case would be higher. Much more important is the emphasis which the Soviet contracts for gas place on the need for Member States to move towards a common energy policy. This will obviously not be agreed on as an overall policy in a single step. However, the shortage of Community supplies of gas would indicate that we might start off this energy policy with this product.

I make two suggestions. First, the Community might consider making framework agreements with States where political risks are involved, and within these framework agreements bilateral agreements might be made by individual states. Secondly, North Sea gas is not being fully exploited and Britain has a vital part to play here. No gas pipelines exist between Britain and the Continent of Europe and only one at present connects Ekofisk fields with the Continent. More are planned, of course. Surely we need Community solidarity and will, backed by Community plans and Community money to exploit British gas with a gas-gathering grid and a large North Sea storage capacity for British and imported supplies of gas, with pipeline connections to the Continent.

I support the amendments which have been put in the name of this group and of the European People's Party.

President. — I call Mr Damette.

Mr Damette. — (*FR*) On behalf of the French Communists, I should like to make the following observations. Most European countries have signed, or will sign in the near future, contracts for the supply of gas from the Soviet Union. The amount of gas will represent only a very small proportion of the total energy supply of a country such as France.

These contracts have our full support since they will mean a diversification in our supplies, substantial purchases of industrial products with the attendant creation of jobs, a development in trade between countries with different social systems, which is one of the components of peaceful coexistence and a very positive thing.

The almost unanimous support of European States for these imports represents in fact the first concrete manifestation of a common energy policy and Europeans can only welcome this.

In view of such obvious advantages, there is something absurd about the agitation of some Members deliberately opposed to anything that can strengthen détente in Europe.

The speakers on the right know better than I that Mr Reagan strongly denounced the arrival of Soviet gas and proposed instead American coal at \$ 80 a ton, if you please. The Rinsche report, which is due to appear, shows that American coal imports increased from 15 to 30 million tons between 1979-80 and, in the case of South Africa, from 16 to 20 million tons, and that at the same time the price doubled. This is probably what Mr de la Malène wants to develop. On this count, he experiences no problems of independence, not to speak of course of human rights. It would appear that Mr Junot's ethics do not extend to the south of the Zambezi!

Damette

Everyone knows of course that this type of motion for a resolution is designed mainly to provide fuel for the small internal intrigues of the French Right, which seizes on anything and everything to stir up unrest which is as fruitless as it is ridiculous.

Having said this, there is nonetheless something extremely incongruous about a group which, only a short time ago claimed to be the champion of national sovereignty, calling on the Commission to set itself up as a supranational body controlling the States. It is true that this group was elected in France on the ticket of 'defence of France's interests in Europe' to become here the European Progressive Democrats. Now it could be said that the ticket 'advancement of Mr Reagan's views and interests in Europe' would be more fitting.

President. — I call Mr Israël to make a personal statement.

Mr Israël. — (FR) Mr President, I am sorry if I am jumping up like a jack-in-the-box to make a statement. I do not think that you can allow what the last speaker said. He quite simply accused the group to which I am privileged to belong of kowtowing to a foreign power. If you ask me, the Member in question . . .

President. — You are not making a personal statement, Mr Israël, but starting up a political argument.

Mr Israël. — (FR) Can I say one thing more, Mr President? It is my impression that we have been attacked in an inadmissible manner. This is personal, and definitely not political! I just want to say that our party displays its national independence but also its allegiance to Europe. I cannot accept what the last speaker just said.

President. — I call Mr Alavanos.

Mr Alavanos. — (GR) Mr President, we agree that the question of supplies of Soviet natural gas involves the independence of Western Europe, but not in the sense stated by certain speakers on the benches opposite. The fact is that the supplies of Soviet gas will promote the diversification of the Western European countries' sources of energy. The fact is that it is not the Soviet Union, but others, who are using the reprisals weapon. The fact is that, to a great extent, it is the Soviet Union itself which depends on Western Europe, since what is involved is a reciprocal agreement.

In reality, the countries of Western Europe are trying to achieve independence from the American overlord. How on earth can you talk about the independence of

Western Europe when you cravenly bow your heads at the orders of President Reagan? How can you be interested in peace in Europe when you want to block such a major and long-term bridge for cooperation? How, at a time of undoubtedly serious crisis, can you ignore the tens of thousands of jobs which the natural gas agreement will provide — simply at General Electric's instructions?

The question is of particular importance to us Greeks, since we are under a lot of pressure over the agreement to provide repair facilities for Soviet ships at the Sirois shipyard. Another factor is that when Mr Karamanlis visited Moscow he discussed the possibility of Greece's importing Russian gas in return for agricultural products. Moreover, agricultural products are already being exported in return for Soviet oil. Greek farmers are facing serious problems in disposing of their produce, and we are not prepared to let the American lackeys in the Common Market aggravate the situation of the Greek people.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, the Commission will speak on the two motions for a resolution and on the amendment, but will not express an opinion on the political question underlying it, on the repercussions of the events in Poland or their political implications, because this is not raised in the resolution. I wanted to make this clear first of all, and to point out that we are fully aware that there are repercussions and implications.

Basically, Mr President, the Commission's position is clear: we are in favour of a policy of diversifying the supply of our Member States. This policy of diversification can succeed if we use more gas and if the purchasing prices of this gas are an incentive to industrialists and consumers to change over from oil to gas. Gas in itself will only ensure diversification if its price is such as to encourage the substitution of gas products for oil products.

This requisite policy of diversification is extremely urgent. Today there are only two countries which can supply the Community in the short term with the additional gas it needs: they are Algeria and the Soviet Union. In the case of other suppliers, such as Nigeria or others, with whom discussions are taking place, the most optimistic estimates speak of the first supplies being delivered only after 1990.

Thirdly, the question of dependence. This is one of the most difficult to answer, because there are no absolute criteria of dependence. It is impossible to say that 3% is alright, 5% is tolerable but that 5.5% is excessive! The problem is to decide what safety system to set up to deal with the problems which can arise even with very low dependence figures. This is the situation and it is up to the Community to come to grips with it.

Davignon

Mr President, in the motions for a resolution presented, surprise is expressed at the fact that the Commission did not or was unable to exercise a coordinating role in the purchase. We could have done so, if it had been the States who were the purchasers. However, when we want to enter into a discussion with them, the States object saying that they are not responsible. Like all of you I regard this argument with the scepticism it merits, because the Member States are the major shareholders in the oil companies. However it is true that Gaz de France, Ruhr-gas, Distrigaz, etc. are the companies which conclude the contract, commercially speaking. Therefore our strategic objective must be to discuss with the Member States the price at which diversification should be achieved and if this is acceptable, the deadlines for the delivery of these additional supplies and the security system to be arranged in preparation for any interruption in important supplies.

On the latter point, the Council of Ministers, meeting on 16 March, will discuss the whole problem of security of supplies, the possibility, as Mr Fuchs pointed out, of possibly breaking contracts, incentives to storage, and the supply from other sources when necessary.

Here there is a purely European problem. The Netherlands have gas reserves which they can store for everybody. The United Kingdom has reserves and could do likewise if it wanted to but to date we have not received any British proposal. I would like to say very clearly, this would make it possible for this gas not to be used immediately but to be kept to meet any difficulties with supplies from other countries. We are quite ready to contribute to this because it is a Community policy.

To sum up, Mr President, we consider that existing supplies from the USSR should be increased as part of a policy of diversification. That is the economic aspect.

Secondly, this can be done if the additional problems to which I have referred are resolved, namely price, security, reserves.

For additional information, Mr President, rather than enter into a discussion which would be rather technical here, I will place at the disposal of Parliament's Committee on Energy and Research and Committee on Economic and Monetary Affairs all the technical data concerning these supplies.

One last word, Mr President, the first additional cubic metre of Soviet gas will only arrive in Europe at the earliest — in the Commission's opinion — in 1986 and 1987. It is therefore necessary to consider this situation with more moderation than has sometimes been the case.

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — (DE) Mr Davignon has just said that he intends to supply the technical details to two of Parliament's committees, but before that he said that a lot of thought had still be given to the political implication. Who is going to be told about that? In our amendment to the Berkhouwer motion my colleagues and I have therefore asked the Commission to inform Parliament of its opinion again at the March part-session.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) If I may reply to Mr Müller-Hermann, Mr President, let me tell him that when I was talking about policy I meant energy policy. Insofar as we wish to refer to the problem of the effects of increased economic relations between Europe and the Soviet Union in the context of the current political situation, it is obvious that the Commission could not produce any text on this subject.

President. — The debate is closed.

We shall now vote on the *de la Malène motion for a resolution (Doc. 1-1009/81): Major contracts with the USSR for the supply of natural gas.*

(Parliament rejected the motion for a resolution)

We shall now vote on the *Berkhouwer motion for a resolution (Doc. 1-1018/81): Soviet exports of natural gas.*

(Parliament adopted the resolution)

4. Wine market

President. — The next item is the joint debate on three motions for resolutions:

- motion for a resolution (Doc. 1-1017/81) by Mr Ligios and others on the blockage of Italian wines in France;
- motion for a resolution (Doc. 1-1028/81) by Mr d'Ormesson and others on the wine market;
- motion for a resolution (Doc. 1-1029/81) by Mr De Pasquale and others on the barriers to imports of Italian wine into France.

I call Mr Ligios.

Mr Ligios. — (IT) Mr President, since I have only a short time available — four minutes — I propose to outline to you just two aspects of the Community's wine problem: the free circulation of goods within the

President

Community and the Commission's proposals regarding membership for Spain.

As far as the free circulation of goods is concerned let us say it once and for all, either wine must have the same rights as any other agricultural produce or we must amend the Treaty of Rome. Our French colleagues who are so proud of their role as guardian of the Treaties know that in any event the loser would not be Italy, which is a net importer of agricultural produce, but France, which exports a significant part of her production and for whom Italy is one of the biggest, if not the biggest, customer.

Now in 1982 France has again started boycotting Italian wine, implementing three provisions which are, to say the least, perplexing: first of all customs barriers, sampling every kind of produce at the frontier, which is contrary to the usual practices adopted at the frontiers between Member States, and which has the clear intention of impeding the export of Italian wine to France; secondly slowing down the turnaround time of wine-carrying in ships in Sette, with the obvious intention of increasing transport costs. The fact is that a single extra day in harbour for a ship of average tonnage increases costs by three million lire. Lastly, a propaganda campaign which must be regarded as dishonest. Attempts are being made through official and unofficial statements to newspapers, to the radio and television, to discredit the quality of Italian wine and give new life to the old story of Sicilian wine from North Africa.

I have to confess my amazement that persons occupying the highest positions in France should become involved in a deliberate slander such as this for the most obvious of internal political motives and — which is more serious — without producing any evidence for their slanders.

The Minister of Agriculture, our former colleague Edith Cresson, has gone even further, and, apart from a series of conflicting statements — which I draw to your attention for critical perusal — statements which are regularly disproved by the facts; in the last few days she was responsible for the little gem which I found in one of the French national newspapers, that Italian wines contain sulphuric acid.

I am amazed — more amazed as an agriculturist than as a member of the European Parliament — that a question with such far-reaching technical, economic and political implications could be treated so vaguely.

It is not just the fact of having confused sulphur dioxide with sulphuric acid which we find serious. What we find most serious of all is the fact that the basic principles of the Community wine regulations — one of which indeed relates to sulphur dioxide — have been ignored. If it were indeed sulphuric acid many customers would quite clearly already be in the next world. Sulphur dioxide is permitted in the EEC regu-

lations and its greater use is a matter for France, not for Italy.

As regards Spain, the wine question will call for a whole series of measures which we have already outlined. I would remind you that Parliament has already given its approval to two motions for resolution, namely those of April 1981 and 17 September 1981.

President. — I call Mr d'Ormesson.

Mr d'Ormesson. — (*FR*) Mr President, ladies and gentlemen, you must remember that this affair concerns not only the blocking of free circulation of goods between two Member States but, alas, an economic and social tragedy which is resulting in misery for a section of the Community's peasant population. The only persons to benefit, ladies and gentlemen, from misery in the countryside are those whose determination it is to destroy all our liberties and erect a totalitarian state in their place. When we realize that, we see that what we must do is not to add to the arguments, but to dispel them. It is with this in mind that Mr Colleselli, the rapporteur on wine for the Committee on Agriculture, and myself have been working together to put forward solutions which get to the heart of the problem of table wine production.

Before I turn to these solutions, perhaps you will allow me to remind you that the underlying cause of the wine surpluses which cause such problems on the market was the delay in my own country in promoting a policy of quality, rather than quantity, after Algeria became independent, and, on the other side of the Alps, the delay in drawing up a general survey of vineyards, which is the only means by which planting can be monitored. The surpluses themselves have a particular and special economic origin, and that is the two very copious vintages of 1979 and 1980 which are now filling the market. With that in mind I am taking this debate as an opportunity to propose, first of all, that a further quantity of wine should be earmarked for distillation so as to stabilize the market, and I also take this opportunity of reminding the Council of Ministers that on 18 November last this Assembly approved three further provisions, concerning distillation, a definition of rosé wine and creating a Community service to combat fraud; it is my belief that these measures will in time prove as valuable to the wine grower as to the consumer.

For what is the Council of Ministers waiting before it puts these measures into effect? Properly implemented, they would be infinitely wiser and more efficient than creating an office for wine. The Community's problem for the moment lies not with the Commission or with this Assembly but with the Council, which is paralyzed by a total lack of political will. If there were any possibility of a good drop of

D'Ormesson

wine waking them from their slumber and their uncertainty, I have no doubt that French and Italian growers would give it with greatest of pleasure.

President. — I call Mr De Pasquale.

Mr De Pasquale. — (*IT*) For the last two weeks, Mr President, more than 30 million litres of wine exported from Southern Italy under legal purchase and sale contracts and accompanied by all the proper documentation have been blocked at the French frontier, once again without any valid justification. What we are facing is systematic and deliberate protectionism. We are aggrieved, and not a little concerned, to have to raise this question again, but the tension in our region is now becoming dangerous. Calls for retaliatory measures are becoming more insistent, and it must be remembered that France has an agricultural trade surplus with Italy of some 2 billion lire.

If a country which already has such significant advantages is able to violate the only common market rule which survives in any recognizable form, that of the free circulation of goods, then the other nine will be compelled to do likewise and in that way they will bring about the destruction of what little remains of our Economic Community.

It is therefore in the general interest that we reestablish normal trade. Who, however, is responsible for seeing that Community law is respected? We maintain that it is the Council, the Commission and the Court of Justice. The Council has never considered the question and, amazingly, the Italian Government did not even mention it during the meeting the other day. The entire affair has been left to the negotiations between the two governments who claim to have reached an agreement, an agreement which, like the Yeti, everybody has heard of and nobody has yet seen.

For months the Commission has been evading the issue and it was only on 5 February that the case was submitted to the Court of Justice with a request for provisional rulings such as the reintroduction of sample checks and immediate customs clearance. The Court of Justice, too, is taking its time and it is not known when any decisions will be reached. Apart from that, nothing is happening, and France is about to introduce a special tax on wine of mixed origin.

If this matter is referred back yet again, Mr President, the situation will become unacceptable. We cannot go on jeopardizing the livelihoods of hundreds of thousands of peasants working in the poorest regions of the Community who have no other means of support. We are told that there is nonetheless one solution, a special quota for distillation at a price which will reach the Mezzogiorno at about half the target price.

The choice therefore seems to be between taking the pittance which is offered for distillation or drowning

in our own wine. It has to be said that this wine market regulation is absurd. First the sale of good wine is prevented by holdups at the customs, illegal taxes, and legalized adulteration, and when we realize that the wine remains unsold it is bought in at less than cost price to be destroyed at the expense of the taxpayer.

It is a matter for urgency, Mr President, that the new policies which this Assembly has already suggested several times are implemented. In the short term we must ensure that everybody, immediately, keeps to the rules which already exist.

President. — I call the Socialist Group.

Mr Gatto. — (*IT*) Mr President, just a few words — because my Group has very little time available — to give our support to the ideas expressed by Mr De Pasquale, to whose resolution we subscribe.

I too am certain that the incident which has put France and Italy in opposition yet again is of a particularly serious nature: it is even more serious than that of last autumn which led to debates in this House, since it attacks the very heart of the principles of this Community.

It is for that reason that I issue an invitation to the French — a genuine, fraternal invitation which includes my colleagues from our Group — to see if we cannot together find a different way forward, a way other than the conflict which will inevitably end by damaging the interests of us all — for behind the wine there are men, winegrowers. I fear for the interests of the country people, the peasants of my own country and — for there is no reason why not — for those of France, for my own view of things, though it is a Community view, is first and foremost a Socialist view.

Instead of this well-trodden, narrow minded, egotistical path let us try and find the road to a thorough reappraisal of Europa's wine policy and, if I may address myself to my French colleagues, to a thorough reappraisal of the French wine sector too, since we over the last few years have made the effort. We have made that effort in a region which devotes a great deal of labour to wine production. Let's have no more insults about Sicilian wine, either! Eyraud, you tasted it when you visited our region and you know how good and how strong it is, just like the sun that made it. Let's have no more talk about Sicilian wine because there are most certainly many things in Europe which we ought to consider first!

President. — I call the Communist and Allies Group.

Mr Martin. — (*FR*) Mr President, I should like once again to make it clear that the French wine growers

Martin

have not declared war on their Italian colleagues. They do not oppose the import of Italian wine, but they have no wish to be swamped by a tidal wave which will reduce them to bankruptcy. That is the reason why they are calling for imports to be restricted to a reasonable level, and we support them in that. Respect for the Treaty means that they cannot accept having two separate wine markets within the Community in which production costs differ by anything between 20 and 40%. Those differences can be explained only by inadequacy and inefficiency in Community regulation and by the chicanery of the big Italian and French merchants with their scandalous profits.

What we are calling for is the application of Community principles. Firstly for fair competition with proper, consistent application of the regulations in the Member States, which means reviewing the question of State and regional subsidies leading to distorted competition between France and Italy. That also implies applying the minimum price for Community trade provided for in Article 15 bis, which the Council still refuses to implement. If this were to happen both French and Italian wine growers would be guaranteed better prices.

That is why we repudiate the accusations made against France. We refuse to see France penalized and fined whilst the situation of our winegrowers is made worse by imbalance in the Community. In any event — and with this I conclude — the Commission's lawsuits will not hinder our winegrowers in their attempts to improve their living and working conditions.

President. — I call the Liberal and Democratic Group.

Mr Delatte. — (FR) Wine has always been a source of difficulty between France and Italy and we can be sure that it is not by violence that we shall be able to resolve disputes arising between two neighbours within our Community. I can well understand the arguments of the French wine-growers faced with competition from their Italian colleagues. Italian production costs are without doubt less heavy, but the growers' income is inadequate because of the very low prices they are paid — prices well below the trigger prices set by the Community. That is a paradox which is doubtless at the root of unilateral decisions which may appear to be at odds with Community rules, but it also creates a climate of conflict which must be calmed.

My group considers it essential that we review the price fixing mechanism so as to ensure that prices for equal qualities in different markets are comparable, and we also wish to see standards better defined for the various categories of wine so as to ensure that quality is properly respected and guaranteed. Until such time as suitable measures are implemented, the Commission should take the necessary steps to support

the wine market as is permitted by the Community budget. Furthermore, distilling Italian wine at a reasonable price would also be a short-term solution. I remind our Italian colleagues that they should establish a vineyard survey urgently, for this is the only way in which the entire wine sector can be managed efficiently.

Mr President, new markets for table wine are opening within Europe itself and we should of course redouble our efforts to improve quality; at the same time, however, we must take steps to even out the distortions in competition which exist between wine-producing countries, and we can no longer accept either that the purchase price paid to growers is inadequate to give them a decent income or that the growers themselves should disrupt the European market for wine, which is a developing market.

President. — I call the non-attached Members.

Mr Buttafuoco. — (IT) Mr President, I add my support to the news expressed in the documents tabled by my Italian colleagues, although I do have a number of serious misgivings. The fact is that previous debates and previous documents approved by this House in April and September last year have still produced no result, despite the fact that the situation is becoming increasingly difficult, as my friend Mr De Pasquale has shown you, and the inalienable rights of peasants and winegrowers, from Sicily — my own region — are being systematically attacked, now even by the use of defamatory propaganda about totally natural products such as Italian wine, and Sicilian wine in particular.

Speaking yesterday apropos of Mr Thorn's speech I referred to the war of attrition in wine and other produce. Neither side will benefit unless we can create a will to cooperate and work together, a will which must be underwritten on a European scale. For my own part, therefore, I call on the Commission and above all on the Council, which is showing a total lack of sensitivity, to realize the seriousness of this problem.

President. — I call Mr Eyraud.

Mr Eyraud. — (FR) Mr President, ladies and gentlemen, as French socialists we cannot allow these suggestions to be made that France and the French Government are hindering or preventing wine imports into our country. Let me remind you of the facts: when we had the first incidents in August last year, examination of the customs documents showed that a number of them did not have the proper customs stamps, did not show the alcohol level and did not identify the origin of the wine. French officials were thus compelled to examine the customs documents and

Eyraud

the shipments and samples are being taken and analyzed.

In a number of cases these have revealed two areas in which the consumer's interest is involved, and this remains our first concern as socialists. Firstly, wine has been transported in tankers which had previously been used for the transport of toxic products including motor lubricants. Secondly, on a number of occasions traces of asbestos have been found.

We too consider that it is essential that we reform the wine market. We have seen that large-scale, irregular purchase and sale by wine merchants can result in a collapse of prices for the producer. The result of this is that the growers suffer, whether they are Italian or French. There is also the question — and we know the answer — of where those wines whose origin is not shown actually come from. There is no guarantee that they originated in Italy. That, we are well aware, is why we must set up a wine office as quickly as possible. It will enable us to control the market from the point of view of quantity and of quality.

However, as others have already said, we cannot do everything at once. Our government is working on it. Our feeling is that an agreement can be reached which will safeguard the interests of Italian and French growers without causing hardship. What we are therefore proposing at Community level is firstly reform of the wine trade; secondly, extra distillation at reasonable prices with a view to avoiding the buildup of excessive stocks; thirdly, continuing with the long- and short-term storage contracts, with a guaranteed sale at their end; and fourthly establishing a system of buying which could ultimately become a form of market intervention, since wine is in fact the only product which is being bought at less than its guide price or its activating price.

Having said this, Mr President, we would express the hope that all of the European institutions will be guided by a little understanding, a little good faith — Mr d'Ormesson — and a will to achieve a result.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) Mr President, the Commission naturally shares fully the concern expressed by the honourable Members in the motions for resolutions and in the speeches made today on the subject of these national measures which represent a threat to the free movement of goods, which is after all one of the essential elements of the Treaty of Rome.

The result of these measures is that imports of wine from Italy to France are now once again blocked. The Commission is of the opinion that these measures constitute an infringement of Community regulations

on the wine sector, and on 4 February the Commission therefore requested the Court of Justice to oblige France to act immediately to discontinue the systematic checks on wine originating in other Member States and to give customs clearance to all those batches of wine originating in other Member States and crossing the French frontier.

The Court of Justice has arranged to hear the two sides involved, i.e. the Commission and France, on 1 March 1982.

It is the Commission's duty to ensure that the free movement of wine within the Community is maintained. At the same time, I would draw attention to the difficulties involved in a compensatory levy representing 80% of the difference between the ex-vineyard price and the activating price, with this levy being paid by the purchaser to the EAGGF when the ex-vineyard price is below the activating price. Such an arrangement would involve tiresome, complicated and expensive administrative work, and if it were introduced first of all for wine, it would undoubtedly be difficult to refuse the introduction of a similar levy in other sectors, e.g. for meat.

The dangers of distorting the pattern of trade in these sectors through introducing the proposed measures would outweigh any benefits which might be obtained from such aid.

On the other hand, the proposal to introduce *ad hoc* distillation to help the market in table wine appears to me to be a constructive and realistic idea. In the present market situation, access to distillation would encourage the Italian wine producers, in particular, to send their wine for distillation in view of the fairly low price level in Italy. This would help to raise prices in Italy and at the same time relieve the pressure on the French market.

The Commission also intends to propose to the Council distillation measures on the basis of Article 15 of Regulation 337/79. I would emphasize that these distillation measures can only help to solve the short-term crisis in the wine sector. If the market is to be reorganized, a fundamental change in the basic regulation will have to be accompanied by much closer cooperation between the authorities in the various Member States involved. I am thinking here particularly of measures to combat fraud and of major efforts to improve production and marketing structures in the wine sector.

On 21 October 1981 the Commission submitted to the Council proposals for a fundamental change in Community arrangements with a view to reorganizing the wine market and to improve the correlation between market policy and the structural measures already implemented. Discussions on these proposals have now begun in all Community institutions, and the European Parliament and the Economic and Social

Dalsager

Committee will be giving their opinions in March. After that, it is up to the Council to accept the proposals.

It is my hope that the Member States can reach agreement so that the review of Community arrangements can be concluded as soon as possible.

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — The joint debate is closed.

We shall now vote on the *Ligios motion for a resolution (Doc. 1-1017/81): Blockage of Italian wines in France.*

(Parliament adopted the resolution)

We shall now vote on the *d'Ormesson motion for a resolution (Doc. 1-1028/81): Wine market*

(Parliament rejected the motion for a resolution)

We shall now vote on the *De Pasquale motion for a resolution (Doc. 1-1029/81): Barriers to imports of Italian wine into France.*

(Parliament rejected the motion for a resolution)

5. Natural disasters

President. — The next item is the joint debate on four motions for resolutions:

- motion for a resolution (Doc. 1-999/81), tabled by Mr McCartin and others on behalf of the Group of the European People's Party (CD Group), on storm damage in Ireland;
- motion for a resolution (Doc. 1-1001/81), tabled by Mrs Poirier and others on behalf of the Communist and Allies Group, on the floods in France;
- motion for a resolution (Doc. 1-1024/81), tabled by Mrs Duport on behalf of the Socialist Group, on urgent aid for the St Marcellin region in southeast France hit by a hurricane on 28 December 1981;
- motion for a resolution (Doc. 1-1027/81) by Mrs Focke and others on aid from the Community and the Member States to the Democratic Republic of Madagascar following the disaster which has struck the country.

I call Mrs Poirier.

Mrs Poirier. — (FR) Mr President, last December and January's floods in France were very serious indeed because of their scale. Agricultural production has been damaged. In the South-West, for example, the market gardeners in the Garonne valley have seen their efforts ruined. Stocks of animal feeds have been destroyed. Agricultural buildings and machinery have been demolished or damaged and we should remember that many of these farmers, particularly in the Gironde, became heavily indebted as a result of the hail and frosts last year. Small businesses situated near the river banks have had to stop production, sometimes for a period of several weeks. And what has caused harm to most people has been the flooded housing, the destruction and loss of goods and property, frequently the fruit of a lifetime's savings.

We have to add to that the enormous cost to local authorities of restoring public utilities — electricity, water and gas supplies, telephones, highways and byways. The damage has been enormous, and must be counted in thousands of millions of francs.

I am well aware that the Commission has already taken the right decision and released funds, and I congratulate them on that decision. The fact remains that three months later an assessment of the damage may well be that further credits have to be released. For despite the Community's efforts, and, of course, those of the French Government, the victims are complaining that the aid — which never exceeds a third of the actual damage — is inadequate. The impression they get is of having been thrown a sop. What is more, it appears that the funds made available are only for the South-West of France and the Saône valley. The fact is that other areas were affected: Champagne, Burgundy and the department of Seine-et-Marne. Since credits remained available in the 1981 budget heading concerned, can we not make use of this and increase the amount made available by the Commission?

I should like to conclude with one question, which I put to the Commission: what is the time lag in circumstances such as these between the moment a decision is made to allocate funds and the moment those funds are paid to the country in question?

President. — I call Mrs Duport.

Mrs Duport. — (FR) Mr President, the disaster to which I would like to draw your attention occurred at the same time as the floods which have already been described, but in another area. The reason I have asked for two minutes of your attention is that this tornado, which struck the south-east of France, affected 23 municipalities and 307 agricultural holdings.

At least 125 farmers have been put in very great difficulty. Two-thirds of their income derives from growing walnuts. As you no doubt know, a walnut,

Duport

which is a superb tree, takes 15 years to bear fruit. These smallholders — whose income has steadily fallen over the past few years — will certainly hesitate before they reconstitute their plantations. We are concerned with a very specific local product — Grenoble is famous for its walnuts — which is threatened since 2 700 trees have been uprooted, including some more than 20 years old.

Of course, local and government assistance is being provided but it will not make the new trees grow any faster and in any case is unlikely to represent more than 30%, or at best 50%, of the damage. The scale of the tragedy may seem small to you when compared with other disasters, but I would remind you of our debate on Tuesday on rural smallholdings and about those in mountainous regions.

It is because of the concern which you showed by giving your support to the Faure report that I am asking the Commission to use what means it has to give assistance as an encouragement to the continued production in this region of this specific product. Like the previous speaker, I am asking the Commission to use the funds which are available as a supplement to local and government assistance.

President. — I call Mrs Focke.

Mrs Focke. — (DE) Mr President, ladies and gentlemen, following the meeting of the ACP-EEC Joint Committee in Zimbabwe, an official delegation of the European Parliament visited Madagascar from 7 to 12 February in order to renew and intensify contacts and to inspect projects which had been financed out of the fifth, fourth and third European Development Funds under the Lomé Convention.

The members of this delegation were Mr Cassanmagnago-Cerretti, Mr Ferrero, Mr Irmer and myself. Mr Vergès also joined the group on the invitation of the Government of Madagascar. We have tabled this motion for a resolution requesting aid by the European Community jointly since when we visited Madagascar we found ourselves in a situation which was totally different from what had been planned, since the country had recently been hit by a devastating natural disaster. The devastation and flooding after weeks of torrential rain and the three hurricanes which had very recently hit the country had reached enormous proportions.

Hitherto, we had heard very little more than you had yourselves, even though this disaster began as long ago as 17 January. Madagascar has tried to help itself. A certain amount of bilateral help had been provided and a few days before we arrived, President Ratsiraka had appealed to the European Community for immediate aid in a letter to Mr Pisani of the Commission. However, we got the impression that the country felt

it was being disregarded by public opinion in the world as a whole in view of its insular and peripheral position.

The efforts being made by the country and its political leaders are admirable but the extent of the disaster, the human misery, the ruined harvests, the threatening epidemics and the risk that it might not even be possible to sow for the next harvest because the dykes have been destroyed and the rice fields turned to mud is enormous. It had not even been possible to make a close estimate of the homeless by the time we left. In the capital Antananarivo and its surroundings alone they numbered some 64 000 who had been housed in the most makeshift of reception camps with — I repeat, the risk of epidemics.

16 000 of the 18 000 hectares of rice fields in and around Antananarivo have been destroyed and the damage has been equally serious in the Lake Alaotra region, traditionally the granary of Madagascar. In addition, half of the early rice harvest has been lost and a large part of the road infrastructure, dams, dyke system, rail network, and port installations have been destroyed.

Swift, comprehensive, large-scale and effective aid from elsewhere is vital. The European Community, as partner in the Lomé Convention, has a particular responsibility in this respect. The people of Madagascar look to us for tangible assistance in the same way as the tortured eyes of desperate people turned to the Members of the Delegation.

Together with President Ratsiraka we took a helicopter to visit the areas hit by the disaster, and we joined the Minister of the Interior in assessing the measures being taken and inspecting the reception camps. We saw, together with the Minister of Agriculture, how much work must be done on the dykes and rice fields before the harvest can be resown.

Ladies and gentlemen, the Community must provide comprehensive aid without delay. It has the necessary instruments at its disposal both under the terms of the Lomé Agreement and in the budget. In addition to immediate aid in the form of financial assistance, medical supplies and food, there is a particular need for equipment such as excavators, as well as building materials, seeds and fertilizer. We also call on the Commission and everyone concerned to approve, under the terms of the financing of the Fifth European Development Fund, applications by Madagascar for financial aid if such applications are made earlier than planned in view of new financing priorities arising from the disaster. The ability of the Community to look beyond its own problems, to stand by friends and to help them in need is being put to the test here.

President. — I call the Liberal and Democratic Group.

Mr Irmer. — *(DE)* Mr President, ladies and gentlemen, Mrs Focke has just given a powerful account of the situation which the small European Parliament Delegation encountered in Madagascar. I can only endorse what she has already said and personally stress how shaken we all were in the face of this great misery.

Disaster aid by the Community, was I think, never so appropriate as in this case. It rarely happens that a delegation of our Parliament can so directly witness a situation such as the one in Madagascar, where the human suffering stares you in the face and makes you want to provide immediate assistance. It will be very difficult to help the people in Madagascar at all, since the extent of the disaster is so great that you really do not know where to begin. We urge you therefore to adopt this motion for a resolution unanimously and to urge the Member States of the Community to provide every sort of help imaginable. Should it turn out that the events in Madagascar necessitate rescheduling of the normal projects, the Community should be flexible and, wherever possible, fall in with any requests made by Madagascar. I urge you once more, ladies and gentlemen, to give your unanimous support to this motion for a resolution.

President. — I call Mrs Cassanmagnago Cerretti.

Mrs Cassanmagnago Cerretti. — *(IT)* Mr President, ladies and gentlemen, the delegation which visited Madagascar on behalf of the Committee on Development was able to observe that that country is in serious economic difficulties. In addition to these serious economic difficulties — whence the need to increase financial aid to the region — it has had to cope with the devastating effects of the hurricane 'Gabriella', which has wreaked enormous damage, which has thrown all the promising development projects we were able to visit into total confusion and which has eliminated any possibility of harvesting the rice in the region of the plateau and in the coastal areas of Madagascar. Consequently there will be no rice harvest in February, which is the month when the first rice is harvested.

In these circumstances churches and houses have been requisitioned to serve as lodgings for homeless families. One school provided shelter for 1 500 families, who look to the Community for human, social and economic solidarity.

My group, therefore, in agreement with Mrs Focke and Mr Irmer, who were with me during our visit to the disaster area, wishes to emphasize first and foremost the need for urgent aid, Mr Commissioner, aid that must not arrive in six months time, because in the meantime in that part of the world an epidemic could easily break out on such a scale that all these people, who are living huddled together in conditions that give serious cause for concern, would be wiped out.

What is more, this aid should be appropriate to the existing relief infrastructures, which are, in fact, inoperative in some respects for lack of medicines. This is a topic to which we should first devote some thought. I am referring to the things that we are building over there and the subsequent failure of these things to function, so that it would be worth making the effort to recast this whole discussion and check these things all over again.

For this reason, I want to ask you, Mr Commissioner, to see that the aid which is to be organized is immediate aid, because otherwise we shall be doing nothing more than postponing the problem and in consequence of that we shall be responsible for deaths from an epidemic in that community.

President. — I call Mr Vergès.

Mr Vergès. — *(FR)* Mr President, I should like to say briefly how difficult it is to describe in 90 seconds the sheer size of a disaster striking an island more than 10 000 kilometres from Europe and which in size is as big as the whole of France, Belgium and Holland.

The first problem is the scale of the disaster, because the island was ravaged from North to South and from East to West. When the rice fields are flooded, the roads blocked, the harbours damaged in a country such as this we are faced with a national disaster. And what Mrs Focke has told you on behalf of our colleagues in the delegation will have given you an idea of the magnitude of this disaster. For the short term the aid proposed in the resolution must, I believe, be approved unanimously. It must be given fast because, as the proverb says, he who giveth quickly giveth twice over, and tens of thousands of men, women and children are expecting this aid from us.

The second point is the future. The first harvest has been destroyed, the second must be sown within four months. Can we send the aid within that short time so as to ensure that the hundreds of thousands of hectares of ricefields can be cleared of sand, repaired and cleaned up? If it cannot be done, then we are facing the prospect of famine.

I should say lastly that I do not believe there has ever been such an expectation of solidarity from Europe. It must be rare for a delegation to go to an ACP country and, within 48 hours, be welcomed by the President of the Republic and the highest government authorities and the President of the People's National Assembly, taken to inspect the damage and invited to speak to the press and television as was the case with the leaders of our own delegation. Here is an ACP state, linked to the European Community of the Yaoundé Convention, with great hopes of a gesture of solidarity.

Vergès

This is why we believe that we must act quickly — very quickly — with a unanimous vote by this assembly in response to the hope of these people, of the victims, their government and their Head of State.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) Mr President, I will speak first of all on the Irish problem, since even if it has not been mentioned in this debate, a motion for resolution concerning that country has nevertheless also been tabled. When the Commission learned the natural disaster which hit Ireland towards the end of 1981 and the beginning of 1982, it immediately made every effort to obtain the available official information concerning the extent of this disaster and its consequences. The Commission decided on 22 January 1982 on the basis of this information to grant emergency aid of 1 million ECU pursuant to Article 690 of the budget for the benefit of population groups hit by natural disasters. This aid is now being paid out and talks have started with the Irish Government concerning the way it is to be used.

As regards the other European disaster, i.e. the one which hit several départements in southwest France, the Commission decided on 22 January 1982 on the basis of the official figures for the extent and consequences of the catastrophe to grant France emergency aid of 1 250 000 ECU, also pursuant to Article 690 mentioned above. This aid has already been paid out, and the French authorities are currently channelling it, in consultation with the Commission, to the persons hit by the disaster.

It is up to both the Irish and the French authorities to see to it that the aid is directed to those areas where it is most needed, since the main purpose of the aid was to help protect human lives and ensure the survival of the people hit by the disaster.

The Commission stresses that emergency aid under Article 690 should be regarded as a gesture of solidarity with the persons hit by the disasters. As regards the possibility of the Commission providing structural aid to repair the damage, the Community would point out to the honourable Members that it is up to the Member States in question themselves to apply for such aid according to the established procedures.

I should also like to point out that the Commission is aware of the extent of the damage in Madagascar, as described here today by the honourable Members. We realize that these hurricanes and floods have caused widespread devastation. Following an application from the government of Madagascar, the Commission intends to take a decision this week on the granting of emergency aid of 100 000 ECU under Article 137 of the second Lomé Convention. These funds will be made available to the national aid committee and are

intended as a contribution towards relieving the immediate problems of the 65 000 or so homeless. The Commission will see to it that the 2 080 t rice on which a decision has already been taken pursuant to the food aid programme for 1981, will be delivered shortly. Assuming a requirement of 20 t per day, this quantity should be enough to supply the homeless with rice for about 3½ months. As part of the 1982 programme, the Commission has submitted a proposal to the Council to the effect that 15 000 t grain should be made available to Madagascar. On the basis of this provisional reaction, Commission intends to give favourable consideration to further applications from the Madagascan Government for extra aid and make a decision on appropriate arrangements according to the possibilities afforded by the European Development Fund. It may be possible, on agreement with the Madagascan authorities to revise the schedule in the light of new priorities. Through coordination of these measures with the Member States and other countries and organizations providing aid, the Commission has also learnt of the following arrangements. 150 000 ECU in the form of cash has been provided by the Red Cross, the United Nations and the United States, the United Kingdom has provided medicines to a value of 30 000 ECU and 100 t milk powder has been provided from various sources. Thus the Commission is keeping a constant eye on the entire situation in Madagascar.

President. — The joint debate is closed.

(Parliament adopted the four resolutions)

(The sitting was suspended at 12.35 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR DANKERT

President

President. — I call Mr Boyes.

Mr Boyes. — Mr President, I raised with you this morning the problem of the delegation from the National Union of Mineworkers. I did in fact want to ask you a supplementary question, but I was very conscious of the fact that there was only a limited amount of time for the resolutions to be dealt with under urgent procedure, and I have waited until this afternoon to ask it. What I would like to know is whether you, as President, would, first write to the president of the National Union of Mineworkers giving an explanation of what happened to the agenda, and secondly, consider inviting representatives of the National Union of Mineworkers, at perhaps the Parliament's expense, to attend a future energy debate.

(Protests)

President. — Mr Boyes, the implementation of the agenda after it has been fixed by the House is, in great measure, an affair of the House; if it is retarded by debates or points of order, I think the House, in its entirety, is responsible, and in that situation it is difficult for the President to assume responsibility on his own. So I would, if you will agree, not extend any apologies to anybody for the way our work proceeds. One has to take certain risks: that is the life of Parliament. I recall that the European Parliament is not the only forum where you cannot make an absolute statement on the hour a subject will be dealt with. In national parliaments it is exactly the same, except that there one sometimes goes on until 4 o'clock in the morning. Your National Union of Mineworkers is welcome any time a debate on subjects relating to their areas of interest is held, and I would certainly try to give them even a privileged place in the gallery; but it is difficult to do what you have suggested. I stick to that.

6. Interpretation of the Rules of Procedure

President. — The next item is the statement by Mr Nyborg, chairman of the Committee on the Rules of Procedure and Petitions, on the conclusions reached by the committee concerning the interpretation of Rule 7 (3) on the resignation of Members.

I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (DE) Mr President, ladies and gentlemen, according to the agenda the next item is the statement by Mr Nyborg on the conclusions reached by the Committee on the Rules of Procedure and Petitions concerning the interpretation of Rule 7 (3) of the Rules of Procedure. Pursuant to Rule 85 (1) of the Rules of Procedure, I should like to move that this item be referred back to the Committee on the Rules of Procedure and Petitions, and briefly I should like to explain my reasons.

The Committee on the Rules of Procedure and Petitions had only very little time at a special meeting held during the plenary sitting to discuss this difficult matter. Another point is that, as far as I am aware, the committee's conclusions have not been distributed to Members in writing but are supposed to be presented orally now. Thirdly, to my knowledge the groups have so far had inadequate opportunity to consider the matter.

The circumstances are therefore not right for Parliament to reach a decision on this important subject. I therefore move that the matter be referred back to

committee, Mr President, so that it can be reconsidered and then presented to Parliament.

President. — Mr Sieglerschmidt, you are moving referral to committee in accordance with Rule 85 (1). The House is therefore entitled to hear one speaker in favour and one against.

I call Mr Pannella.

Mr Pannella. — (FR) Mr President, may I say that this is rather a cavalier approach. Either there is a proposal for the agenda to be changed or else the Committee on the Rules of Procedure and Petitions is called to speak and then there is a request for referral back to committee. I feel that unless you allow a change to the agenda, Mr President . . .

President. — Mr Pannella, the item on the agenda was announced by the Chair and, in accordance with the Rules of Procedure, referral back to committee may be requested by any Member at any time, even if he is unaware of the content of the report, and the House must then decide.

Mr Pannella. — (FR) Although I do not entirely agree with your interpretation of the Rules of Procedure, Mr President, I have no wish to argue. But I think it would be more correct if Parliament were aware of Mr Nyborg's communication before it took a decision.

Anyway, if the decision goes against you, you have to accept it. Personally, I should have been happier if the committee had had more time. Those who thought they held the majority are now in the minority. They ought to play to the final whistle.

President. — You are quite right, Mr Pannella. The House must decide whether it wants to hear the communication in question.

I call Mr Johnson.

Mr Johnson. — Mr President, I support the request that this matter be referred to the committee. I think there is a compromise possible here. I think this Parliament could note that Mr Clément, generally, wishes to resign and is entitled to have his resignation accepted by the Parliament, but I think that, if we do so, we should actually ask the committee responsible to submit to Parliament, at the earliest possible moment, a formula which would eliminate future abuses of the intergovernmental treaty on direct elections, a formula which would take due account of Rule 2 (2) of our Rules of Procedure which does not permit instructions or a binding mandate to be given by outside political

Johnson

groupings as this would seem to be incompatible with this Parliament's dignity. Therefore I think we can deal with the immediate problem, and at the same time refer to the committee the need to provide a proper solution to this problem, which will, of course, arise again and again in the future.

President. — Mr Johnson, I think we are doing exactly that. We have taken note this morning of the letter from Mr Clément in which he indicated that he was resigning, and, I have to add, of his own free will. So that problem has been dealt with.

There remains the general problem of the interpretation, which you raised, and that is a problem which can be dealt with by sending the whole matter back to the committee. That is exactly in the line of your speaking in favour of the proposal. Is that agreed?

We shall now vote on it.

(The proposal was adopted)

I call Mr Patterson on a point of order.

Mr Patterson. — Could you explain to me how a statement can be referred to a committee? I could not raise this point beforehand. It is not a committee report, it is a statement that is being sent back. Does that mean that the committee now has to consider the statement, or is it a report which is being referred?

President. — Mr Patterson, let us put it this way. We had a question concerning the Clément case yesterday. That question has been cleared up to a certain degree. There remains the problem of the interpretation of the Rules concerning this problem. That is what has been referred to the committee for a more profound study, which it was probably impossible to do within one day. That is what has happened; and I think that is acceptable according to the Rules.

I call Mr Fergusson.

Mr Fergusson. — Mr President, speaking as the person who raised this question in the first instance, my understanding is that the Committee on the Rules of Procedure and Petitions found that the abuse was in fact being perpetrated on the Parliament. But that, I think, is not really the point, because, as Tuesday's Minutes will show you, the matter was referred in the first instance, not to the Committee on the Rules of Procedure and Petitions, but to the Committee on the Verification of Credentials. This is the committee which is supposed to be considering the whole matter. That, Mr President, is what the occupant of the Chair said to me at the time. He also confirmed that the whole matter of resignations, including in fact Mr

Clément's, was on ice until this committee had reported.

Therefore I should like you to tell us again that the whole matter of these resignations is on ice for the moment. We have nothing against Mr Clément's resignation, we have no doubt that it is genuine, and it is essential for this Parliament to be able to accept genuine *bona fide* resignations for reasons of death, or health, or boredom, or because someone has to become a president of his own country, but not for the reasons which have been adumbrated so far. This is why we have got to get these Rules absolutely clear in our minds, and I suggest therefore that these things, not Mr Clément's resignation but others, for the moment are on ice until both these committees have in fact reported, as promised on Tuesday.

President. — Mr Fergusson, I think the Assembly decided to refer the matter to the Committee on the Rules of Procedure and Petitions, as it started as a problem of interpretation of the Rules, notably on how we take note, and how we judge our taking note, of the resignation of a Member. That was on the basis of a letter which has been supplemented by another letter since, so that the problem has been clarified as far as Mr Clément is concerned.

There remains, as you rightly, indicated, a more general problem concerning future cases of a different nature. Therefore, referring the matter to the competent committee means that the committee has the time to study all eventualities independently of the specific case which was at the origin of the request for referral to committee. And I think that is what the Assembly has decided.

Mr Fergusson. — May I just take up with you the question of whether resignations under the tourniquet are on ice for the present until this committee has reported, because there are others in the pipeline and we know it.

President. — Mr Fergusson, that is not the case. If they are in due form, fulfilling the conditions which are considered to be normal, they are not on ice. If they are not in due form, and the problem of taking note comes up again, they are on ice. That is exactly what the situation is. Is that agreed?

I call Mr Pannella.

Mr Pannella. — *(FR)* Mr President, either I have misunderstood something — which is likely — or else something very fishy is going on. It is as though the Chair in some very roundabout way is trying to impose on us an interpretation of the Rules of Procedure which it has not even dared to put forward.

Pannella

I got the impression, Mr President, that you said — although it is very likely I have misunderstood — that this morning, by simply reading out a letter, the Chair considered that Parliament had established a vacancy as a result of Mr Clément's resignation. If you ask me, Mr President, you are confusing the announcement you made with Parliament's establishing a vacancy. You did not use the requisite formula this morning: *If there are no objections*. I contest, Mr President, that Parliament established anything at all and I fail to understand how you can say that the matter has been settled. I am willing to vote that we have established a vacancy, Mr President, but I cannot accept an interpretation which runs strictly counter to the interpretation of the Committee on the Rules of Procedure and Petitions.

I want to stress that this is not simply taking note of something, as you said, Mr President. This is establishing a fact. The election act states that in certain cases the Assembly takes note. This is not the case here, where it is establishing a fact. There is a very clear legal distinction between taking note and establishing a fact.

Mr President, I therefore ask that we be requested to establish this matter by voting or by some procedure.

President. — I read out Mr Clément's letter this morning and I established that Parliament . . .

Mr Pannella. — (IT) Who?

President. — This complies fully with the procedures that have been followed until now, Mr Pannella. There is nothing new. After the ambiguity of Mr Clément's first letter — and I accept that you criticized it — I established clearly this morning that the House took note of Mr Clément's second letter. No one raised any objections at that point, and so the normal procedure was observed. This is not to say that there is no problem, and that is why Parliament decides to refer the matter to the Committee on the Rules of Procedure and Petitions.

I call Mr Nyborg.

Mr Nyborg, chairman of the Committee on the Rules of Procedure and Petitions. — (DA) Mr President, I should like to begin with a complaint at the fact that I was not given the floor before the vote had been held. It is fine that things should be referred back to committee for re-examination, but I think the way in which this happened was incorrect, since the idea was that an oral account of what took place in the Committee on the Rules of Procedure and Petitions should be given here today. Until Members have heard this oral account, they will not know what they are supposed to be voting about, but they will nevertheless

be obliged to vote, and I regret that they did not simply say, 'We will not vote until we know what we are voting about'. A procedural error has, I think, been committed. However, we have got over the vote so it is alright. The matter is being referred back to committee.

So much for my first point. My second point was that I get the impression that you, Mr President, approved and recognized the specific point at issue, i.e. Mr Clément's resignation, without any objection being made by Parliament, so this matter is in order too.

Thirdly, when do you expect the Committee on the Rules of Procedure to have finished drawing up a new definition concerning the decision which has just been made to refer the matter back to committee? I should very much like to know whether we should regard this as an urgent matter which should be dealt with here and now or whether we have a reasonable amount of time to deal with it, so that we can take one or even two meetings before finally committing ourselves on this matter.

President. — Mr Nyborg, a few remarks. It is a bit difficult for the chair to take part in a discussion in a plenary, but it is inevitable and unavoidable in this situation.

I think, with respect to the Rules, that since Mr Sieglerschmidt explained for 3 minutes why he didn't want to discuss a report — even a report introduced by the Committee on the Rules of Procedure and Petitions — it has been made clear what the problem was. The Rules allow a vote before the report is introduced. I can't help it; that is what the Rules stipulate. As you say, a decision has been taken on the Clément case. The only question now is about a new definition or a definition of what exactly the Rules mean by 'taking note'. The Assembly can fix a deadline, and I would propose, as we often do with the Committee on the Rules of Procedure and Petitions, that I should fix as the deadline the next session so that by March we shall know how the Committee on the Rules of Procedure and Petitions interprets 'taking note'. I think that is also the usual procedure.

I call Mr De Pasquale.

Mr De Pasquale. — (IT) Mr President, there is no real need for me to say anything as the interpretation you gave is perfectly correct, and we endorse it entirely. Mr Clément confirmed his resignation. You announced this to Parliament and Parliament established the fact. This is the procedure laid down in the Rules of Procedure and nothing can be changed unless, first of all, you change the Rules of Procedure. The Clément case has therefore been partly dealt with, because there is still a question of interpretation, as to whether a Member's resignation has to be put to the

De Pasquale

vote in the House or not. In our opinion, the Rules of Procedure need to be changed here as well.

The request to have the matter referred back to the Committee on the Rules of Procedure and Petitions — and the request was adopted as regards the general problem and not the specific issue — is a good idea in our view, as the committee will be able to look at the general problem and report back to us at the next part-session.

President. — I call Lord Harmar-Nicholls.

Lord Harmar-Nicholls. — Mr President, I think you have explained the letter, and the matter should now be allowed to pass as being satisfactorily settled. But I do think we are in danger of getting into even deeper and more troublesome waters if we let this go back to the committee in the atmosphere of the letter. If we give the impression that we and the plenary want to interfere with the freedom of nations and groups to decide how to run their elections and how to arrange their membership, then we are likely to bring about the disintegration of the Assembly as it exists at the moment. So I believe that returning this to the committee should not be in any sense an instruction that we want them to take this letter into account. It is not for the plenary or anybody else to vote whether or not I shall resign if I want to resign . . .

President. — Lord Harmar-Nicholls, may I interrupt you? I think we have discussed that problem rather widely already and the whole purpose of referral back to committee has to do with what you mentioned, so this discussion should take place in the committee and not now in the plenary. May I urge anybody who wants to repeat the discussion again here in the plenary, not to do so now.

I call Mr Boyes.

(Protests)

Mr Boyes. — Mr President, I want to clarify something that you said . . .

(Interruption)

. . . Those people bore me stiff!

I want to say something about the answer that you gave to my request that you write to that great worker's movement, the National Union of Mine Workers. You said that I had demanded an apology and you refused to apologize. I don't think any President of this Parliament would want to be recorded — and I am giving you another opportunity on this — as saying that if people visit this Parliament to note and take part and participate in a debate and then the

House changes the date, that that is just tough luck. They've come all the way from Britain to Strasbourg and it's hard luck that they've wasted two days coming here! They've gone to all that expense and the President dismisses it like that! It's amazing that you can dismiss the workers — the people whom you rely on to put people back into this Parliament if it's going to exist — and at the same time allow 25 minutes of the rubbish that I've just heard this afternoon when you could simply have made a ruling from the chair. At the end of the day all you've done is made a ruling from that chair. Yet you refuse to write a letter to a union in Britain four of whose delegates have left Strasbourg without hearing the debate they came to hear.

I don't expect you to apologize, but as President of this Parliament I expect you to be big enough to write a letter to these people. They did not come on a trip accepting randomly, as a lot of people do, what's happening in this Chamber. They came for a specific debate. I hope you are big enough to write to them and explain to them what happened yesterday.

President. — Mr Boyes, no Parliament has any guarantee concerning the exact moment a debate will be held.

I call Mr Rogers.

Mr Rogers. — Mr President, I hope now that you will, as a result of what has happened on this very important issue, as I suggested last Monday, look very closely with the Bureau at the agenda for the next session and the time at which urgent and topical debates are scheduled. It really is appalling that we should alter the business of this Parliament simply for press and publicity reasons when people with a genuine interest in what is the business of the Community travel many hundreds of miles to hear a debate. This Community doesn't begin and end in Brussels, Luxembourg and Strasbourg. Many people live on the periphery of the Community and we should extend a little more courtesy towards them. I hope the Bureau and enlarged Bureau will look at this problem so that these changes in timetable do not reoccur. Now I agree that people like myself who make points of order are responsible for shunting around the business of the House, but I am absolutely appalled at the way things have gone this week and I do hope that you, as President, and the Bureau will do something about it for the future.

President. — I would only say that the Assembly is sovereign in fixing its own agenda.

I call Mr Robert Jackson.

Mr R. Jackson. — Mr President, they have got a point. Of course the agenda can never be wholly

Jackson

inflexible but it is very important to take account of the fact that people come to visit this place and we should try, if possible, not to make changes at the last minute, if we can possibly avoid doing so.

President. — I call Mr Fergusson.

Mr Fergusson. — On the previous matter Mr President. Tuesday's minutes say that the President stated that the question raised by the speakers — i.e. about resignation — would be referred to the Committee on the Verification of Credentials.

Now, will you confirm, please, that the Committee on the Rules of Procedure and Petition is also to be seized of this question, because the question of substitutes, as well as resignations, does come up and will have to come up again?

President. — Mr Fergusson, what happened afterwards was this: it was referred to the Committee on the Rules of Procedure and Petitions and, as I recall, to the Legal Affairs Committee for its opinion. That was what the House decided. I don't know whether the minutes are accurate but that was the actual decision.

We will verify it.

I call Mr Pannella.

Mr Pannella. — (*FR*) No, because the Members should not be treated in too cavalier a fashion, as I said before. It is wrong, Mr President, because that is not what the House decided. That is not the way things went. During the sittings the President announced that the matter had been referred to the Committee on the Verification of Credentials. The enlarged Bureau — not the House, Mr President — sent it back to the Committee on the Rules of Procedure and Petitions. This decision was not communicated to the House, whatever Mr Vinci says. I feel it my duty to insist that this be recorded in the minutes because I do not think it complies with either the spirit or the letter of the Rules of Procedure.

President. — Your statement is noted, Mr Pannella.

Let me say that the Chair announced that the matter would be referred to the Committee on the Verification of Credentials. It was not the House but the Chair which said so. The enlarged Bureau decided to refer the matter to the Committee on the Rules of Procedure and Petitions, and to the Legal Affairs Committee for an opinion. That is what happened.

I call Mrs Lizin.

Mrs Lizin. — (*FR*) Very quickly, Mr President, I should like to echo Mrs Walz's protest — not because of any question of visitors which, in my view, should have no influence on a parliament's agenda, but for the sake of the institutional functioning of this Parliament — against the way the most important item on yesterday's agenda was treated, an item which was the outcome of many long months of work by the Committee on Energy and Research.

The debates on energy come under our direct responsibility and there are a number of things we have to say. Really, Mr President, it grieves me that you did not use the authority that the Chair gives you to change the agenda which was adopted this morning, contrary to what was promised by Mr Vandewiele during the sitting yesterday.

President. — The agenda is set by the House and I keep to the agenda which has been drawn up. This also allows visitors to select the debate they wish to attend.

7. *The aged in the Community*

President. — The next item is the report (Doc. 1-848/81), drawn up by Mrs Squarcialupi on behalf of the Committee on Social Affairs and Employment, on the situation and problems of the aged in the Community.

I call the rapporteur.

Mrs Squarcialupi, rapporteur. — (*IT*) Mr President, all around us, amongst the populations of our countries, there are more and more white hairs, lined faces and unsteady hands. Everywhere old people are increasing in number; and we realize, unfortunately, as we read the statistics, that our populations are getting older and that amongst our people there are more and more old and elderly people and fewer and fewer young people.

Unfortunately, we only realized that old and aged people were also excluded from and neglected by society when they had suddenly become so numerous. The fact is that an aging population poses new, serious and unfamiliar problems for us. This is why old people have so often been looked on with suspicion, because they represent an unknown factor in a world which is accustomed to assessing everything and everyone on the basis of their productivity.

The so-called economically active part of society, which produces and works, is too often inclined to forget just how much wealth the elderly have produced, not only through their work but also through their struggles they have taken part in and their expe-

Squarcialupi

rience of life. We must see to it that the elderly and the aged live longer and better and are in a position to make the best possible contribution to society. Hitherto we have discriminated according to age, dividing human life into a period of study for the young, a period of work for adults and a period of retirement for the elderly. But people in all three of these ages of man's life should be able to enjoy periods of study, work and rest.

It is society that has decided at what point a man begins to be old. The official definition of old age is fixed by legal provisions and coincides — both in fact and ideologically — with starting to draw a pension. For this reason, one of the points we have insisted on in the Committee on Social Affairs is the question of the retirement pension as a free choice and not as a solution to the economic crisis in certain sectors, or as a solution to unemployment. There are other ways of dealing with unemployment.

The first part of our resolution addresses the most flagrant aspects of the problems of the exclusion of the elderly from society and the discrimination they are subjected to, which are reflections of a recent attitude in society that tends to assess everything and every person by the yardstick of productivity, efficiency, physical attractiveness and competitiveness, to the point where those who are not in possession of such qualities are consigned to the outer limits of society and are similarly penalized economically. The old are therefore poorer than other sections of society, because they do not produce anything, and cannot compete in terms of beauty and efficiency. Under the influence of this consumer-society subculture, many countries have tried to deal with the economic crisis by cutting social expenditure and thereby preventing the development, or even the maintenance, of certain social services intended for everyone and intended, in particular for the weakest and, amongst them, for the aged.

Amongst the priorities pinpointed by the Committee on Social Affairs there is the precarious economic situation of the old, given that in the statistics of the new poverty the aged are extremely numerous, and, above all, the aged who live alone. Next, we looked at the problem of pensions, which ought to offer the best opportunities for choice along with the maximum flexibility. Then we examined the problem of financing pensions, bearing in mind that the present situation, where there is an extremely high and constantly increasing number of unemployed, may have repercussions on the Social Security Systems, which depend financially on payments paid by the employed sector of the community.

Amongst these priorities, there is also the question of housing: this is a serious wart on the face of almost all countries, and it is often solved by uprooting the aged from the environment they have lived and worked in, especially from the centres of our cities. We also discussed the social services, a matter on which some

countries and some governments evince an inability to deal with the problem which is almost such as to arouse suspicions and, in many cases, borders on the shameful.

Another priority is the question of the status of women. The fact is that the inequalities between man and woman increase with age, particularly economic inequalities. In a word, women who are old and who live alone are even poorer than men in the same situation. But there is also the precarious economic situation of elderly emigrants, whose experiences — as persons who are both old and excluded from society — are amongst the saddest and most painful in our Community.

We have asked the Commission to make medium-term proposals on these matters. In addition, we also have other precise requests to address to the Commission: above all, we should like the Commission to inform us on the implementation of Community Regulations regarding the payment of pensions to emigrants; we should also like the Commission to make some proposals for a transport policy which would take due account of the needs of the aged. We also want initiatives in the field of public health, in particular concerning the prevention of accidents at workplaces, because people age sooner and die earlier according to the social class they belong to.

We have precise requests for all the Community institutions, because we want guarantees that this report will not remain a dead letter and will not become a mere token of good will in this year in which the United Nations has called a General Assembly. In other words, we want this report to be forwarded first and foremost to the competent committees, so that these topics can be examined in greater detail, in a manner which is, naturally, appropriate to the budget structure, just as we also want this report to be submitted to the Member State Parliaments for a more detailed discussion, after which the results should be made known to the general public. We further ask the Commission to give some pledge of its intention to address itself to this report at a meeting of all the Members of the Commission and to decide in the form of a legally binding document what legislative follow-up to give to it. In the event that the Commission should refuse to examine our report, it should state its reasons for so doing and should publish them in the Official Journal of the Community.

Mr President, there are only three amendments. The first amendment, Mr Ghergo's amendment, is only a matter of detail. Mr Ghergo asks that elderly persons should be co-opted as members of the Boards of Directors of firms. This is something that goes beyond the scope of this report. It raises very broad problems and has not been set out in specific details. The details surrounding this proposal may, on the other hand, be of great use during the detailed discussions of the report at meetings of the various Parliamentary

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Committees. For this reason I should like to ask Mr Ghergo to withdraw this amendment.

I am, on the other hand, prepared to accept Amendment No 2, which asks that support should be given to associations of the elderly and that they should be further developed so as to become more democratic institutions and ensure that the aged have a greater say in things. I shall, however, ask the person who proposed this amendment whether he or she will agree to this amendment being placed at Point 16, after paragraph K. Coming now to the third amendment, submitted by Messrs Patterson and Tuckman, I call upon them to withdraw this one too, because it can be more profitably discussed when the report returns to the appropriate committees.

In our report we have spoken of the concept of equality between man and woman, as this concept is accepted in Community directives. This point may be further discussed as regards the details.

Mr President, I shall conclude with one final reflection. So far there has been a broad convergence of opinions on this report, which is of course a source of satisfaction for me. The battle to improve the lives of the aged is, however, a battle against present trends in society and present economic and social policies, so that drafting a policy for the aged will mean for the Community to reconsider everything that has been done so far and improving on it.

(Applause)

IN THE CHAIR: MR PFLIMLIN

Vice-President

President. — I call the Committee on Youth, Culture, Education, Information and Sport.

Mr Vandemeulebroucke, draftsman of an opinion. — *(NL)* Mr President, in its capacity as the Committee asked for its opinion, the Committee on Youth and Culture considered the problems involved in a policy for the aged and at its meeting of 1 and 2 December last year adopted a draft report unanimously, with two abstentions. The Committee would like to see a wide-ranging cultural approach to the situation and problems of the aged in the European Community, along the lines advocated by Mrs Squarcialupi, who is to be sincerely congratulated on her excellent report. She advocates replacing the isolationist approach to the care of the elderly by a socially integrated policy providing for the broadest possible participation.

The Committee would particularly like to draw Members' attention to three important considerations to be taken into account if we really want to give this innovative and integrated policy some chance of success.

A variety of approaches is necessary because different age groups have different needs. There is the pre-retirement group, where the transition from active to non-active life may be all too abrupt. There is the post-retirement period, when people do not feel old and are not ready to withdraw from society, and there is advanced old age.

The approach must also vary according to whether the elderly are town or country dwellers, and to meet social and family requirements. Elderly married couples, people living alone, elderly people without children and those fortunate enough still to have close family ties — they all naturally demand a different approach.

A second consideration is that the elderly suffer more from income disparities than the employed. Among people in work, the average income disparity in the European Community lies between 1 and 9, whereas in the over 65 age group the disparity lies between 1 and 20. The problems of the elderly, therefore, differ greatly depending on social class.

Finally, the third consideration. The rapid growth in the number of associations for the elderly has helped to combat social isolation. They have done very valuable work and have developed progressive policies in what was originally a charity domain.

In view of these considerations the Committee for Youth and Culture has a number of concrete proposals to make. First and foremost, local old people's committees must be set up to advise local authorities on all aspects of the problem of growing old, in order to improve social amenities in the area (recreation, hobbies, training, local transport, services centres, town planning, etc.).

The Committee also considers that particular attention should be paid to the ever increasing problem of the transition from active employment to retirement. The sudden break can be very difficult to cope with, particularly for the less privileged in society who have already had problems in finding a meaningful use for their leisure time during their working lives.

More attention needs to be given to the creation of part-time work to make the transition from active to non-active life easier. Both private and public organizations should draw up a list of jobs and activities suitable for part-time work.

In conclusion, Mr President, the Commission of the European Communities should obtain comprehensive information on the experience of Member States, and

Vandemeulebroucke

use this as a basis for a wide-ranging report on the opportunities offered by an integrated policy on the elderly, including cultural aspects. I would finally like to extend my sincere appreciation to Mrs Squarcialupi and to support her resolution in urging all parliamentary committees to examine the various aspects of growing old in practical terms and to highlight deficiencies in Community legislation, so that growing old ceases to be regarded as an illness, as it still is by a number of international organizations, but is seen as a natural stage in the process of living, just like any other time of life. Keep up the good work, Mrs Squarcialupi.

President. — I call the Socialist Group.

Mrs Clwyd. — Mr President, I speak on behalf of the Socialist Group. First of all, I would like to congratulate Mrs Squarcialupi very warmly indeed on the excellence of this report. As a member of the same committee as herself. I know how much hard work she has put into preparing this report and I think it is an excellent one — one of the best I have seen on the subject.

The initiative that has been taken by the Committee on Social Affairs and Employment of the European Parliament in preparing a report on the problems of old age in the Community countries is very welcome. I think it illustrates the growing awareness of the importance of elderly people in society. There is growing pressure to get the Council of Ministers, the Commission and the Parliament to act to raise the quality of life for retired people. It is a subject which has never figured in comparative studies of the social situation in the different Member States, yet with unemployment unfortunately growing in all our countries the debate on the reorganization of working time, which includes flexible retirement, is a very topical subject indeed.

We cannot accept that old age represents nothing but problems since the chance that we all have to live longer has been one of the greatest achievements of the twentieth century. The challenge is to create opportunities for us all to live as full and enjoyable a life for as long as possible. To label the elderly as one group is to forget that they are people with their own individual needs and satisfactions. The increasing health and vigour of the old means that most retain independence. Their difficulties, however, are connected with reduced income and adjustment to leisure and the loss of economic status.

People's ageing processes vary greatly and do not relate to their chronological age but there are those whose age and mental and physical condition will eventually require considerable care. This transition from independent living to dependence on others — the family, the neighbours, the health and social

services — is generally acknowledged to take place after the age of 75. Pensioners must never be lumped together as a group. Many remain fit and healthy until the very last few months of life. The aim must always be flexible provision to suit individual needs.

It is true that there is a high demand for accommodation for elderly people in cities, as in the country. There is urgent need therefore, which is stressed in this report, to provide more housing designed with their needs in mind, such as sheltered homes and small, easily maintained groundfloor units. There is need for a variety of schemes to allow maximum choice including living accommodation for several generations and annexes for elderly members of families. New building, and indeed older accommodation, should be designed automatically for ease of access, not only for the elderly but for the handicapped and mothers with young children. I hope that the Commission pays a lot more attention to this report than it did to the report on the disabled which the Parliament supported in March of last year.

The cost of fuel is an essential matter which ought to be considered by all Member governments. Warmth is essential as one grows older and the report mentions this need. Many old people experience a drop in income on retirement and have difficulty in adjusting their spending to take this into account. More time will be spent in the home and ill health calls for greater warmth. At the same time, of course, fuel prices have risen throughout the world. In the United Kingdom, for example, electricity prices rose by 222% in 6 years while pensions rose by only 180% so the particular problems of the elderly as far as fuel is concerned ought, I think, to be taken into account.

Unfortunately there is not time to go into many aspects of this report which I would have liked to do but I must mention one particular problem and that is that most countries in the Community have a humane attitude towards providing a death grant for the elderly. In the United Kingdom, however, it was fixed at £ 30 15 years ago and still has to cover the average cost for a funeral today of £ 300, one of the meaneast payments amongst the ten EEC countries. Because of concern, especially among the elderly, at the rising cost of funerals it is essential to press some Member States to show greater generosity towards and concern for the great fear among old people that they will not be able to pay for the funerals. In the United Kingdom the death grant of £ 30 is ludicrous. It hardly meets the cost of a wreath. Many pensioners now find they have the choice of saving for a responsible funeral or keeping themselves warm.

That is just one of the problems which face the elderly in the Community today.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mrs Cassanmagnago Cerretti. — (*IT*) Mr President, on behalf of the European People's Party I would like to join in thanking the rapporteur who has really understood the committee's thinking and has accepted various amendments which we discussed in committee. It seems to me, however, a matter of some importance to remind you of all the positive aspects of the debate on this topic.

First of all, Mr Caretoni Romagnoli drafted a resolution in 1980; secondly, in the Clwyd resolution particular attention is devoted to this topic and to a community programme in favour of the aged; thirdly, the report on the situation of women contains an extremely intelligent chapter on this subject and, indeed, the rapporteur drew attention to it. What is more, the question of employment, of reorganizing the working week, has also been included in the report, precisely because we thought it was something that needed emphasizing. And indeed, the rapporteur has drawn attention to the fact that the demographic situation in the countries of the European Community will show an increase in the number of old people as a consequence of the fall in the birth rate.

This is why it seems important to us, and also in connection with the Treaties of Rome, to see that Community policies take account of the needs of the European citizen, that is to say of all the men and women of Europe. The energy policy, Mrs Lizin, must also be related to a more realistic and more accurate human background; it is pointless to worry about the priority of one policy over another: the real objective is to devise a policy suited to the real needs of the population.

The regions and the municipalities in our Community are already devising development programmes on these very topics; but the economic crisis puts us in a situation where we need to sit back and think precisely because it is too easy to cut one or two optional items of expenditure — to give the appearance of carrying out grandiose policies — thereby harming one of the vital elements in our policies, the human being. Whether old or young each person has the same right to live his own life free from interference. And even if the United Nations realizes — as it is doing only now — the existence of a problem and declares 'international years' as it always does, in order to awaken public opinion to the problems of one group or another, we want these options to be translated into practice at the political level. Each resolution should be inspired by the theme of respect for and the right to life, and the consequent need for 'living space' for young and old alike.

And so the motion for a resolution which is being examined by Parliament at this moment may help to bring the real problems into focus, so that we can decide subsequently on what specific action needs to be undertaken, both at the Community level and the regional policy level. For its part, the European

Commission awaits this resolution 'with interest', as it is put in the Commission's own documentation.

I think it is important to emphasize that the document prepared by the honourable Member looks at a wide range of proposals, from the age of retirement to security of income; from the housing problem, in the broadest sense, to social work to help the aged to overcome their isolation; from the development of social services to the creation of an appropriate item in the budget. In particular I should like to emphasize that the remarks made at the Committee on Youth and Culture are ones that I react to particularly favourably, precisely because the whole gamut of measures in favour of the elderly must take account of the human dimension, must be intended to broaden its scope, because the intellectual continuity of the human personality exists throughout a person's life and this must be recognized appropriately. I also want to emphasize that it is very important that this Community, which wants to become an 'island of peace' should begin by making the family throughout the Community a meeting place for the generations: if that were to happen, the young and the old would no longer have conflicting desires and aspirations. And then the young and the old would collaborate with the other members of the community to create an 'island of peace.'

The motion for a resolution, which met with unanimous agreement within the Committee on Social Affairs, — thanks also to the additions resulting from one or two amendments, also suggested by my Group is of greater significance as regards social and cultural matters. I am referring to the importance of the idea that the stage in life known as the 'third age' is reached by a process of 'active ageing', in the sense that the elderly should not lack for that just cultural support which is the indefeasible condition for the quality of being human as such.

It is now an established fact that any improvement in the general well-being of the aged must involve the family. I will not go on too much about this because the submission of a report on this topic will provide a more appropriate opportunity for what we are drawing your attention to. If we were to do that we should create a closer link between the younger members of the family and the older, and we should restore a more constructive dialogue between the generations, with the aim of promoting a more harmonious development of our society which is caught up in a process of continual transformation.

What is more, we are convinced that the mobilization of public opinion must be undertaken if we want to give credibility to the idea that the old have a specific role to carry out in society, as the repositories of culture and experience of life, from whose example the rest of us can learn. In this sense, a campaign to enlist public support must be carried out through the mass media and by other educational means. I also want to

President

emphasize the importance of voluntary work within the Community if this mobilization is to be a total one.

President. — I call the European Democratic Group.

Mr Patterson. — Mr President, I should like to make three preliminary points. First of all, I join in congratulating Mrs Squarcialupi on her excellent report which my group supports. Secondly, to clear up a procedural point, although this report may go to other committees, this is the last time Parliament will have to vote on it. I hope therefore that Mrs Squarcialupi will accept my amendment which is really only a small textual correction to the definition of equal in the case of pensions. It is not a very major amendment. Thirdly, I should like to assure Mrs Clwyd about the death grant I understand that very shortly there will be a statement by the British Minister on this very matter.

This report highlights a large number of the problems faced by old people in our society, but there is one common message. That is that the very greatest care must be taken that in solving one problem we do not make another one worse, for example, that in providing help of various kinds for the elderly we do not destroy their independence and their reason for living. Let us, for example, consider the question of early retirement. There is great pressure on us to lower the retirement age in pursuit of what is called the redistribution of working time.

The motive for the redistribution of working time is the reasonable one, on the face of it, of reducing unemployment. But we must be careful. As Mrs Squarcialupi quite rightly points out, there is a great danger that those so retired will merely be pushed onto the fringes of society to live in poverty, boredom and a loss of self-respect. Curing unemployment at the expense of the old is no solution to our economic condition.

Then there is the extremely complex question of the social and physical environment in which old people live. We can have no hesitation in condemning the worst — old people living in appalling conditions, without family, isolated perhaps at the top of a block of high-rise flats in which the lifts have broken down, and victims, when they do manage to get out, of violent crime. Is the answer then, as Mrs Cassanmagnago Cerretti said, a real attempt to reintegrate the family? I would myself support that. The report notes that in this respect there are great differences between the different countries. I see, for example, that Danish grandmothers are not prepared to take care of their grandchildren (perhaps a Danish speaker will tell us why) whereas French grandmothers are. The report correctly suggests that the aged should not be compelled to leave the basic family unit. But it also points out — and I quote — that 'social services are vital to prevent obligations being imposed on the

family, i.e. in practice on women, which the family may not be able to fulfil.' Now apart from the bit about women — I think we might also include men here — I agree with that, and it brings us to the question of the institutionalization of the old.

It is quite true that one appalling feature of our society is the extent to which old people are abandoned to die in hospital. A frightening proportion of hospital beds in my country, the United Kingdom, are occupied by the old. Mrs Squarcialupi therefore correctly recommends that the old should, as far as possible, remain within their own environment. But what environment? The worst solution is the creation of old people's ghettos houses which the younger people have left to move to the fringes of the towns, leaving the old stranded in the centre. Mrs Squarcialupi therefore rightly talks instead of the integration of housing for the aged into the general community.

Now we in the United Kingdom have a lot of experience of such housing schemes. The report refers to the services which the British local authorities provide — sheltered housing and services like meals-on-wheels. But even here there is a danger, even in special sheltered housing within the general community. If you provide food in the home, do all the shopping, do all the laundry, you can end up by depriving the elderly of any reason for going out at all. In other words, there has to be a balance between care and the preservation of independence. There is ample evidence that old people value highly the freedom to look after themselves. Interesting statistics in the United States, for example, show that the suicide rate for elderly whites is double that for elderly blacks who have to struggle harder for existence.

Finally there is the question of the diseases of old age. Mrs Squarcialupi quite rightly says that old age is not a disease. That is true. There are, however, many diseases of old age and we must ensure that they are treated properly. In 1982, the year of the World Assembly on the Aged, the Community could appropriately concentrate its medical research in this area, and I turn to the Commission for an answer on this matter.

A final conclusion. We can all learn from each other. The Community has an inescapable responsibility to the growing proportion of the population who are old among whom, I would remind all Members present, we shall all sooner or later be numbered.

President. — I call the Communist and Allies Group.

Mrs Caretoni Romagnoli. — *(IT)* Mr President, the resolution which I had the honour to submit to this Parliament, along with other Members of the House, two years ago, has been very favourably treated in that it has had as its rapporteur my colleague and friend,

Romagnoli

Mrs Squarzialupi, who has really done an extremely praise-worthy job which will be of great use to us if we wish to continue along this path. So I should like to thank her, both on behalf of my Group and personally.

The problem of the aged — at least in the opinion of those of us who submitted this resolution — is a problem that concerns Europe very intimately, much more than other continents. And precisely because Europe is more deeply affected by this problem than other parts of the world, it must develop ideas and a policy of its own in this field, so as to prepare itself properly for the Year of the Aged, which has been declared by the United Nations.

Why do we believe that Europe is more affected by this problem than other continents? In the first place, because ours is the continent which, in both absolute and relative terms, has the greatest number of old persons. The fact that people are living longer is obviously a positive thing, but it implies and creates — and this is a cultural problem which I should like the Committee on Culture to look at — a fundamental contradiction, which we cannot pass over in silence, with the present, prevalent cultural model, a model of efficiency based essentially on youth. Nor is this because of man's unkindness to man, but rather because of the fact that our society is changing so rapidly that it tends to underestimate, and to some extent rightly so, the importance of experience, which previously constituted a common birthright of mankind: experience is of less importance now precisely because societies are changing so rapidly.

We only need to consider that, whereas civilisations based on oral traditions have a great respect for the aged, those based on written traditions alone have much less respect to see that we ought not to be surprised that in our day and age, with its mass media, and its modern means of communication, this traditional respect should cease to exist altogether. On the other hand, without having to do any ethnological research, we only need to look at what the social position of old people is in more static societies, such as China or Ethiopia, to realize at once the nature of our own problem.

What must we conclude from all of this? In my opinion, we must conclude that there is a need and an obligation to defend the rights of old people in the name of the fundamental equality of all citizens, in the name of the general principle which is the reason why none of us would wish any citizen to be humiliated or discriminated against for any reason whatsoever.

But alongside this obligation, there is also, in my opinion, — and I think this is a question that must be remedied — a political and an economic aspect. This isn't just a question of social problems: there is also a political aspect, which I should not like us to overlook, and that political aspect is the need for the modern world, which I have already described to you, to make

use of all the resources available to it. And we, today, cannot afford to ignore the fact that the old are stronger, more capable and healthier than in the past, so that they too constitute a reserve of resources. Though I began by emphasizing that the value of experience has diminished in general, I shall now maintain, nevertheless, that in certain sectors of the economy, for example in the field of handicrafts, which everyone talks about so much, the importance of experience, the experience of the older worker, is still very great. For this reason, I think I can say that the problem is very complex and that we should be making a mistake if we decided on simplistic solutions, which may perhaps have, I won't say demagogic appeal, but at least an appearance of great social advantage, but which fail to touch the political and economic heart of the question.

So we, in Europe, which is the continent best placed to do so, must rethink our philosophy of youth and lay the foundations for a genuine policy in favour of the old. I trust that the committees to which our rapporteur appealed in her resolution are prepared to do this work. In a word, we should not act on the basis of considerations of social piety, but rather in response to our social consciences, on the basis of economic and political considerations, as is only for any developed society.

President. — I call the Group of European Progressive Democrats.

Mr Vié. — (*FR*) Mr President, ladies and gentlemen, what I have to say will be very short in view of the special quality of Mrs Squarzialupi's report, which is marked by the quality of the thought and feeling which have gone into it. In my view it is a report which merits the attention and approval of the entire House.

I really must stress the parts in this report which underline the pressing need to consider — as other Members have done — the situation of the aged in the Community and to strive to improve their material circumstances and to guarantee them a decent income and an existence which is also better in quality. There is no doubt that in the past old people were forgotten in the boom days of growth, and now that there is practically no growth any more in our economies there is a risk that their lot could become even more dramatic. This year there is going to be a worldwide meeting on old age under the auspices of the United Nations, and it would not be a bad thing if in the Community we could actually achieve some meaningful progress in coping with the problems of our senior citizens. Our group endorses the extremely thorough and definite ideas put forward in the report by Mrs Squarzialupi.

If I may, however, I would like to mention the serious economic difficulties which could well hinder the

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implementation of the policy outlined in the report. Take, for example, the idea of letting people of retirement age carry on working. Is this not going to run counter to a large extent to the measures to combat unemployment? Given the circumstances, I think it would be better if we want to see speedy progress towards definite solutions to select the measures which are the most suited and the most likely to achieve something quickly.

By way of conclusion, let me go back to what Mr Patterson said earlier about the problems of the family. In this Parliament — and this is our job — we are concerned about finding solutions for institutional problems and for political, social and economic problems. But running through all this there is a human dimension and reality which may sometimes escape our immediate concern. I think that each and every one of us needs to strive to ensure that the quality of human life retains a sense of the family which helps the older generation not to feel rejected. It is not just a question of money. It is a question of mentality. It is perhaps not a problem for the institutions, but although we are all MPs we are still men and women and, if you ask me, this is also an area where we have to point the way for society now and in the future.

President. — I call the non-attached Members.

Mrs Buttafuoco. — *(IT)* Mr President, ladies and gentlemen, Mrs Squarcialupi's motion for a resolution and report on the situation and the problems of old people in the Community seem to us to be both appropriate and timely.

At this very moment, the crisis in the labour market, inflation and unemployment suggest that, amongst the various ways of creating new jobs, encouragement should be given to those who are no longer young and who have a certain number of years' service behind them to free jobs in the public and private sectors in order to make way for the growing ranks of the young, who are still waiting for their first jobs.

This initiative is therefore important because it gives us the opportunity to deal with the problem of the old. The old should not be ejected from society. First and foremost for ethical reasons, which are deeply rooted in human nature, and then because of the economic and social problems that result from excluding from society any body of persons who have expert knowledge and who are therefore still of use to society, albeit within certain limits. This is beneficial both for the old person who knows he can still be of use to society and for society itself, which makes use of his services.

Consequently, our task is to create the conditions needed to achieve this state of affairs, and to see that old people can still be productive and can thus put their long experience of life to good use.

In the end, when an old person is no longer able to contribute, he or she should not feel abandoned by society, which often rewards anyone who has given it his all with ingratitude, creating an inner solitude within that person which, coupled with melancholy and bitterness, leads to a sad and disillusioned death.

We need to simplify the procedures governing retirement and the provision of social and sanitary assistance, and opportunities for making use of free time, and we must set up the appropriate structures and services. We hope that once this has been grasped it will be followed by action and, above all, we hope that the problem will be dealt with, not as a question of social welfare or charity towards the old, but as a recognition of sacrosanct rights.

With this interpretation, and in this spirit, we give our support to the motion for a resolution and to Mrs Squarcialupi's report.

President. — I call Mr Estgen.

Mr Estgen. — *(FR)* I shall keep to one or two brief remarks in the few minutes at my disposal. First of all, let me also add my congratulations to Mrs Squarcialupi for an excellent report on a complex and important subject. It was adopted unanimously by the Committee on Social Affairs and Employment, which is not such a common event when a major political subject is being discussed. I should also like to take this opportunity to point out the fact that, to my mind, Mrs Squarcialupi is a model rapporteur. After her very thorough and almost complete preparation work she sat through three meetings of the committee to hear her colleagues' comments which she then conscientiously incorporated in her report. Having said that, let me now say something about the subject matter.

Firstly, this report is doubly important because it deals in fact with a very wide range of particular problems affecting old people, problems which of course are found to varying degrees in all the Member States. But the report is also important because the Commission and the Council are keen to know Parliament's opinion in order to draw up a Community policy on retirement age. Heaven knows, we really need such a policy because until now Community policy for the benefit of the aged has been haphazard and sporadic and short on any overall approach.

Secondly, this report is also tremendously important because it tackles all the particular or technical problems from the human angle, with the idea of finding suitable solutions. This is not only in keeping with the Christian ethic but it also follows the spirit and the letter of the Treaty of Rome which calls for the constant improvement of living and working conditions in the Community. In the developed nations, even if old age brings a lower standard of living, the problems of our senior citizens are usually more

Estgen

psychological than economic. They feel lonely and unwanted, useless and rejected.

Thirdly, contrary to what was common in all the great civilizations of the past, where old people enjoyed authority, prestige and veneration, this century has seen the steady growth of what might be called the youth cult, and this has often meant that old people have to some extent been relegated to the periphery of political concern, even edged out. It is all part of this pseudo-cult, of course, with its thirst for novelty and progress all along the line, and which goes hand-in-hand with a certain contempt for stability and tradition and conservative ideas. It is all quite wrong, you know. Happily, there is more and more recognition of the significance of old people, and of their problems as well. One of the good points about Mrs Squarcialupi's report — and it is not a minor one at that — is the way she pinpointed something which has been generally disregarded until now: the vigorous creative potential which old people have and which cannot be left dormant.

Ladies and gentlemen, has this Parliament of ours not also been something of a victim of the current mentality with its typical contempt couched in irony? Was it not the Germans who coined the phrase about putting Grand-dad out to grass in Europe? Luckily, ladies and gentlemen, there is not yet a compulsory retirement age in politics, and I should like to pay tribute to the work of the old-timers in this Parliament, starting with our delightful and energetic oldest Member, Mrs Louise Weiss, and you too, Mr President.

You know, we have a saying in Luxembourg: *Dei aal Deppen kachen am beschten*, which means that the best food comes out of old pots and pans. Another way of putting it: *an deenen aalen Tir ass daat schéinst Gelauts*, which means that old church bells sound the best. You have to be able to distinguish between youthful and elderly old people. Virtue may not come with age but it can certainly grow as the years go by. In Luxembourg in 1979 a large party lost the elections because it criticized the advancing years of its opponents' leader. Ideas are changing, fortunately. After *black is beautiful* we had *small is beautiful*, and now I should like to add a third slogan: *old is beautiful*. This is all very well, but old is beautiful only if we have a proper policy for it. It has been said that a nation which ignores its past is without a future. Let me add that there will be no tomorrow for young people if they forget their parents and grandparents of yesterday.

My fourth point is that I have been struck by the fact women tend to grow older than men. Perhaps it is because we are living in the century when sex discrimination is on the way out. Community experts ought to look at this phenomenon of men's greater mortality. A famous Luxembourg statistician said once:

All men are mortal, but women are less so. What is the reason? Social factors: accidents at work, road accidents, alcoholism, smoking? Women are now doing their best to catch up — they drink, they smoke, they drive — but they still live longer than men. This is an example of flagrant inequality of the sexes, and men ought to be able to claim mortality compensation.

I come to my last point. After this excellent report on the aged and this resolution — which I trust will be widely supported — Parliament ought to have as soon as possible a wide-ranging debate on family policy — and I know that Mrs Cassanmagnago Cerretti has already done a fair amount of groundwork on this — since we cannot have a proper policy for the aged unless we also have a proper family policy.

We are all aware of the population spread in most of our countries and unless something is done about the situation we are going to be faced with the very relevant question of who is going to pay for growing old in future. This is also the underlying meaning of dialogue and understanding between the generations. We have to rediscover the social cohesion of the extended family and we also have to look at the rights and needs of old people, not just from the economic angle but also from the social and cultural point of view. What we have to consider is human solidarity.

(Applause)

President. — I call Mr Spencer.

Mr Spencer. — Mr President, I am honoured to follow that excellent speech from Mr Estgen. I just hope that when I reach his age I shall be able to speak as fast.

I want to go to something which I think is at the root of the report, i.e. a clear recognition that the underlying problem faced by the aged is one of alienation and isolation from the community in which they live. All the forces which lead to isolation are magnified in old age. Poverty isolates, disablement isolates, sickness isolates, and those three are often sadly to be found as our companions in old age. I regret that the report, which in general I approve of, understates the role of the family. Of course the State can help and voluntary organizations, such as EuroLink-age to name but one, *can* help. But in any honourable society it surely remains the inescapable duty of children to look after their parents who brought them into the world in the first place. I don't think we should say anything in this Parliament which demeans or takes away that duty from the junior members of a family.

I want to concentrate, Mr President on two specific areas that are of direct concern to pensioners — housing and pensions. I would draw Members' attention to the activities of a voluntary housing association in my own constituency. The Walbrook Housing

Spencer

Association is an interesting English mix of voluntary effort and money from central government. They have built a lot of special housing units for the elderly and for the disabled. When they build a unit, however, they don't build one that is purely for one type of occupant. They mix up their estates so that on one side you will have housing for the disabled, on another housing for the elderly and to one side in one case even housing for the homeless young. The effect is to produce a miniature community with in no sense a feeling of being a ghetto for the aged. I was even more impressed by one of their schemes for renovating older housing in the traditional street plan in the centre of Derby. They brought it up to standard and equipped it for the special needs of old people, thus allowing those old people to remain in the community in which they have lived all their lives.

If, however, you disperse your housing amidst the existing wider Community, you have a problem of providing warden care in an emergency. Now the Walbrook Housing Association are just starting what I think is a rather interesting experiment. They are linking their 15 houses for older people within a one-mile area by a short-wave radio mast and giving each of their tenants a small bleeper similar to the ones worn in this Parliament, so that in an emergency — a fall in a bathroom, a fall downstairs — the old person can speak directly through this handheld radio set to a warden who will immediately summon help. Now that gives you a mixture of automatic back-up in an emergency with discretion and the ability of old people to go on living in the community which they know. The total cost of that comes out at only £ 3 000. Now it seems to me, Mr President, that that is the sort of scheme, combining new ideas in technology with a certain sensitivity, that the Commission ought to be using its limited resources to publicize.

Finally and briefly, Mr President, two problems regarding pensioners. I am reminded of a pensioner of the Irish Government who also lives in my constituency. Now her pension arrives savaged by currency fluctuations, held up by postal delays, severely delayed further by pettifogging regulations of the Irish banks, and the result of a combination of various pieces of small-mindedness is that that lady lives in constant worry as to whether her pension will arrive at all. Now surely there must be ways of improving the way we pay pensions across national barriers.

I am particularly struck by the case of an Italian lady, who was much better off than her Irish neighbour, because her pension did not arrive at all. Three years ago, she moved from Cremona, in Italy, to live with her daughter in Derby. The Cremona authorities assured her that her pension would follow her. Well, she moved and it did not. She is 83, and she needs her pension. And so her daughter began to write letters some two years ago. She wrote to the pension authorities. She wrote to the Italian Consulate. She wrote to the Italian Embassy in Britain. Eventually, she even

wrote to that extremely distinguished pensioner, the President of the Italian Republic. And I am sad to say that on no occasion did she receive a reply that produced her pension. A month ago, she wrote to me, and I wrote to the Italian authorities threatening — and I use the word advisedly — to raise the matter in this debate. Well, I am glad to say that this story has a happy ending, because this morning, this very morning, a letter arrived from the Italian authorities saying that they had discovered a computer error and that now the lady would be repaid her entire pension.

Now that is fine, Mr President, but surely there must be a better way? Surely one does not have to threaten to raise an individual case in this Assembly in order to get justice? Surely what we need is some kind of Community ombudsman to sort out these international pension problems.

IN THE CHAIR: MR NIKOLAOU

Vice-President

President. — I call Mr Ephremidis.

Mr Ephremidis. — (GR) Mr President, the report under discussion touches upon almost all of the problems affecting old people and is an incisive and convincing piece of work by Mrs Squarcialupi.

We agree with most of the proposals, but we would point out that what they lack is effectiveness. There is a danger that they may remain wishful thinking, declarations of principle, whereas what old people need is a genuine interest on the part of the Community in finding satisfactory solutions to their problems. We feel that the first duty of the national governments and the Community is to ensure that old people receive an income which allows them to lead an acceptable life. Unfortunately, there are some EEC countries where this is not the case. In Greece, for instance, 200 000 retired workers receive a pension of only about 9 000 drachmas a month, with the result that a few days ago they were forced to take to the streets of Athens with the slogan 'We are hungry'. Let me touch upon one particular question which concerns migrant workers in the countries of the EEC. We should like to see monitored implementation of equal treatment of migrant workers and workers of the country of residence. This is not the case, for instance, with Greek workers in the countries of the EEC, where they receive old age pensions which are much lower than those received by nationals of those countries, despite the fact that they have paid the same contributions.

Ephremidis

Despite all that, Mr President, despite our comments and reservations, we shall be voting in favour of the motion for a resolution.

President. — I call Mr Eisma.

Mr Eisma. — (NL) Mr President, in the two minutes available to me I should like to say the following. We admire the report by Mrs Squarzialupi and intend to vote in favour of the motion for a resolution. However, I should like to point out that the policy of the Member States of the Community as regards the aged should not be too much a special, independent policy. Attention should rather be concentrated on the things which old people have in common with the rest of society, since too compartmentalized an approach with too many special provisions, would cut this group off from the rest of society, which could swiftly lead to discrimination, since if we pursue a separate policy for every category of our society, such as cultural minorities, migrant workers, youth, women and men and what have you, we will be dividing society up into separate sectors. I should therefore like to put in a plea for a maximum of general provisions which apply for everyone in our society. Only if it is absolutely unavoidable should provisions be made for specific groups, such as the aged. I hope the rapporteur and the Commission can go along with this approach.

Mr President, I think I have kept to the time allocated to me.

President. — I call Mr Papaefstratiou.

Mr Papaefstratiou. — (GR) Mr President, the subject under discussion today in Parliament is of interest to us all, since old age is a part of life which most of us will have to face sooner or later.

The problem of old people is rightly considered to be one of the fundamental problems of human society. The fact is that being old nowadays means being left on the sidelines, loneliness and often misery — not to mention the physical decline which leads to dependence on others. However, the aged citizen must have equal if not more rights than others, precisely because of his special position. It should not be allowed to happen that someone who grows old, in principle, loses what he had acquired in younger years. The subject becomes even more important, as our excellent rapporteur Mrs Squarzialupi pointed out, if we take into account the fact that over the last few years there has been a proportional increase in the number of old people in the countries of the Community as a result of the increase in life expectancy and the low birth rate. The average life expectancy is already about 75 for women and 70 for men. This only demonstrates yet again, ladies and gentlemen, which really is the

strong sex and which the weak one. It is estimated that by the year 2000 pensions will have to be paid to a non-active population representing 46% of the active work force. The number of old people will double in the next 20 years, and it will not be possible for these people to be supported by their children, since the children as well will most probably be receiving pensions at a relatively early age because of the possible introduction of early retirement.

We can therefore readily appreciate that there is an urgent need for a practical and political investigation of the problem of the aged, accompanied by an undertaking to attribute greater value to a period of life and to generations who have been profoundly affected by the change in social relationships, by the crisis of the family and by the change in society, which has not yet managed to find a way of assimilating these people and which, moreover, has itself been particularly affected by inflation and the overdevelopment of the large conurbations.

In a democratic and progressive society all citizens — hence, old people as well — must have a specific function within the social set-up so that they can become involved in new forms of culture which are independent of, and complementary to, those offered by other age groups.

In our present society, however, everything is tackled from an economic viewpoint, and there is a tendency for old people to be pushed aside, since they are looked at mainly with regard to their economic activity.

We are of course all aware of the problem of unemployment, which is particularly affecting young people, but that does not mean that fixing the retirement age should automatically force men and women to give up their working lives completely. On the contrary, any cessation of economic activity can be regarded as a legal right and not as an obligation imposed by conditions on the labour market. We therefore agree with the proposal in the rapporteur's excellent report that there should be more flexible arrangements, so that people who have reached retiring age can, if they wish, continue to work without losing their pension rights, whether they receive a reduced salary or simply receive their pensions, for there are categories of old people who would be satisfied even with such an arrangement.

Let us not forget that old age is not an illness but a natural stage in life which does not affect all people and all parts of the body in the same way and at the same time, nor that preventive measures can often delay and qualitatively influence the onset of old age.

Quite apart from all this, steps must be taken to ensure that old people can live a decent and independent life with an income which allows them to be self-sufficient, given that, at present, large numbers of old

Papafstratiou

people live on the fringes of poverty and often in conditions which put them below the minimum subsistence level.

In conclusion, Mr President, we agree that immediate priority must be given to ensuring the financing of future pensions, to including all contributions paid during the different periods of employment in the calculation of pension rights, to ensuring that men and women receive equal pensions, to subsidizing the rents of old people who are particularly poor, and to planning for adequate accommodation for old people.

We therefore call upon the Commission to include in the preliminary draft budget for 1983 adequate appropriations for the realization of at least certain measures relating to this extremely important matter.

Finally, I should like to stress yet again the significance of this resolution, and I hope both personally and as Chairman of the Committee on Social Affairs, that you will all attach the necessary importance to this major subject.

President. — I call Mr Pedini.

Mr Pedini. — *(IT)* Mr President, if it is true that our modern society is torn between the philosophies of being and having, there is no doubt that old people — as young people are — are more in tune with the idea of being than with the reality of having. This is why I welcome Parliament's positive move in tackling this subject.

The subject of old people is a pressing one because this heedless society of ours — as the rapporteur clearly pointed out — might well have to put with a wave of protest from old people which could provide much more of a threat and an upheaval than we got during the period of contestation by our young people. I just want to say that this debate of ours will have some meaning only if it goes beyond expressions of concern and something actually gets done. If there are disparities in the social, legal and welfare circumstances of old people in various countries of the Community, it is up to the Commission to step in with suitable regulations so that circumstances are the same for everyone. This applies not only to the problem of essential rights but also to the problem of encouraging and prompting old people to play a part in society. I hope the Commission will approach the governments with recommendations incorporating some of the proposals in this report. The day is not very far away, Mr President, when we shall be living in more and more of a service society, where cultural services can to a large extent be an area in which old people can be of help to the young. Accordingly, I also hope that recommendations will be put to the governments so that cultural organizations and especially the schools, as part of an ongoing system of education, can arrange schemes

and courses, perhaps even involving the universities, which can bring in a growing number of old people. This extremely useful debate will then have been followed up by some very definite and appropriate action.

If I may, Mr President, I should also like to thank Mr Spencer for this tale about the old woman in England who had to wait for her pension. It just goes to show that even if there are administrative delays in Italy, it is not because of any wilful disregard but because the computers are to blame.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — *(DA)* Mr President, I should first of all like to say on behalf of the Commission that I found Mrs Squarcialupi's report very interesting. It is stressed in this report that the aged make up a steadily increasing portion of the population in Europe, and a brief but precise account is given of various aspects of the main problems facing old people, i.e. retirement, the situation as regards income and housing, health, social services and participation in cultural and social life etc.

I share the view that the competent authorities must see to it that the effects of the economic crisis do not especially affect the weakest groups, including the aged with limited incomes. We should not close our eyes to the fact that many of these people live in poverty. We see, however, that the cuts in public spending in certain of our Member States affect payments which are of vital importance to old people since they allow them to continue living in their own homes without having to do without the necessary care and attention. This is a shortsighted policy since it works out far more expensive for society to put old people in institutions, which is precisely what we will have to do to a greater extent if many old people are no longer able to get by in their own homes because of a lack of help in the home and other care.

The Commission is aware of the scale of the problems but it must nevertheless point out that it is not in a position to meet all the wishes contained in the report, which it can only deal with within the limits of its competency and the resources available to it from both financial and staff points of view. It will, therefore, have to decide on a strict order of priority. However, the Commission has given attention to the various questions and has carried out a number of studies and introduced arrangements which are in keeping with some of the aims set out in Parliament's resolution.

In December last year, the Commission submitted to the Council a draft Council recommendation to be addressed to the Member States and outlining principles for a Community policy on pensions. This draft is currently under for examination and our proposal is

Dalsager

clearly in keeping with the wish expressed by the rapporteur for the introduction of a flexible pension system at Community level, since the aim of the proposal is to allow every worker to decide for himself when he wants to retire. In addition to the flexible pensionable age, the Commission also proposes to the Member States that they consider the possibility of introducing a phased pension system for everyone. It is also proposed that relevant counselling and courses preparing old people for life as pensioners, should be made available to persons in active employment during the two years up to the minimum pensionable age.

As regards the problems of financing pensions, the Commission has carried out a study of the significance of the demographic factors affecting social security expenditure. The question of the financing of social security arrangements comes under the heading of 'social security problems' which the Commission is currently looking into in general terms. This examination will probably result in a communication to the Council and the other institutions.

In the health sector, the Commission is currently preparing a colloquium to be held in autumn on the question of medical and social problems in connection with health benefits to the old in the Community. The result of this colloquium will be published at a later date.

The rapporteur quite rightly drew particular attention to the problems of old women, many of whom quite clearly do not have enough to live on, either because they do not have the status of having been in active employment or because their employment was interrupted for family reasons. I can tell you in this respect that account has been taken of these problems in the Community's new action programme to promote equal opportunities for men and women, which has just been submitted to the Council. This programme meets Parliament's wishes for a special effort to improve the status of women within the self-employed sector and in agriculture, i.e. in family holdings, especially as regards incomes and social security.

We have also started a study of a series of important arrangements introduced in the Member States with a view to supporting and promoting the idea of self-help among the aged. Last year we carried out a study of developments in the housing situation for the aged in the Member States. The study concerned both individual and collective housing arrangements as well as the various related services. In addition, the Commission's financial aid to private projects on housing for the handicapped was used in many cases for projects aimed at improving the housing situation of elderly handicapped persons.

The rapporteur raises the question of delays in the payment of migrant workers' pensions — which was also raised here today by one of the speakers. It was

precisely with a view to achieving swifter processing and payment of social security benefits to migrant workers that the Community provisions on social security for migrant workers were revised by means of Regulations No 1408/71 and No 574/72. Both the Secretariat of the Administrative Commission on Social Security for Migrant Workers and the competent national authorities are also doing all they can to ensure that the calculation of the total insurance periods of the workers can be done as quickly as possible.

As you see, the Commission's interest in the problems of old people has been reflected in a series of measures which meet at least some of Parliament's wishes, and the Commission intends to give careful attention to the report and resolution adopted by Parliament. In the meantime, the Commission can try to inspire the Member States by promoting their awareness of what each other is doing by means of its comparative studies, urging the Member States to exchange experience and, finally, by supporting certain pilot projects. However, it should not be forgotten that this matter remains first and foremost the responsibility of the Member State.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

8. *Environmental impact of certain projects*

President. — The next item is the debate on the report (Doc. 1-569/81/rev.), drawn up by Mrs Weber on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council (Doc. 1-293/80) for a directive concerning the assessment of the environmental effects of certain private and public projects.

I call the rapporteur.

Mrs Weber, rapporteur. — (DE) Mr President, ladies and gentlemen, the introduction of a system for assessing the environmental effects of certain private and public projects in the Member States of the European Community is the central element in a forward-looking policy designed to prevent environmental damage.

Anyone who cares about what the Earth will look like in the next century will join in making an urgent appeal to all concerned to make careful use of our natural resources. And that goes not only for raw materials, but also for the Earth's fauna and flora, which it is up to us, on behalf of coming generations,

Weber

to conserve and protect in all their infinite variety. It is our duty to act today to keep to a minimum the possible negative effects of human activities, and at the same time to make good as quickly as possible the mistakes and shortcomings of the past. The reason why the situation is now so serious is because we are having a much more serious effect on our environment than we realize. Who would have thought 20 years ago of the possible consequences of such phenomena as acid rain, groundwater pollution, the contamination of large tracts of land, heavy metal contamination of the soil and pesticide residues in the soil or even in mothers' milk? Or what about the increasing prevalence of occupational diseases among people whose work brings them into constant contact with chemicals? We must not sit back and wait until the quality of life has deteriorated to an unacceptable level as a result of poisoning and pollution before tackling the source of the evil — usually inadequately and at considerable financial cost to society as a whole. There has been a marked increase in people's awareness of these problems over recent years. Nowadays, hardly any project with potentially serious ecological repercussions is accepted without any further ado. Objections to current planning and decision-making procedures in our countries result almost automatically in confrontation, either in the courts or at different levels.

It is up to us to give serious consideration to people's commitment on these matters and to take such sentiments into account as a formal part of the decision-making process. Popular participation is not necessarily a declaration of war against democracy as such, but rather an essential element in the survival of democracy — it is fact a challenge to democracy . . .

(Applause)

. . . The earlier and the more comprehensively the public is informed and involved in a specific project, the better the chances are of that project receiving approval. There is also a good chance of there being less in the way of possible financial damage as a result of legal proceedings following formal objections, delays and enforced changes to the project at a later stage in the planning process.

The experience gained by countries which have systems for assessing environmental impact show that the resultant costs are very low, compared with the short-term — and, above all the medium and long-term — results. Has anyone ever taken the trouble to calculate the amount of money which has to be spent in our countries to make good such things as the damage caused by the incorrect dumping of contaminated rubbish? And what are the overall economic effects of contaminated rivers, streams and groundwater? Anyone who claims that preventive measures will put jobs in jeopardy must ask himself whether it would not make more sense to spend public money on job creation projects rather than on activated carbon filters in local water purification works simply because a few

irresponsible firms are polluting the groundwater and spend years disputing who is responsible for what percentage of the resultant damage.

The alternative 'jobs or environmental protection' is invalid. The fact is that the first victims are the workers in the factories, one appalling example of this being Seveso. The aim of environmental impact assessments is to enable the authority whose job it is to decide on a particular project to take account of environmental as well as economic and social considerations.

Of course, forecasts like this are not easy but experience shows that a certain degree of scientific know-how is accumulated very quickly. That will simplify the procedure, although great efforts will still be needed. The environmental impact assessment procedure will require — and, indeed, create — jobs for qualified people. The Commission's draft document lists the kind of projects which should be subject to environmental impact assessment as matter of urgency: mining and the chemical and construction and other such industries. However, I find it absolutely incomprehensible why it is planned, in the energy sector, to exempt — of all things — the entire range of the nuclear energy industry — as called for by the French Liberals. Even disregarding the question of whether one is for or against nuclear energy, there can be no doubt that it has a substantial environmental impact on water and the climate. There is also the possibility of considerable radiation damage, not to mention possible accidents or even disasters.

On the other hand, the committee thought it made sense to subject major agricultural projects to environmental impact assessment. No-one would nowadays seriously equate agriculture with protection of agriculture or of the environment. The amount of damage done by intensive methods of cultivation alone is by now no longer in dispute. I would mention here only the extinction of a large number of species of animals, the increased use of chemicals and the lowering of the water table.

The committee also attached special importance to the question of trans-frontier effects, especially following the discussion on the Seveso directive and the difficulties this has given rise to in the Council. It is important that the same criteria be applied on both sides of national frontiers, particularly in a Community in which there are no restrictions on the movement of goods. Our people would find it incomprehensible if we were to get worked up about the free movement of goods, but ignored the trans-frontier movement of polluted air or water. The construction of industrial plants close to a national border presupposes a special degree of friendly and neighbourly care and sensitivity, something which we are still a long way from achieving in this Community.

Weber

What we are discussing here is the 23rd draft of a Commission directive. The subject is not exactly an easy one, as is evident from the number of drafts so far. A large number of differing legal and administrative provisions in the Member States have had to be coordinated, and there can be no doubt that the Commission has put in a lot of good work on this flexible but nonetheless — at least, I hope — effective instrument, although I of course hope that certain amendments will be adopted and incorporated into the final version of the directive. I should also like to compliment the Commission on its detailed and excellent explanatory statement.

I have also tried, in my capacity as rapporteur, to spare you pages of text in the explanatory statement on the grounds that you will find all this in the Commission's text anyway. I am no great admirer of this method, which seems to have become established practice even among Members of the European Parliament.

There is one problem here which I should like to draw your attention to in all seriousness and with the greatest possible emphasis. If Parliament's work is not to be destined merely for the wastepaper basket, we must be kept informed as to the current state of discussion and decision-making in the Commission and the Council. The active involvement of the elected representatives of the people of Europe is absolutely indispensable. How, then, can it happen that, for instance, in the minutes of the Economic and Social Committee of last May, we already find Commission compromises, which amount to an amendment to the draft directive, being accepted without Parliament and its rapporteur being informed at the time? And I would add that no such information has been received up to the present day. A situation in which Parliament's resolution is merely awaited formally before the procedure can be continued with with as little disruption as possible is intolerable. For this reason — and this point is brought out very clearly in the motion for a resolution — we expect the European Parliament to continue to be involved in the decision-making process. Should the Commission make major amendments to the text, we shall see to it that our opinion is voiced.

I hope that the environmental impact assessment system will come into force during the Belgian Presidency, in which case the Member States of the European Community would undoubtedly have been provided with an important means of ensuring that our environment is accorded sensible treatment. Prevention is better than cure. This basic principle regarding the health of our children should apply just as naturally to the quality of their lives too.

President. — I call the Socialist Group.

Mr Collins. — Mr President, first of all may I say that this is undoubtedly a very important issue and that I

am very glad that it has now been given an important place on the agenda. It is a pity that it had to wait three months to get an important place on the agenda but nonetheless I am glad it is here.

I am grateful to the rapporteur, I am grateful to the committees — both the Committee on the Environment, Public Health and Consumer Protection and the Legal Affairs Committee — for having taken part in the preparation of this debate.

There were, however, too many drafts of this document. I think there is still a lack of clarity about the consultation procedure that took place before this arrived at Parliament and I think from what Mrs Weber has just said, that there is still a danger of far too much arrogance on the part of the Council and their advisers. However, it is nonetheless an important debate and its importance lies in the fact that this marks an important development in European environmental policy, from the necessarily 'fire brigade' approach adopted in the early years of that policy, when we identified problems and then rushed around Europe trying to deal with them on a reasonably *ad hoc* basis, to the point now where we are trying to plan resources, plan industrial development and other developments in relation to the whole environment. In other words environmental policy is no longer a narrow 'adolescent' preserve, it is a fully fledged adult with equal and adult relations with other areas of policy in the Community and in the Member States. The Socialist Group therefore welcomes it in principle.

In simple terms, as we have heard from the rapporteur, the directive proposes that, before any planning permission is given, any development project likely to have a significant effect on the environment should be subject to an appropriate assessment of these effects. Now this is not a new idea and it's certainly not an idea that has its roots anywhere other than firmly in the soil of the common experience of uncoordinated fragmented unplanned economic developments in the past.

The narrow preoccupation of the company balance sheet presented to shareholders annually cannot be the sole determinant of what is good for us, our neighbours, our children and all of our surroundings for the future. That is really the principle that we support in the Socialist Group and I think that there are one or two important principles that we consider to be of central and crucial significance here.

First of all the right of the public to have access to information in a non-technical summary is provided for in the directive. We welcome that because we do not believe it is good enough for the public to be confused by the use of technical jargon liable to obscure the issue. We need to have clear and reliable information and we support that as a principle.

Collins

Secondly, we support the right of objectors to be represented by experts on their behalf so as to be freed from the problems of the gross inequality of legal and technical advice available to huge private and public corporations on the one hand and the meagre resources available to the ordinary citizen on the other.

Thirdly, we support the principle of the right of everyone to investigate all the alternatives to any proposal, including the zero option, which the rapporteur has referred to.

Now, on the subject of what kind of projects should be used, there was some controversy and I should like to make a couple of comments on behalf of the Socialist Group. We do not see any reason why nuclear establishments of one kind or another should be excluded because we believe that this would constitute an unfair bias against other forms of energy generation in spite of the fact that pollution may simply be pollution of the future, rather than pollution of the present.

Secondly, we do not see any reason why major agricultural and forestry projects should be excluded because we believe that this has an important effect on habitat and therefore an important effect on the heritage that we bequeath to our children. We do not think that this would lead to inordinate delays; we do not believe that industrial and agricultural change will not take place; we do not believe that we are attempting to force our economic development into the hands of the Luddites — frankly, if the choice is between the Luddites and Philistines, I am not sure where my vote would lie — but it is an attempt to use the best instruments, available to planners, economists, industrialists and so on, in order to plan our future rationally.

Finally, we in the Socialist Group believe that environmental policy is one of the few areas of the European Community in which progress has consistently been made in the last few years and we would like to pay tribute to the environment service of the Commission for helping to achieve that. But, having said that, it is also important, I think, to recognize, at this present time when the Council does little more than exchange vetoes with itself, that this Parliament should assert itself and therefore be consulted in a reasonable and rational fashion by the Commission at all stages.

I go back to the point that I made at the beginning: it is not satisfactory to have so many drafts of a document before it arrives here; it is not satisfactory to have a suspicion that work is going on that we know nothing about; it is not satisfactory to believe, as some of us do, that changes are likely in the future without reference to this Parliament — we demand to be consulted and frankly some of us believe that unless we are consulted, and unless we assert ourselves, then this Community will not make progress at all. But in

the end the Socialist Group will support this and again we congratulate Mrs Weber on her report.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mrs Schleicher. — (DE) The Group of the European People's Party would like to thank the rapporteur for the great sense of commitment she has shown in her work, although we do not agree with everything Mrs Weber would like to see done.

In the form proposed by the Commission, the environmental impact assessment system is a welcome departure. It will enable us in the future to prevent the kind of mistakes which have so far been identified too late. However, we believe that, in the form set out in the directive, much will depend on whether the environmental impact assessment system will prove practicable or whether it might be turned in to the kind of instrument which could lend itself to political abuse in terms of a *dirigiste* approach to economics or capital investment. It is, after all, true that this instrument could be used to put the axe to a number of existing projects under the pretext of environmental protection.

My group supports the idea of environmental impact assessment on the grounds that it enables a wealth of experience in environmental protection to be taken into account. The political status of environmental considerations has slowly but surely been acknowledged over the last ten years. Originally, action was restricted to making good damage that had already been done. The aim of the environmental impact assessment system is to help prevent the occurrence of damage in the first place. I am sure there is no difference of opinion between the political groups represented in this House on that score.

I should like to illustrate what I have in mind by taking Germany as an example. The idea of environmental protection is quite advanced in Germany — I know that this applies to other countries too, but some countries have made more progress than others. I come from Bavaria, where we have set up the first Ministry for the Environment in Germany and where we are already using the environmental impact assessment system as an essential political aid in the decision-making process. But, having gained a great deal of experience, we know how difficult it is to bring a project to fruition. We also realize that, unfortunately, the right conditions do not yet exist in every country for carrying out such assessment on a reasonably harmonized basis. My group therefore proposed in the committee that, to begin with, a directive be dispensed with in favour of a recommendation with the aim of creating all the right conditions for the establishment at some future time of an environmental assessment system. We felt that, once these conditions existed in all the Member States, a directive would be genuinely practicable.

Schleicher

Unfortunately, our proposal for the formulation of a recommendation only for the first few years was not accepted. The majority of the committee was in favour of formulating a directive straight away. The fact is, though, that the material norms are not yet standard throughout the European Community; nor are there any harmonized conditions for the permissible emission values. So long as these are lacking, we fear that the assessment system will not proceed on an identical basis and that the result may even be distortions in competition which would certainly not be in the interests of those who would like to see this system introduced for perfectly valid reasons.

Another point worth noting is that application of the environmental impact assessment system is planned not only for major projects, but for all public and private projects. The Commission's proposal makes a distinction between a normal and simplified assessment. Our objection is that this distinction has been ignored in some of the amendments which have been tabled, and we are therefore concerned that the result may be that assessments will have to be carried out on all small-scale projects, whereby the assessment would be in no relation to the magnitude of the project. For instance, even in the case of the very smallest changes, the applicant will be required to produce all the planning documents, not only for his planned site, but also for additional sites so that comparisons can be made. We believe this to be an excessive requirement which goes beyond what is really called for.

Let me conclude with a comment on public involvement in even the most minor project. Of course, the public must be informed and involved in the decision-making process, but it is absolutely essential that a distinction be made between a normal and a simplified assessment. The final decision on the projects must be left to those who bear responsibility in the country concerned. That is the thinking behind our amendments, which I would ask the House to adopt.

President. — I call the European Democratic Group.

Mr Johnson. — Mr President, my group broadly supports the Commission's proposal and the report of the committee on that proposal. We believe it is a major element of the second environment action programme, and it will provide the necessary underpinning for the third environment action programme which stresses, as we all know, the preventive approach to dealing with environmental problems. I too would like to congratulate the Commissioner, Mr Narjes, who is here, and members of the staff of the Commission — I see Mr Stuffmann here who devoted a great deal of effort to this document. I don't think we should forget either the efforts of Mr Carpentier and his successor, Mr Andropoulos. If the Community has an environment policy today, it is because the Commission picked up a mandate which was given it

in 1973 and decided to turn into something positive and concrete.

Let me be quite clear when I say that we support the proposal. We support it in principle, and we support it as an EEC directive, i.e. something which has to be translated by administrative or legislative means into the laws and provisions of the Member States. I have heard it argued that some States feel that their own planning legislation is sufficiently flexible, sufficiently wide, sufficiently strong for them to feel that it is not necessary to have a further Community instrument. This argument, of course, has some force, but I have been impressed over these past few months, when we in this House have been considering the directive, by the objections made to simply relying on existing planning procedures as proper tools of environmental assessment. I have in front of me today, for example, an article which I have just picked up from the journal of the environmental health planning officers, where the author says that he believes the role of environmental impact assessment is a necessary addition to the planning process and a very useful tool in the armament of the planners.

There is one particular area which we should not overlook and to which Mrs Weber has drawn attention. In the moment or two which remains I should like to draw the attention of the Commission to it as well. That is, of course, the area of agriculture and large-scale agricultural developments which can and do have an impact on the environment. As we move forward into the 1980s, I think we are more and more aware that one of the great consequences of intensified agricultural production — it is also, by the way, one of the great consequences of an effective common agricultural policy — is increased pressure on land and increased use of certain techniques which can and in many cases do have a deleterious impact on the environment.

I want it to be absolutely clear that we are asking in this report — our group has supported the notion and I hope the Commission will take it very seriously — that agriculture be on the list of mandatory subjects for assessment. This is Amendment No 15, and I would like to give notice to the Commission that we will be wanting to hear what they have to say about this particular amendment. We are talking about large-scale land reform projects, projects for cultivating natural areas and abandoned land, water management projects and intensive livestock-rearing projects. All these we have deliberately moved from Annex II to Annex I because we do believe, and it has been the view of my group and of this committee, that the time has come to have some form of better control over what happens in agriculture. Let me be quite clear. Everybody has a view. We have taken a view, and this is our view. That is, I think, an important issue, and we do want the Commission, when it makes up its mind as to what view it takes on this resolution,

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to give us its opinion under the new procedures of the House.

Mr President, I think I have exhausted my five minutes. I very much agree that we want to hear the Commissioner and others before 6 p.m. and possibly vote too at 6 p.m.

President. — I call the Communist and Allies Group.

Mrs Squarcialupi. — (IT) Mr President, in the developed nations the damage caused by pollution accounts for between 3 and 5% of gross national product, while measures to protect or regenerate the environment generally account for no more than 1 or 2%.

In the long term, then, the ecological approach is also the economic one. In other words, it is better to take preventive action than to patch up the damage when it is already done, especially as some damage is incalculable and cannot be costed and there is also a change that nothing can be done about it once it has happened.

In the case of Italy and speaking as Italian MPs, we are delighted with this directive on environmental impact. In some ways it is something of a departure. However, there are one or two comments that have to be made. The idea of bringing procedures together in one directive is going to ensure equal opportunities for firms rather than improve environmental protection within the Community. As a result, dealing with the problems of the quality of life and health takes second place to safeguarding the principle of free trade.

There are two innovations we do like, however. The assessment of environmental effects requires the development and introduction of technical measures which permit the effects of human actions on the environment to be assessed. Secondly, the idea of involving and informing the general public means that new relationships must be developed between the citizens and those who take the decisions. This will perhaps take time, because we need the structures and procedures whereby the citizens can really participate. But what we really need is a new approach, to obviate the risk of the joint discussions degenerating into a form of tub-thumping or big business influencing scientific or environmental bodies. However, if all these bodies deal in scientific knowledge, they can play a broadly positive role in helping to plan changes in the environment. It is a way of bringing in all sections of society, not only to record the bad sides of development but also to make an effort to come up with new ideas and to take a responsible attitude to new technology.

I should like to say a couple of words about the amendments I tabled. One of them is about industrial secrecy, provided it is not prejudicial to the principles

laid down in the directive. Two of the amendments want the annexes to include coal terminals, the places where every day tonnes and tonnes of coal are delivered, unloaded and processed. Another amendment concerns the assessment of environmental effects on military bases and installations, which were excluded from the list — at least officially — and which in my view should not have been excluded. And there is another amendment about accumulation, which is one of the great pollution problems of our times.

President. — I call the Liberal and Democratic Group.

Mrs Scrivener. — (FR) Mr President, ladies and gentlemen, let me first of all thank the rapporteur for all the work she put in on this proposal for a directive which, after all, is of tremendous importance. The idea of assessing environmental effects has already in fact been introduced in some Member States. It is therefore a good idea to do something at Community level to harmonize the regulations. But I also want to say that the proposals we draw up must not result in an uncompromising strictness which would lead to difficulties in the legal procedures. We do feel that in some aspects the rapporteur goes a bit too far.

Two basic problems are raised by this proposal for a directive. First of all, there is a problem of informing the public, and then there is the effect on nuclear energy. I think we have to be clear about this. On the subject of the first problem, we are naturally in favour of informing the people who live in the area which will be affected by the installation. This is what we call in fact the environmental assessment. The purpose of this assessment, which will also incorporate opinions of the general public, will be to draw up a balance sheet of the pros and cons of the proposed project, so that the relevant authorities can take a final decision for the benefit of the whole community. On this same point, however, when it comes to the trans-frontier effects, the problems of the impact on the environment must be examined on the basis of agreements between the States involved and not, in our view, by some European body which includes States which are, after all, not at all affected by the problems. I think it is somewhat difficult to ascribe responsibility where none lies. It is not a good idea for outsiders to share in the running of installations which have nothing to do with them.

I also think we need some clarification on the second problem, nuclear energy. On 26 November 1981 the new rules for implementing Article 37 of the Euratom Treaty were approved. The problems of the environmental effects of nuclear installations and everything else in the nuclear field are now covered by these new provisions. On this point, therefore, we feel that this proposal for a directive we are considering would duplicate matters. This is the thinking behind the

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amendments we have tabled — and which I consider to be important — on these two basic points which I have just outlined.

Lastly, Mr President, I want to say that Mr Combe should have been speaking on behalf of the group at this time but I am taking his place because he had to go back to Paris.

President. — I call the Non-attached Members.

Mr Eisma. — (*NL*) Mr President, on 7 April 1981, a motion for a resolution was tabled by my predecessor, Mrs Dekker, together with Mr Muntingh, Mrs von Alemann, Mr Mart, Mr Alber, Mrs Maij-Weggen, Mrs Lizin, Mr Gaspard, Mr Johnson, Mrs Squarcialupi, Mr Pasmazoglou and Mr Capanna concerning a Community regulation on environmental effects across borders. The Committee on the Environment informed me in November of last year that no report was to be drawn up in connection with this resolution, since considerable attention was to be paid to these trans-frontier effects in the report by Mrs Weber, which is currently under discussion.

However, this has not been the case to a satisfactory extent. The resolution merely contains a meagre provision regarding trans-frontier pollution and only Amendment No 12 by the Committee on the Environment adds anything to Article 8 of the Commission's Directive and gives a general indication of what we were driving at in the Dekker resolution I mentioned previously.

With a view to filling this gap, our group has tabled a number of amendments to the resolution by Mrs Weber — which we otherwise regard as excellent — i.e. Amendment Nos 87, 88 and 89. What, when we come down to it, is involved here? Just as much weight should be given to the trans-frontier effects of a particular activity as to the effects of that activity within the territory of the country in which it takes place. That is the principle of non-discrimination and means that the government in question must take up contacts with the competent authorities on the other side of the border. It also means that the people living on the other side of the border should have as much say in matters as the people in the country concerned. This is the principle of equal recourse. These amendments form, as it were, a European reformulation of things which have already been agreed between the governments in the context of OECD and the United Nations, and now that the so-called Seveso Directive has been adopted by the Council, it strikes us that these amendments would pose no great problems for the Council if they were incorporated into the resolution. I therefore recommend these amendments to the Commission and, above all at this stage, to Parliament and I urge all the Groups who supported the Dekker resolution on trans-frontier environmental effects almost a year

ago — which included practically all the political persuasions represented in this Parliament — to be consistent and give their support to our amendments too.

The adoption of our amendments is not the end of it, however. We remain convinced that Europe has no need for a fragmented approach, but that what we need is a general framework regulation including a number of practical and procedural provisions applicable in every situation where there is a risk of trans-frontier pollution.

Finally, Mr President, the interests of the people of Europe have been our prime consideration in all this — in particular, the interests of those living near the borders, so that it will become clear to them too that their interests do not stop at the border. Let us show these people that the European Community is a reality.

President. — I call Mr Bombard.

Mr Bombard. — (*FR*) Please excuse me. This is the first time I have spoken in this Chamber and I find that most of what I was going to say has already been said by Mr Collins and Mr Johnson.

I too want to lay a lot of emphasis on what Mr Johnson said about safeguarding agricultural land. We must remember that since man has inhabited this planet he has destroyed just as much useful land as he now has available. As for Mrs Schleicher, I am sorry I cannot agree with her but this is already the 23rd proposal and we have to come up with some proposal which will be constructive and which will serve as an example.

In the opinion by the Legal Affairs Committee the countries which have already introduced measures to assess environmental effects are mentioned, and there is also a reference to the French law of 10 July 1976. The fact is, though, that when it comes to private and public projects in France, you always run up against a blank response from the authorities. You try to carry out an investigation for the public good but the decision has already been taken and the environment never got a look in. I thought it was only in France where these things ended up with the *Conseil d'Etat* and in the law courts and so on. Anyway, when the thing is built, that is it — and never mind the drawbacks for the environment.

In view of this, I just want to tell you a story that happened yesterday. I met Mr Diligent in the corridor and he invited me along to a meeting of the study group on the Channel tunnel. I went along with Mr Johnson to attend the meeting. There was talk about the width of the tunnel, how much it was going to cost and the methods that were going to be used. All the

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experts were ready for the project but there was not a word about the millions of tons of excavated material that is going to come out of the tunnel, and no one has any idea where it is all going to be put. When I spoke — Mr Johnson will bear me out — they looked at me as though I were from another world, like some Martian who had landed and was talking a load of nonsense. On the way out, when I went to say hello to the new chairman who had taken over from Mr Diligent, he said to me: We have found a solution, we are going to dump all the earth in the sea! Well, here you have an idea that is going to be tremendously important for Europe. You are going to link Great Britain to the continent, dub it perhaps the Euro-tunnel, and right from the start there is nothing done about the environment. There has been not thought about the impact on the environment for the people in England, France, Belgium, the Netherlands and northern Germany, what with all this earth and the machines that are going to be driving up and down, because the roads are not designed to cope with the machines that are going to be needed to build this massive project. All this is going to be realized afterwards, and then it will be too late. I just wanted to quote this example by way of saying that Mrs Weber has produced a wonderful report — although I disagree with Mrs Scrivener about the value of public inquiries in France, even though she is right in that in principle assessments of environmental effects must be carried out in France — but the first thing that has to be pointed out, perhaps by this Parliament, is that there can be no projects — even small ones, Mrs Schleicher — without considering the environment. The lives of our children and grandchildren depend on it.

President. — I call Mr Alber.

Mr Alber. — (DE) Mr President, ladies and gentlemen, depending on whether a doctor is partial to a glass of wine himself, he will quantify the alcohol tolerance level of the human liver as 60, 80 or 100 grammes, something which is possible so long as there is no hard and fast medical and biological evidence. By the same token, depending on whether an official charged with assessing environmental impact is of the 'light green' or 'dark green' persuasion, he will assess a given project as neutral or not neutral so long as there are no hard and fast criteria.

This is our main objection to what is being proposed here — the fact that what we are in effect doing is putting the cart before the horse. What we need before we can have an environmental impact assessment system is crystal-clear criteria which the officials concerned will be required to adhere to. This directive is far too much concerned with the procedural aspect, which is not sufficient in itself. We must be clear in our own minds as to the aims, the substance and the direction. After all, even someone who is driving on the wrong side of a motorway thinks he is doing the

right thing because he is sticking to the right-hand lane on the continent or the left-hand lane in the United Kingdom, but the fact is nonetheless that he is in the wrong.

Getting the direction right is the important thing, and this directive does not allay our fears. It could give rise to any number of legal problems; for instance, no reference is made to compensation for damages, to legal channels or to what distinctions should be made. We therefore feel that, before agreeing to this proposal, three points at least need clearing up properly. Firstly, the authorities concerned should provide the original data and not the applicants. Just as certain areas of land are earmarked for residential development, other areas must be earmarked for other purposes before industry is allowed to do a great of planning, only to find out later that a whole project is not feasible. It is up to the authorities which have the necessary knowledge in depth to get hold of the data and prescribe land use conditions in advance.

Secondly, the criteria must be laid down objectively and should not be liable to subjective changes. I must say that a great deal is still left open on this point. For instance, how is anyone to assess the effects on the climate without going into massive scientific detail? As this whole thing looks at present, what we shall finish up with is not the safe realization of projects, but rather a hindrance to that process, and that is in nobody's interests.

Environmental impact assessment is such an important matter and is so obviously in everyone's interests that we really must start with basics, with the foundations, and not try to build from the roof down. Of course, it is — thirdly — a very popular move to involve the general public, but we must always bear in mind the possible consequences. Who, after all, is the person affected here? The answer to that is always: the population at large. But where should we draw the line? What is meant by constructive involvement? What is meant in Article 10 where it says that public opinion should be taken into account? Must public opinion be accepted *in toto*?

According to the new Article 8(2), the population of a neighbouring country should be able to take part in the consultation and objection procedure in cases of trans-frontier effects. That makes sense in itself, but what is meant by 'the population's'? The whole population? For instance, should a Frenchman living in Biarritz be allowed to have his say in the case of a nuclear power station being built in Alsace, on the Franco-German border? As the text stands, that would be perfectly feasible, because the aim is to allow the entire population to be involved. In my view, what we are doing here is putting the cart before the horse. It is essential first of all to define our terms and formulate clear criteria. As it stands at present, this directive is not a suitable basis for an effective environmental impact assessment programme. On the contrary,

Alber

what it amounts to is an invitation to get saddled with legal proceedings.

President. — I call Mr Provan.

Mr Provan. — Mr President, I can agree in principle with the proposals, as they may help in getting some Member States more adequate environmental protection, but they will add further restrictions to the UK law which may not be necessary.

In my view, there should be a pragmatic and flexible approach to environmental assessment. We should not, by blanket legislation, risk introducing new and unproductive procedural delays and at certain cost by superimposing an additional layer to the decision-making process. We should be trying to simplify the vital aspects of environmental assessment and planning procedures for all Member States. This is a prerequisite for a policy to ensure that economic progress does not harm human beings or the natural environment.

Simplified procedures are essential at a time of severe unemployment. Projects must not be subjected to unnecessary delays. In general, the Commission proposals provide more avenues for objectors, always asking for more and more possible alternatives to be assessed, thus creating longer and longer lead-in times. It has been estimated by the Central Electricity Generating Board, for instance, that one year's delay in a new power station may cost as much as £ 60 m or DM 250 m.

In general, as I say, most Member States have their own procedures, and as far as the UK is concerned, I happen to believe, being a member of my local planning committee, that we have adequate protection. History shows that agriculture and forestry are the proved custodians of the countryside. If agriculture prospers, so does the rural environment; if agriculture is squeezed, another layer of planning bureaucrats is going to make the matter even worse. Present arrangements, including planning-permission requirements, are working satisfactorily. To take the major step of moving from no controls on agriculture and forestry, as far as environmental assessment is concerned, to placing these industries in Annex I of the Commission's proposals, along with nuclear power stations, petrochemical complexes and blue asbestos manufacturing, is totally ridiculous. This will impose a standard system of controls throughout the Community that will take no recognition of local requirements, of climate, topography or the general approach to forestry and agriculture. The expertise of a European control is doubtful at the least, whilst being rigidly restrictive and totally unsympathetic to economic demands. In the region I come from in Scotland, for instance, we have no problem. It will mean development control and elaborate assessments where they are

not necessary. I therefore urge Parliament to reject Amendments No 78 and No 80, as agriculture and forestry are in no way similar to the other problems I have listed. If this proposal had been followed 500 years ago, we should have no arable land or farms now.

President. — I call Mr Muntingh.

Mr Muntingh. — (NL) Mr President, how Mr Provan, who normally speaks quite sensibly, can say that if agriculture prospers so does the rural environment, is beyond me. I challenge him to back this up with hard facts and not just make facile statements.

Mr President, I should like draw the attention of this House very firmly to one point which is reflected in Amendment No 8 by Mrs Seibel-Emmerling, in which she proposes that the reporting of probable environmental effects should apply in the case of Community projects too. I do not think this is possible, from the formal point of view, in this Directive, since it is addressed to the Member States. However, there is nothing to stop the Commission making a statement to this effect off its own bat and thereby officially committing itself to report possible environmental effects of projects which it has a hand in, and I challenge the Commission, represented by Mr Narjes, to make this statement here and now. This is, I think, of particular relevance in cases where the European Community takes part in projects in the Third World. Regardless of whether these are financed through the European Investment Bank or through the European Development Fund or in other ways, this obligation must apply — if only to prevent our money being used to export the environmental blunders which we have made and are continuing to make here in Europe — to the developing countries.

Assessment reports on environmental effects will enable us to avoid, for example, polluting industries which do not pay being exported and our harmful products dumped in economically weak countries, and will help prevent us willfully destroying nature in the developing countries simply to have some work and earn a bit of money — and I could give you enough examples of these things.

Mr President, the aim of the reports on environmental effects is to give us an idea in advance of the possible environmental consequences of a proposed project. This is not merely completely reasonable — it is vital, as we can easily see if we look at the environmental scandals which are mushrooming in all parts of the world including, let us make no bones about it, in the European Community too. For example, if we had previously drawn up a report on environmental effects in connection with the production of potassium salts in France and Germany, would we have had such an enormous Rhine salt problem as we have now? If we

Muntingh

had known in advance what the environmental and, in particular, economic consequences of the uncontrolled dumping of dangerous chemicals would be, would we have had cases such as Lekkerkerk in the Netherlands? The answers are self-evident. Obviously, we should think twice before discharging or dumping certain substances or even before constructing factories — think, for example, of Seveso.

Reports on environmental effects are therefore a stern necessity and I am therefore very pleased that the Commission has taken the initiative with a view to introducing legislation in this respect. This does not mean that I go along unreservedly with the contents of the proposal — this is not the case. The proposal is clearly a compromise and it is not hard to guess why. Those who would have to make substantial changes in their policies and would have active participation of environment-conscious citizens to contend with if the directive comes into force and would not find it very nice, since they would no longer be able to go on calmly doing what they are doing and their nice habits would suddenly be revealed to all, have naturally used all their influence to persuade the Commission to be fairly lenient in defining what they regard as harmful and they have a perfect right to do so. Thus, I am pleased at this proposal by the Commission but I also think that the amendments tabled by the Committee on the Environment could substantially improve it and make it less of a compromise. I myself had a part in drawing up these amendments and I will therefore conclude by recommending the amendments tabled by the Committee on the Environment and myself. Finally, Mrs Weber, I should like to congratulate you on your excellent report.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, ladies and gentlemen, I should like to begin by thanking the rapporteur most sincerely for her excellent report and for her political introduction to this debate. I should also like, on behalf of the Commission's Directorate-General XI, to thank you for the kind words you had to say about our officials, who have made such an important contribution in the Commission to the development of a Community environmental policy. Finally, I should like to thank Mr Tyrrell for his opinion on behalf of the Legal Affairs Committee, which has been very helpful to us in this difficult matter.

The Commission is pleased to note that this debate and the discussion which preceded it over the last 20 months have made a major contribution to the formulation of the aims of a joint environmental policy. The Commission is convinced that today's debate constitutes a major step on the way to the realization of the principle of prevention, a principle which is, as far as we are concerned, one of the main pillars of environmental policy.

In the Commission's view, an indispensable element in any rational preventive policy is, as is stated in our environmental programme, the introduction of appropriate contemplation processes for all specialized planning and decision-making processes which are likely to have a substantial environmental impact, provided such processes do not yet exist in the Member States. Only if the effects can be recognized early enough and taken into consideration is it possible to reach optimum planning decisions from the economic and ecological points of view.

A first important step was taken along this road with the sixth amendment to the directive of 1967 on dangerous substances. As a result of the introduction of an environmental impact assessment for new chemicals before they were brought onto the market account was taken of legitimate environmental considerations and a step was taken towards preventing the distortion in the free international movement of goods which would have resulted from initiatives taken by the industrialized countries in isolation. The present report concerns environmental impact assessment in the case of private and public projects relating to industry, agriculture and the infrastructure. The Commission has repeatedly made the point that, in its view, all decision-making processes which are likely to have substantial environmental effects should, in the long run, be subject to a suitable form of environmental impact assessment. However, for the time being, the Commission has confined its initiative to the approval of certain specified projects for the following reasons.

All the Member States already have approval procedures for all projects affecting the environment. In that respect, our proposal does not create the need for any new authorities or any new procedures.

As regards the assessment of the environmental impact of given projects, there are already methods and procedures which will facilitate implementation of the directive in all parts of the Community.

However, it is conceivable that too great a variation in the assessment of environmental impact between the national approval procedures might have the effect of distorting competition in the event of investment decisions. There therefore seemed to be a need for the Community to take action in this field with a view in particular to making things more equal from the point of view of different locations.

The aim is to apply the environmental impact assessment instrument only on a gradual basis so as to avoid any unnecessary difficulties. What we have here is European framework legislation which is needed to make the various locations more equal in the short term, i.e. in the 1980s. We would be overstressing environmental legislation and the legislative processes in the Community if we were to adopt the perfectionist approach and prescribe the presentation of all

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conceivable specialized plans and data before even looking at decisions on general principles. The effect of demanding an excessively perfectionist approach along these lines would be to delay the entire operation for a decade, and that is certainly not the Commission's intention.

Despite what we believe to be this wise restriction, the Commission took an unusually long time over the preparation of this proposal. This was due in particular to the fact that we tried, in the course of numerous consultations with all interested parties, to bear in mind every conceivable relevant aspect. As has already been said on a number of occasions today, this detailed preparatory period is best documented by the fact that the Commission waited until the 23rd draft before deciding that that was the document which should be forwarded to Parliament and the Council. What I mean by this is not that all 23 drafts were presented to the European Parliament, but that 23 versions were drawn up internally in the Commission before we arrived at a solution which we thought capable of reaching a consensus and taking into consideration all the known and legitimate objections. After all, what we are doing here is legal and ecological pioneering work, dealing with difficult material in the marginal areas of public and private law, social law, economics and business affairs, and so it is hardly surprising that a great deal of intensive thought was given to the matter before we reached this stage.

I would ask you to view this protracted preparatory phase not as a reflection of the quality of the research that is going on at present, but rather as an indication of the advanced state in which that research was presented to the bodies responsible for their perusal and decision. Our central concern was always to achieve as ideal a balance as possible between environmental interests, the need to harmonize competition conditions and the required degree of flexibility and simplicity in the application of the directive.

We have no intention of causing even a single hour's additional bureaucratic work for anyone in the Community. Our intention is solely to do whatever is necessary and feasible as efficiently as possible and thus to make progress on a reasonable and sensible scale.

The Commission feels that optimum balance will be achieved by confining the proposal to prescribing the incorporation of the constituent elements of environmental impact assessment into existing approval procedures.

It therefore follows that the remarks I have to make on the amendments which have been tabled are dictated first and foremost by the need to retain this element of balance. I would also point out that, in the well-nigh 20 months which have now passed since the proposal was forwarded to the Council, the Commission has been negotiating constantly with the Member

States' governments, and is therefore fully aware of all the difficulties which are barring the way to the requisite consensus.

I should like to inform Mrs Weber on this point that the Commission has explained the various options and aspects behind its decision to the Member States' experts in the Council and its specialist committees who were concerned with more or less the same objections, fears and questions which came up in all such committees. On no point have we made any political, substantive or other legal concessions.

The Commission has an entirely free hand in its subsequent negotiations with the Council. We are bound by no undertakings. I am not aware of the minutes of the Economic and Social Committee, but should they say anything other than that, then they are not an accurate reflection of the situation. Given the importance of the proposal, the Commission wishes to retain as far as possible the consensus which has been reached so far. We are of course prepared to make concessions in the face of legitimate national interests, so long as these do not detract from the aims and the effectiveness of the directive. It sometimes happens that, just by changing the wording, we can reach a new understanding and thus reach agreement. In that respect, we do not take a pessimistic outlook.

In those cases in which the Commission is in agreement with the substance of the amendments, we would prefer to decide ourselves on the final form of the proposed amendments to be forwarded to the Council in accordance with Article 149 of the EEC Treaty, and provided they are adopted by the House, this would affect in particular Amendments Nos 1, 4, 6, 9, 10, 12, 28, the last part of 30, 31, 36, 37, 66, 67, 70, 71, 74, 75, 80 and 81.

The Commission would have grave reservations as to Amendments Nos 29, 64, 65 and 73, the aim of which is to include plans and programmes within the scope of the directive.

I hope I have made it clear by now for what reasons the Commission feels that it should at the moment confine itself to the environmental impact of specific projects. Nonetheless, and in accordance with paragraph 12 of the motion for a resolution, we intend to give thought to the question of submitting a proposal relating to public plans and programmes at a suitable time and in the light of the experience gained in the implementation of the present proposal. I would, however, draw your attention to the special constitutional problems which will be involved here.

As regards Amendments Nos 41 and 77, the Commission sticks to its view that the entire structure of the directive was conceived with a view to the satisfactory testing of the system. The Commission assumes that Annex 1 lists only the categories of projects which will always, in any circumstances, justify the carrying out

Narjes

of an environmental impact assessment, while Annex 2 is intended to facilitate examination of the procedures emerging in the Member States.

Otherwise, the directive is absolutely of a structural nature. The categories of products are set out in the annexes by reference to industrial sectors purely for ease of comprehension. Perhaps I may reply at this juncture to Mr Muntingh's question by saying that the Commission adopted a positive stance on the point made by him in its third programme and has already started forcing through certain environmental aspects in the context of measures taken under the Regional Fund, the Agricultural Structural Fund, the European Investment Bank and other instruments at our disposal.

(Applause)

To get back to the two annexes, the Commission cannot, for reasons of principle, accept Amendments Nos 14, 15, 16 and 82, seeking to delete certain passages. With regard to Amendment No 78, the Commission, while sharing Parliament's view that agricultural projects certainly belong within the scope of the directive by dint of their sheer size, does not think that all agricultural projects without exception should be subject to environmental impact assessment, on the grounds that, for very small-scale projects, this would be regarded as pure bureaucratic chicanery. Moreover, both the amendment itself and the speeches we have heard today relating to that amendment all concede that, for instance, what is at issue is merely 'major agricultural projects'. To that extent, I am sure we shall be able to reach agreement on a suitable cut-off point from which environmental impact assessment could be applied.

It seems to me that Amendment No 34 could reasonably be covered by Amendment No 36. Amendment No 35 brings up the general problem of the inclusion of military installations. We believe that the time is not yet ripe for dealing with this subject in this directive. Amendments Nos 7 and 39 are aimed at the deletion of Article 11. The Commission's view is that the retrospective examination of an environmental impact assessment which has already been carried out and the question of what additional measures may be required is an important element in its proposal. We are, however, prepared to take another look at the wording to ensure that no legal complications can arise as a result of approvals granted for an unlimited period.

As to the rest of the amendments, I shall refrain, for reasons of time, from going into detail. To the extent to which a given amendment affects the Commission's proposal, we would, for various reasons, be against accepting that amendment either because it is, in our view, too restrictive — as is the case with Amendments Nos 2, 5 and 13 — or because it does not conform to the system — e.g. Amendments Nos 8 and 68 — or

because they are not essential to the campaign — e.g. Amendment No 72 — or because they are already covered by the text or because they would involve an additional work load on the national administrations which is not absolutely essential — e.g. Amendments Nos 11 and 38.

The large number of amendments tabled is, as far as the Commission is concerned, evidence of the interest and importance attached by the House to the Commission's proposal. A positive response on the part of the House, which we hope will be forthcoming, is of great importance as regards the early adoption of this directive by the Council.

IN THE CHAIR: MR DANKERT

President

President. — The debate is closed. The motion for a resolution will be put to the vote the next voting time.

9. Votes¹

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

We shall begin with the *Blumenfeld report (Doc. 1-685/81): Role of Parliament in the negotiation and ratification of treaties.*

(...)

Paragraph 1, letter A — Amendments Nos 1 and 25

Mr Blumenfeld, rapporteur. — (DE) Mr President, these are fundamental amendments. As rapporteur I must keep to the text of the Political Affairs Committee. Mr Seeler's Amendment No 25 would make the whole process extremely difficult in future because — and here I am referring to Amendment No 1 as well — there would be an added complication to the very burdensome and already inefficient arrangements of the Luns-Westerterp procedure. This would not be to Parliament's advantage and I am therefore against both amendments.

¹ The report of proceedings gives only those parts of the vote which gave rise to speeches. For a detailed account of the voting, see Minutes.

President. — I call Mr Seeler.

Mr Seeler. — (DE) Mr President, Amendments Nos 3 and 5 cannot be regarded as having fallen on account of the adoption of Amendment No 1. They really ought to be voted on, since they concern a change to Amendment No 1.

President. — I do not think Mr Seeler's proposal can be accepted, because the original text has been replaced by a new one. As a result, the amendments to the old text fall. Does the rapporteur have any suggestion to offer?

Mr Blumenfeld, rapporteur. — (DE) I agree with your interpretation.

(...)

Point V of letter B — Amendments Nos 6, 26 and 21

Mr Blumenfeld, rapporteur. — (DE) I do not think Amendment No 6 is a useful change and I therefore reject it. I also reject No 26, but I am willing to accept No 21.

(...)

Point Vi of letter B — Amendments Nos 29, 7, 27 and 22

Mr Blumenfeld, rapporteur. — (DE) Mr President, I do not have a copy of Amendment No 29 by Mr Israël and I can therefore make no comment on it.

President. — I shall read out Amendment No 29, by Mr Israël, which seeks to amend paragraph 1, point VI of letter B as follows:

Following the signing of the Treaty of Accession Parliament shall hold a debate.

(...)

Paragraph 1, letter C — Amendment No 30

Mr Blumenfeld, rapporteur. — (DE) I do not have a copy of Amendment No 30 either.¹

President. — Mr Blumenfeld, Amendment No 30 by Mr Moreland seeks to delete everything in subparagraph C after the words *before they are concluded*.

(...)

Explanations of vote may now be given.

Mr Petersen. — (DA) Mr President, the Danish Social Democrats' ideal for the EEC is the Europe of fatherlands, of cooperation between equal sovereign countries in a Community of States. That is why the Council of Ministers is the central institution and not Parliament or the Commission, and that is why we are opposed to any attempts, including the Blumenfeld report, to transfer powers from the Council of Ministers to this Assembly. The course of history up till only too recently has taught us that it is dangerous to sit down to table with the large countries, but if we are to sit down to table with them, it must be done as far as possible on an equal footing. We will therefore fight tooth and nail, here and in the Council, to defend the national right of veto.

It is amazing that this House cannot appreciate that it is the improved consultation procedures since the Luxembourg compromise that are the nucleus of European cooperation, and not the formal treaties or visions of union. A parliament which is so out of touch with reality is a parliament of illusions. Let us come down to earth, ladies and gentlemen, let us get on with the day-to-day work and not puff ourselves up like the frog in the fairy tale. We can start by clearing away the scores of Commission proposals on which it is our duty to express opinions, but which we have not had time to deal with because we have been building castles in the air like those in the Blumenfeld report.

I shall therefore be voting against Mr Blumenfeld's motion for a resolution.

Mr Ephremidis. — (GR) Mr President, as representatives of the Greek Communist Party in this House we shall be voting against the motion for a resolution as a whole, for there can be no doubt that its aim is to give the European Parliament not only the compulsory right to be consulted, but also decision-making powers, and this is something which is clearly outside the spirit and letter of the Treaty of Rome. Its aim is to replace the national authorities — the only bodies responsible under Article 236 of the Treaty of Rome — with an interinstitutional agreement between the Council, the Commission and the European Parliament, the result of which will be to restrict the national sovereignty of the Member States of the EEC.

Its aim is also to make the European Parliament into a kind of constituent assembly in which a reactionary majority will impose the wishes of important interests without the weak being able to protect themselves by means of the veto.

If the motion is approved, this will be yet further confirmation that it is the law of the jungle which rules in the EEC, and the workers will draw the necessary conclusion that their interests can only be protected by a withdrawal from the EEC.

¹ The rapporteur was also:
— in favour of Amendments Nos 9, 18, 19, 22, 23 and 24;
— against Amendments Nos 2, 7, 20, 27, 29 and 39.

Written explanation of vote

Mrs Hammerich. — (DA) This is yet another of the Political Affairs Committee's reports on European union. The committee appears to be indefatigable when it comes to giving the European Parliament powers taken from the Member States. When will you realize that all this is pointless?

The aim of this report is to give the European Parliament legislative powers when it comes to reaching agreements with third countries and when new countries are negotiating membership.

The report is legally untenable. It maintains that a gentlemen's agreement with the Council and Commission can lead to their taking 'full consideration' of Parliament's opinion, whereas this requires an amendment to the Treaties, since the European Parliament is *not even mentioned* in Article 237, which deals with the accession procedure.

We shall be voting against the motion, and so should all those who respect the law and current agreement.

(Parliament adopted the resolution)

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* *

President. — We shall now consider the *Squarcialupi report* (Doc. 1-848/81): *The aged in the Community*.

(...)

After paragraph 12 — Amendment No 1

Mrs Squarcialupi, rapporteur. — (IT) I am against the amendment because in the motion we call on both Community and national institutions and I do not think we can here ask for old people to be used as members of governing boards.

(...)

Paragraph 16 — Amendment No 3

Mrs Squarcialupi, rapporteur. — (IT) Mr President, I am against the amendment. Furthermore, I would ask the Members to read the amendments before they vote, and not just follow the party line.¹

(...)

President. — Explanations of vote may now be given.

Mrs Van Hemeldonck. — (NL) I shall be delighted to vote for this motion as it is based on an excellent report and excellent recommendations. But I am quite adamant in insisting that the Commission bear in mind

paragraph 38 of the explanatory statement, which refers to the need to bring social security and family legislation in line with the actual *de facto* family situation, affecting people whose life together has been based on love and companionship rather than on any formal recognition in law.

I should also like the Commission's proposals to be drawn up with due regard for paragraph 3 of the opinion by the Committee on Youth, Culture, Education, Information and Sport. Many elderly women in fact live in great poverty because their pensions are affected by all the discrimination they have experienced in the past: restricted career opportunities, interrupted pension rights because of bringing up children, the requirement to resign on marriage and lower pay scales.

(Parliament adopted the resolution)

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* *

President. — We now move on to the *Weber report* (Doc. 1-569/81/rev.): *Environmental impact of certain projects*.

Proposal for a directive

Article 1(1) — Amendment No 8

Mrs Weber, rapporteur. — (DE) I am sorry to say that the committee decided against this amendment and on behalf of the committee I must therefore reject it.

(...)

Article 1(2) — Amendments Nos 1, 2 and 64

Mrs Weber, rapporteur. — (DE) I am in favour of Amendment No 1. There should be a split vote on Amendment No 2 by Mr Tyrrell. The committee could not make up its mind, and therefore I shall leave it at that. Amendment No 64, which was tabled by the Committee on the Environment, Public Health and Consumer Protection, is of course endorsed by our committee.

(...)

Article 4(1) — Amendment No 67

Mrs Weber, rapporteur. — (DE) The committee decided here to delete the words *with the agreement of the Commission*. I am in favour of the amendment.

(...)

Article 4(3) — Amendment No 28

¹ The rapporteur was also in favour of Amendment No 2.

Mrs Weber, rapporteur. — (DE) The committee took no vote on the amendment. I am against it.

(...)

Article 4(3) — Amendments Nos 9 and 29

Mr Muntingh. — (NL) I withdraw my Amendment No 29 in favour of Amendment No 9.

(...)

Article 5 — Amendments Nos 30, 3 and 68

Mrs Weber, rapporteur. — (DE) No vote was taken in committee on Amendment No 3 by Mr Tyrrell. Since the Commission has previously said it is in favour of Amendment No 30 by Mr Muntingh, I assume that the committee would be in favour as well.

(...)

Article 6(1) — Amendments Nos 32, 31 and 69

Mrs Weber, rapporteur. — (DE) Amendments Nos 31 and 32 by Mr Muntingh were not considered in committee. As rapporteur, I am in favour of No 32, against No 31 and in favour of No 69.

(...)

Article 8(1) — Amendments Nos 10, 75, 38 and 11

Mrs Weber, rapporteur. — (DE) Amendment No 10 by Mrs Seibel-Emmerling was rejected by the committee. Amendments Nos 11 and 38 by Mrs Seibel-Emmerling and Mrs Schleicher are almost identical up to the insertion of the deadline. I am in favour of these amendments. Amendment No 75 was also approved by the committee.

(...)

Article 9 — Amendments Nos 33 and 6

Mrs Weber, rapporteur. — (DE) I am against Mr Tyrrell's amendment and in favour of Amendment No 33 by Mrs Squarcialupi.

Mr Sherlock. — Could I ask if occasionally the rapporteur would make it a little more clear whether it is her opinion or the committee's opinion?

President. — The rapporteur has to be protected because I have understood so far that it was the committee's opinion.

Mr Sherlock. — No, not this last time.

Mrs Weber, rapporteur. — (DE) Mr Sherlock, Mr Tyrrell's amendments on behalf of the Legal Affairs Committee were tabled too late for our committee to consider them. In these circumstances I can only give my own opinion, and I make that clear each time.

(...)

Article 11 — Amendments Nos 7 and 39

Mrs Weber, rapporteur. — (DE) I am against the deletion of this article and I am glad that the Commission has also supported this view.

(...)

Annex 1(2) — Amendments Nos 15, 34 and 77

Mrs Weber, rapporteur. — (DE) I am in favour of Amendment No 77. Amendment No 15 was rejected in committee. Amendment No 34 by Mrs Squarcialupi is new, but it fits in well with the general pattern.

(...)

Annex 2(1) — Amendment No 80/rev.

Mrs Weber, rapporteur. — (DE) On behalf of the committee I must withdraw this amendment. Originally the whole agriculture section was in Annex 2. The committee wanted to move it to Annex 1. This amendment no longer has any point, however, since all the agricultural items have to remain in Annex 2.

(...)

Annex 2(3) — Amendments Nos 16 and 36

Mrs Weber, rapporteur. — (DE) The committee was against Amendment No 16. It did not consider Amendment No 36 by Mrs Squarcialupi but the amendment fits in. I am in favour of it.

(...)

Annex 3(3) — Amendment No 37

Mrs Weber, rapporteur. — (DE) I am in favour of the amendment, although there was no vote on it in committee.

(Parliament approved the proposal for a directive)

Mrs Weber, rapporteur. — (DE) I feel that the committee's general opinion has been followed.

Weber

Personally, I am sorry that the agriculture section was rejected but on the other hand I am delighted that special attention has been given to the effects across frontiers. I was happy to vote in favour for this reason.

(...)

Motion for a resolution

Paragraph 11 — Amendments Nos 83 and 21

Mrs Weber, rapporteur. — (DE) I regard the original text as more correct and I am therefore against both amendments.

(...)

Paragraph 13 — Amendments Nos 23, 85, 87 and 88

Mrs Weber, rapporteur. — (DE) I am against Amendments Nos 23 and 85, since in this way the general public's participation would be curtailed. I am in favour of the other two amendments, Nos 87 and 88.

(...)

Paragraph 16 — Amendments Nos 25 and 89

Mrs Weber, rapporteur. — (DE) I am against Amendment No 25 and in favour of Amendment No 89, because it improves the text.

(...)

After paragraph 16 — Amendment No 41

Mrs Weber, rapporteur. — (DE) We voted on a similar amendment at the beginning of the annexes and I think that this amendment should therefore fall.

President. — Do you agree, Mrs Schleicher, to withdraw this amendment as a consequence of earlier votes?

Mrs Schleicher. — (DE) The annexes are unfortunately not arranged as they should be. I should like this amendment to be incorporated in the resolution and I should be grateful if there could be another vote on it.¹

(...)

(Parliament adopted the resolution)

10. Small and medium-sized undertakings (continuation)

¹ The rapporteur was also:

- in favour of Amendments Nos 4, 20, 32, 33, 35, 65, 66, 69, 70, 71, 72, 73, 74, 76, 78, 79, 81 and 82;
- against Amendments Nos 5, 6, 9, 12, 13, 14, 17, 19, 22, 24, 26, 27, 29, 31, 40, 68, 84 and 86.

President. — The next item is the continuation of the debate on the report (Doc. 1-854/81), drawn up by Mr Deleau on behalf of the Committee on Economic and Monetary Affairs, on the situation of small and medium-sized undertakings in the Community.

I call the Liberal and Democratic Group.

Mr Calvez. — (FR) Mr President, ladies and gentlemen, in considering today the question of SMUs, Parliament is opening a debate on what is for at least two reasons an essential question for the future of the European Community.

The first reason is that small and medium-sized undertakings have their own role in the economic and social sectors. Do I need to remind you that the SMUs occupy two thirds of the labour force not occupied in agriculture or public administration? And, at a time where unemployment is the lot of almost 10% of the active population, there is a potential for job creation which would lead to a major expansion of this sector.

Secondly we must take note of the flexibility and propensity to innovation of small and medium-sized undertakings: they are very significant. They represent both the keystone of our economic system and our society's inevitable road to the future. To strengthen the SMUs is to opt for a society of progress.

Speaking as I do on behalf of the Liberal Group, I would like to echo the words of my colleague Francis Combe who pointed out that the Deleau report unfortunately made no mention of craft trades as such. Of course, the legal definition of craft trades varies from one Member State to another; in a number of countries they are considered as small and medium-sized undertakings. This is why they are not mentioned in the report we have before us. The fact is nevertheless that no matter how one defines them craft trades differ from other businesses in the very specific professional qualification of the owner himself. No matter which country it is in, such a business is run by a craftsman. He has spent years in training, usually through an apprenticeship leading to a professional or trade qualification. And, with my colleagues Mr Combe and Mr Pininfarina, I consider that we in this Assembly should have a full debate on craft trades. I would remind you that the Committee on Economic and Monetary Affairs has adopted a resolution proposing to make 1983 the year of the craft industry and SMUs and that if this is to be we must organize the resources for such a project.

However, turning to the SMUs themselves, we can see that these days they are having real problems surviving. During the last few months we in France have seen a significant increase in the number of bankruptcies and liquidations. As Mr Deleau stresses in his report, if we really wish to give new impetus to the work of small and medium-sized undertakings within the

Calvez

Community, we must set up a suitable finance scheme for the creation and support of SMUs. Such finance could form part of the increased Community borrowing and loan facilities — for example a section of the NCI could be released for the purpose. Such selective finance would be for the benefit of businesses which have a significant potential for innovation or are carrying out effective modernization. What is more, the contribution which SMUs can bring to job creation is frequently vitiated by the weakness of their position with financial institutions and by the difficulties which such undertakings have in penetrating the public and export markets. National governments, therefore, as much as the Commission must ensure that there is a continuing flow of public and private investment to create the conditions in which SMUs can expand.

In concluding, I would add that we must likewise improve the means for small businesses to finance expansion and innovation, we must draw up a programme aimed at spreading new technology into the SMUs, and we must take steps to encourage the establishment of service businesses offering market study and agency services to the SMUs so as to encourage exports both within and outside the Community. Those, essentially, are the points I wished to put to you in these few minutes, whilst adding my own congratulations to those already offered to Mr Deleau for his uniformly excellent report.

IN THE CHAIR: MR ESTGEN

Vice-President

President. — I call the non-attached Members.

Mr De Goede. — (NL) Mr President, it is most fortunate that we have the opportunity to discuss the situation of small and medium-sized undertakings here in this Assembly today. I should like to thank Mr Deleau for his excellent report. In at least two respects it is of particular importance. The first, because in the present difficult employment situation it is the small and medium-sized undertakings that are intensive employers of labour, and that is very significant. It is essential that we prevent the loss of further jobs in the SMUs, too; it is here, on the contrary, that jobs must be created. The second is that small and medium-sized undertakings have a major function in meeting consumer needs in the countries of the Community, and, in the last analysis, the consumer is a European. He must be shown, more than hitherto, that European policy takes account of him.

I have one or two comments on the contents of the report itself. Firstly, a persistent difficulty — I have

already pointed this out in the Committee on Economic and Monetary Affairs — in that no clear definition is set out of what this class includes. The purpose of the proposed measures is to prohibit differences from country to country on the basis of different sizes of undertaking. In other words, the intention is to prevent the limit in one country being set at, say 100 workers, or a certain turnover, and higher or lower in another Member State.

Secondly, with reference to the financial question, a number of possibilities are put forward in the report. EEC aid is fine, but the problem is how we reach the firms concerned. Get good information, use it properly, and no messing about with red tape: that is what has to be done. That is perhaps best achieved through cooperation with national information sources within the Member States, and I trust the Commission realizes this.

Third, management training must be improved and extended, but the same question arises: how do we reach the right people, and the same answer to the Commission holds good: good information.

Fourth, the European limited liability company seems like a good idea. The problem is that so far the Council has failed to give approval to the regulation on preliminary vetting of mergers. This, of course, would add a desirable measure of competition to a number of sectors, and the opportunities for small and medium-sized undertakings would thereby be enhanced. Open invitations to tender must be held in the Community, so as to give more chance of success to these businesses.

Fifth, the small and medium undertakings have potential for improvement as regards innovation. The report rightly points out that Community support is necessary.

Sixth and last observation: in fiscal matters the proposal — and I cannot follow the motivation for it — is that for this type of business an alternative basis for capital allowances, based on the replacement value, should be available. We really cannot have different bases for capital allowances in force for businesses of different sizes, and in any event, this is where the lack of a proper definition comes home to roost. Which of them benefit, and which do not? That, I feel, is a weakness in the report.

To conclude, it is clear that a broader programme is needed than the couple of points suggested by the Commission in its note. The Deleau report gives a range of possibilities, and I trust that the Commission will be intelligent enough to put it to good use. As regards the question of book prices, I close by giving my support to the views expressed yesterday by Mr Beumer.

President. — I call Mrs Nikolaou.

Mrs Nikolaou. — (GR) Mr President, the quantitative role played by small and medium-sized undertakings in the economies of countries such as Greece is particularly important. No matter where the line is drawn between small and medium-sized and large undertakings, the conclusions are the same. The small and medium-sized undertakings predominate. I need only point out that in Greece, in the processing sector alone, out of the 130 000 production units in 1978 — the census year — 70% employed 0 to 2 workers over the year, 24% 3 to 9 workers, 5% 10 to 49 workers, and only 1% employed more than 50 workers. Of the latter only 15 undertakings, i.e. 0.1%, employed more than 500 people, thereby qualifying as large undertakings according to the criteria in developed countries. In the service sector, and particularly in commerce, the proportions for the size groups I mentioned above are even more striking. Of course, the relative importance of small and medium-sized undertakings in the total number of undertakings is considerable in the developed countries as well, but there are nevertheless some fundamental differences. In the less developed countries, unlike the situation in the developed countries, the small and medium-sized undertakings, firstly, employ a very high proportion of the industrial labour force — 60% of all industrial workers in Greece are employed in small and medium-sized undertakings — and, secondly, their production is to a great degree competing against, and not complementary to, the production of the large undertakings. To illustrate this more clearly, I would point out that, in Germany, for instance, the great majority of small and medium-sized undertakings are engaged in the exploitation of patents, which is an indication of the high level of complementarity and specialization within the economy. On the other hand, the less developed countries do gain some comparative benefit from the operations of small and medium-sized production units, and it is therefore worthwhile providing them with special support. The entrepreneurs have a lot of experience in the organization, administration and operation of small and medium-sized units, and the workers are more skilled in production processes which require their fundamental participation in the manufacture of the product.

I would, however, like to draw attention to one disquieting trend which, in Greece at least, is becoming noticeable from one census to the next. The number of small and medium-sized undertakings established outside Athens and Thessaloniki is continually declining, and this is particularly the case on the islands and in the Peloponnese. In a Community in which small and medium-sized undertakings exist alongside each other with enormous differences in their level of development, it is impossible to implement a uniform policy. In our view, this should be emphasized in Parliament's report. Moreover, it is essential for the criteria for differentiating between

small and medium-sized undertakings and large undertakings to differ according to the socio-economic conditions obtaining in each Member State. The application of any uniform definition throughout the whole of the Community weakens the effectiveness of the measures to help the small and medium-sized undertakings. For instance, even before the Accession, Greece was giving collective grants to small and medium-sized undertakings. However, since the Community criteria laid down that small and medium-sized undertakings included those employing a large number of workers — up to 500 — the aid was channelled towards the large undertakings — large by Greek standards — while the overwhelming majority of small and medium-sized undertakings in the country were left with nothing. In our view, the problems of small and medium-sized undertakings in the less developed countries — i.e. principally the lack of a suitable internal organization, the low level of specialization in production and the concentration on traditional products of low quality — can be tackled more effectively with special investment programmes which differ according to country, region and sector. We therefore call for the machinery for implementing such programmes to be strengthened through technical aid from the Commission, because it is obvious that these countries cannot, within a short period of time, tackle the complicated bureaucratic machinery and the strict conditions which are the product of the experience gained in the Community's more than 20 years of existence. These programmes must be accompanied by the strengthening and creation of schemes to meet the special needs of small and medium-sized undertakings, such as the setting-up of effective machinery to increase the volume of financing of small and medium-sized undertakings through collective grants, the extension of the legislation on mergers to take in small and medium-sized undertakings as well, with a view to encouraging cooperation between them, the transfer of technology etc.

As far as financing is concerned, calls such as the one for an increased allocation of aid for small and medium-sized undertakings from financing programmes generally go unheeded. There is a need for this allocation to be expressed quantitatively, i.e. for a certain proportion or amount to be set aside from Community resources for the financing of small and medium-sized undertakings in the less developed countries, where they represent a decisive factor in the survival and development of the domestic economies.

In conclusion, I should like to add that we in Greece are currently fighting the battle for development, which is identical with the battle to widen the basis of our production, and the small and medium-sized undertakings will be fighting a major role in this battle. I am sure that our partners in the EEC will give us the understanding and support we need if we are to achieve our objectives.

President. — I call Mrs Cassanmagnago Cerretti.

Mrs Cassanmagnago Cerretti. — (*IT*) Mr President, Mr Modiano has been called away unavoidably and has asked me to speak for him in this debate.

We support wholeheartedly the diagnosis made by Mr Deleau and the conclusions reached in his excellent report on small and medium undertakings; we would like to draw attention to one particular feature of today's industrial restructuring, and that is the seeking of more favourable conditions for flexible, smaller businesses which are capable of combining the smallest scale with the greatest capacity for innovation and the greatest operating efficiency. By definition small businesses meet these requirements but in doing so, by their very nature, they encounter particular difficulties.

Although we agree with the analysis given by the rapporteur in his report, we consider that there are three major needs which have to be stressed. Firstly, increasing business profitability and capacity for reinvestment. To this end we must release them from the restricted field of self-finance by fiscal changes including reduced taxes on new plant and simplified bookkeeping and tax requirements. This, however, is not enough. Suitable legal forms must be developed which will enable small businesses to adopt a form of company status more suited to their future development. And in passing we must hope that the Commission's proposal to establish a European cooperation group — to which this House has already given its approval — will be accepted.

The second need concerns improved access to means of credit and finance. The fundamental problem for small businesses still remains building up risk capital. To help in this the work of organizations specializing in attracting risk capital and using it in smaller industries must be encouraged. Such organizations must fulfil a dual role: firstly, seeking investment through the issue of their own debentures, and secondly, financing business through shares with a guarantee that the additional capital provided will not be used as a means of influencing management or development.

The third need is to strengthen small businesses in the market. Finding new markets is essential to the survival of small and medium undertakings.

The point put forward by Mr Deleau in his report relating to finance and export guarantees for small industry are without exception relevant, and deserve a quick response. I think I should add, however, that exporting is also aided by measures which encourage the high level of competitiveness required on the international market. It would, for example, be necessary to give small and medium industry access to data banks specializing in export trade market information. What is more, exports to developing countries can be

promoted by training foreign technicians on machinery produced within our Member States and by facilitating presence at fairs and exhibitions in far-away countries, particularly for high technology machinery.

Going beyond these views, we remain convinced that small industry can continue to develop its driving and linking role in our economy, but only on condition that it is not obstructed or weighed down by the particular nature of its own development.

President. — I call Sir John Stewart-Clark.

Sir John Stewart-Clark. — I should like to compliment Mr Deleau on a very workmanlike report. I would like to limit my remarks specifically to high technology. The technological challenges to small and medium-sized enterprises are growing rapidly. Indeed, technological development is often better undertaken in these enterprises than in larger companies. This is because entrepreneurs contribute their own ideas. They decide technological development programmes themselves. Consequently they tackle development and the use of new technology more flexibly and more expeditiously than large companies. Small and medium-sized enterprises have a strong orientation towards practical applications. There is also a much closer contact between research and development and the marketplace.

However, militating against small and medium-sized enterprises is the fact that they tend to produce many items in small quantities and economies of scale are difficult to achieve. They also have to compete with larger companies possessing greater manpower and greater financial resources. The Community and national governments must therefore create conditions where the development and use of high technology products by small and medium-sized enterprises can be positively stimulated.

Here are some suggestions. Firstly, I support my colleague, Mr Tuckman, by asking that 20% of all public contracts should be placed with small and medium-sized enterprises employing below, say, 100 people. This happens in the USA and look what brilliant technology has come out of there.

Secondly, suppliers of electronic and other technology components must work increasingly closely with small and medium-sized enterprises to develop new products using their components.

Thirdly, suppliers of high technology machines must help small and medium-sized enterprises to improve their production methods.

Fourthly, good incentive financing must be made available to companies purchasing new and expensive machinery in high technology spheres. I am glad to see

Stewart-Clark

that this is recognized in paragraph 26 of the outline programme of the Commission.

Fifthly, there must also be close coordination of grants for training researchers and engineers and this too is recognized in paragraph 28 of the Commission's programme.

Sixthly, the Commission must set up a library of sources of information of new technologies, including facilities for obtaining relevant software, and it should encourage circulation of information within small and medium-sized enterprises.

And, lastly, there should be coordination in the setting-up of research laboratories specifically to assist small and medium-sized enterprises.

I therefore support this resolution.

President. — I call Mr Leonardi.

Mr Leonardi. — *(IT)* Mr President, we are in favour of this motion for a resolution, above all because in putting it to us Mr Deleau has made a laudable attempt to initiate some action after many years of mere talk about small and medium industries. It is consequently principally in recognition of the motion for a resolution as a form of action that we shall be supporting it. Mr Deleau in his report spoke — and with reason — of the SMUs' needs for finance, for management training and for help in penetrating the markets in which they are involved.

There are other aspects which I would have raised first which make the small and medium undertakings particularly meritorious in the eyes of our society, and those are the contribution they have made to the process of integration and those they have made, and can still make, to the redevelopment of our economy. As regards the integration process we need think only of the contribution they have made to trade between sectors and the implicit contribution thus made to the spread of technological progress and assistance in the least developed regions. This, of course, is evidence for the need to abolish technical barriers to trade between our countries.

As regards restructuring, one can say without fear of error that small and medium industry has made a major contribution to the social training of new managers and new workers and has thus contributed — and can contribute even more in the future — to the process of restructuring through innovation.

For these reasons, which I add to those already given by Mr Deleau in his report, we support his proposals precisely because they represent concrete action which may well contribute to ensuring that in the future

when we talk of small and medium industry we shall be able to boast of greater successes than we have seen so far.

President. — I call Mrs Van den Heuvel.

Mrs Van den Heuvel. — *(NL)* Mr President, I would like to make a couple of short comments on Mr Beumer's oral question on the problem of book prices. The Commissioner responsible for competition policy and contact with the European Parliament has thought fit to rule that no exemption should be given under Article 85(3) of the EEC Treaty to the Netherlands and Belgian associations of book dealers, with the effect that future agreements on prices will not be possible. The effects of this action on the distribution of a product which, in the view of this House, directly affects the cultural interests of the individual can scarcely be estimated. What remains certain is that in any event the great diversity of the market for which the small Dutch-speaking area was previously renowned is now seriously threatened. And, as Mr Beumer has already pointed out, it is going to be the small, better-stocked bookshop, generally to be found in smaller towns, which will suffer. It should be clear to everyone what cultural damage will be caused to the inhabitants of small Dutch-speaking towns and villages, which as a rule are not too well off for culture in any case. That the Member of the Commission with special responsibility for relations with the European Parliament should thus consign a unanimous resolution of this Parliament to the wastepaper basket is appalling.

Fortunately there are still Members of this House who are not so accustomed to treatment of this kind from the Commission — and a fortiori from the Council — that they fail to make a fuss. They therefore will have rather more right to speak out in the 1984 election campaign than the gentlemen of the Commission — whom I assume will also be campaigning on behalf of their parties — and will doubtless be talking about the need to increase the powers of the European Parliament.

Despite the view of Parliament that it was necessary to draw up proposals for book prices, the Commission came out with a laconic statement accompanied by an invitation to the Dutch language book trade to put forward alternative ideas. The Commissioner can do that for himself. I shall myself be urging him today to see the error of his ways and to submit the alternative proposals which Parliament has called for as soon as possible. In this way the Commission will have the opportunity actually to demonstrate that it shares the widely-held view that books are of rather more consequence than sausages or toothpaste.

President. — I call Mr Newton Dunn.

Mr Newton Dunn. — Mr President, as the original proposer, back in 1979, of the motion for a resolution that has led to this debate, I am very glad that we are at this stage, and I congratulate Mr Deleau and the committee for producing what I consider is an excellent report and one which matches up with my original expectations.

Mr President, at a time when we have nearly 10 million unemployed in the Community we urgently need new jobs. That is obvious. What is also obvious, I believe, is that the new jobs will not come from the big companies. The only place we can find them is in new companies expanding and in the formation of new enterprises. That is why this debate is so terribly important and I look for real action from the Commission as a result of it.

I have proposed two amendments which I want to move. They are both supported by my group and, I hope, by other groups as well.

The first is Amendment No 18 to paragraph 3 which deals with the loans to small businesses. It's a very simple and obvious amendment and I cannot believe that anybody in that Parliament will disagree with it: it is that the interest rate charged on those loans to small businesses should at least be equivalent to the rates of interest which are charged to large companies. It should be so, because it is ridiculous to charge small businesses a higher rate of interest if they are required to compete with larger companies. They have got to compete on at least equal terms. I hope the Commission will give us that undertaking very easily.

My second amendment is entirely a new concept for the EEC, and I hope that the Commission will accept it as well. It is Amendment No 20 to paragraph 12 and it is that small businesses should be guaranteed a minimum of 20% by value of all the EEC's public sector contracts. Well, I am rather afraid that the Commissioner is going to stand up at the end of this debate and say that that is not possible. But it is possible, Mr Narjes, and as my colleague, Jack Stewart-Clark, has said, they do it in the United States already. Therefore, an excuse that it is not possible is not adequate. So I hope — and this is my final point — that when you stand up you will give us an undertaking that the Commission in Brussels will carry this one out.

But if you do not, will you please explain why we're so different from the USA and incapable of doing it, because I believe we can?

(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)¹

¹ *Membership of Parliament: see Minutes.*

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call Mr Kaloyannis.

Mr Kaloyannis. — (GR) Mr President, coming after the work done before on this subject, the Deleau report can be considered, above all, as productive, realistic, forward-looking and also imaginative. Small and medium-sized undertakings are still of major importance today, and if they are organized along the lines of the measures proposed in the report and the motion for a resolution, and it is made easier for them to be set up, maintained and rejuvenated, they will assume a prominent role in the economy of the Community and its Member States.

Of particular importance, of course, for the development of the national and private economies is and remains the contribution made by small and medium-sized undertakings in the poorer and less developed countries of the EEC, where the majority of enterprises are to be found in this category, and this applies to my country as well. My Greek lady colleague, who had more time at her disposal, has already spoken on this aspect and on the overall situation.

I would point out that, precisely because of their importance, the small and medium-sized undertakings have now fortunately started to attract the attention and to enjoy the protection of our national government, and this is reflected in various measures which have already been taken or which it is proposed to take to help them.

There is no clear definition of small and medium-sized undertakings either in the motion for a resolution or in Mr Deleau's report. I think this is a good move, because in my view this definition should be left to the initiative of the Member States, who can take account of national, local, sectoral and other factors. I am sorry that, because of the short time at my disposal, my speech is very general — I would even go so far as to say incomplete — for a report of such importance, to the point that I am afraid that my necessarily brief intervention might in some way detract from the seriousness of the subject.

I only wish and hope that this work will meet with an immediate and practical reaction on the part of the decision-making and executive institutions of the European Community and will not remain, like so many other proposals, wishful thinking.

In conclusion, I should like to state now — since I may not have the time when the occasion arises — that I find the amendments tabled by my colleague, Mrs Nikolaou, extremely interesting, and I should like to associate myself with them in advance.

President. — I call Miss Brookes.

Miss Brookes. — Mr President, ladies and gentlemen, this Community that we live in was not created by large industrial undertakings but by small and medium-sized businesses. It was these enterprises that grew into the large companies that exist today. But now as always the Member States are dependent on the small business and the entrepreneur. These are men and women who have invested their savings in their particular undertaking and who work with faith in themselves.

I ask that attention be given to the small and medium undertakings, particularly in the rural areas of our Community. In these rural areas today we are facing great social problems; people are leaving the country homes, leaving their rural environment, leaving to seek jobs in other areas and in the bigger cities. The small business or undertaking is ideal for the rural environment and the rural communities.

I want greater emphasis not only on basic rural craft industries but on the small businesses that fit into the rural environment, such as small agricultural repair shops, food processing plants and factories employing 15 to 20 people in each of the villages to create jobs. This we particularly need in the north of Wales. But we need financial investment in the rural areas of our Community so that young people can plan their futures in those particular areas. This Community is not made up of big cities and industrial conurbations, but the heart of our Community is in the country and I ask that the small and medium undertakings be given the circumstances to be created and grow.

President. — I call Mr Bournias.

Mr Bournias. — (GR) Mr President, in the excellent report on behalf of the Committee on Economic and Monetary Affairs, the rapporteur, Mr Deleau, has put forward valuable and serious measures to help the small and medium-sized undertakings of the Community, which play a prominent role in the economic development and the social policy of the Member States.

All the factors affecting small and medium-sized undertakings — financing, administration, training, technology, legal questions and taxes — are dealt with in full by the rapporteur both in the explanatory statement and in the motion for a resolution, so that there is no need to defend them or add anything to them.

I should particularly like to underline the role of small and medium-sized undertakings in creating new jobs, and it is this fact which constitutes the main argument *vis-à-vis* the Council and the Commission if we are to get them to accept the motion for a resolution on the establishment of a genuine programme of aid for small

and medium-sized undertakings which will coordinate the grants they have already received — mainly from the European Investment Bank, the Social Fund and the other Community bodies providing funds.

In the Commission's framework programme for 1982-1983 this view is given particular emphasis — i.e. the creation of jobs by small and medium-sized undertakings — and in the *Sunday Telegraph* of last Sunday, 14 February, Mrs Thatcher stated the following: 'We are on the right track towards achieving profitability and competitiveness if we give particular encouragement to small businesses. The governments of almost every country in the world are already following our measures with attention and interest.'

In Greece, even before our accession to the Community, the former government of the New Democracy Party attached particular importance to the small and medium-sized undertakings and established a programme comprising all the measures contained in the motion under discussion here.

Let me mention some of the Greek measures. For instance, grants to such small and medium-sized undertakings as give initial employment to young people up to 24 years of age for the first two years of employment, to cover the employer's contributions on the earnings of these young workers, the introduction of automatic aid for industrial loans, the organization their export efforts, etc.

For objectivity's sake, Mr President, I must recognize that the new PASOK government has also promised to continue supporting small and medium-sized undertakings.

Greece is in favour of the measures contained in the motion for a resolution, since it is already applying them, because it considers small and medium-sized undertakings as being at the forefront of industry and as the guarantee of a free economy.

The Greek Members of the New Democracy therefore unreservedly welcome the motion for a resolution and hope for the rapid implementation of the measures proposed.

President. — I call Mr Notenboom.

Mr Notenboom. — (NL) Mr President, the Group of the European People's Party wholeheartedly supports the report by Mr Deleau, who is more than mere rapporteur. He has been concerned with these matters for his whole life, which means he is being consistent and not just fashionable. In his report, Mr Deleau has quite rightly refrained from going into the philosophy, definition and economic and social significance of small and medium-sized undertakings in the

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Community. This has already been done and he refers to this previous work. On this occasion, he restricts himself exclusively — and rightly in our opinion — to practical measures which are now essential if small and medium-sized undertakings are to play their part in the European Community in this time of crisis. He also quite rightly realizes that the Community is still only partially integrated, with the result that the instruments which can be used not only to the advantage, but also to the disadvantage of the small and medium-sized undertakings are, for the most part, in the hands of the individual Member States and national legislators.

For this reason, this debate should first and foremost result in an appeal to the national legislators to put the general statements which have been made regarding the significance of the small and medium-sized undertakings into practice, since it is so fashionable to say that small and medium-sized undertakings are extremely important from the point of view of employment. Indeed people virtually look to them alone to rescue us from the difficulties we are currently going through. This is fashionable and many people have taken up the refrain that Mr Deleau has been teaching us for years now. However, they should realize that, in many cases, they are working in precisely the opposite direction day by day.

I personally think that if nationalization is carried out on a very large scale and on the basis of all too facile arguments, the people responsible cannot, fundamentally, be on the side of the small and medium-sized undertakings, since an essential feature of undertakings of this kind is that they can grow, even if it is only very few of them which can grow to any great extent. Thus, those who glibly advocate nationalization are fundamentally against the small and medium-sized undertakings and those who are trying to give the State-operated Post Offices the right to move into the insurance business, a field which up to recently was the exclusive preserve of independent agents, must ask themselves whether or not they are really acting in accordance with their assertions that the small and medium-sized undertakings are so important. Thus, I hope that an appeal will be made to the national legislators, who are still for the most part in control of the instruments which can be used to affect the situation of the small and medium-sized undertakings.

I should now like to put a question to Mr Narjes who I know always attached great importance to the small and medium-sized undertakings even before he was a Commissioner, and who now has responsibility for this question together with Mr Davignon. This might be regarded as an improvement in that there are now two rather than one Member of the European Commission responsible for the small and medium-sized undertakings. However, without actually complaining — since it is indeed apparent from many directives, the Regional Fund and innumerable documents drawn up by the European Commission that it

takes integration policy for the small and medium-sized undertakings seriously — I should nevertheless like to ask the Commissioner whether he can explain how the work is divided up between Mr Davignon and himself. I have no wish to be blasphemous, but I cannot help thinking of the story of Jesus in the temple. He left the temple and Joseph thought that the child was with Mary and Mary that he was with Joseph and they both calmly went home, but the child was lost. I hope that people do not find this blasphemous, since it is not intended to be. I also hope that the Commissioner does not take it amiss but I should like to use this example to ask you if you would be so kind as to explain how your work is divided up.

Finally, Mr President, I should like to speak very briefly on Amendment No 8 which was tabled by our Group. The aim of this amendment is to draw attention to the points included in the Report of 1978 on small and medium-sized undertakings, which was adopted virtually unanimously by Parliament at that time. On that occasion, the Commission made certain promises but it has not so far kept them all. It has kept a large proportion of them, for which I should like to thank it, but it has nevertheless not yet kept some of them, and this is what Amendment No 8 is about. The final indent need not be included, since this point is already contained in the report. However, this will probably have to be done by voting against it, since an amendment cannot be revised orally. We will see about this tomorrow.

I merely wanted to ask the Commission to give an answer on this point, since it had promised to look into alternative arrangements for the distribution of the burden of social security contributions, but it has not kept this promise. It also promised to look into the situation in Canada where legislation is in force providing for a set maximum of administration charges to be borne by an undertaking and we have not yet received this report.

President. — I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) I have no intention of going into the points raised by Mr Notenboom, Mr President, even though the honourable Member's speculation could of course lead me to speculate in turn at great length — even on the question of books. I have no intention of doing this. I intend rather to take account of the time available to me and try and give brief and succinct answers to the points which have been made today regarding books, which will not be all that simple a matter, in view of the great importance which Parliament would appear to attach to the cultural significance of the book.

Mr President, the central issue regarding books is the question of whether special measures are called for, and if so, how, if such measures are of a national char-

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acter — as I think they should primarily be in the present situation — they can be incorporated into Community legislation (a) as regards the competition aspect and (b) as regards the free movement of goods.

In its statement of November last year, the Commission spoke exclusively on the question of transfrontier movements and made no mention of any aspects of national policy. As regards transfrontier movements, the Commission was obliged to voice a negative opinion since it takes the view that Community law on competition is clearly affected in this controversial matter, which is now *sub judice*. Parties involved have brought the matter before the Court of Justice which means that what I can say on this subject is at present very limited.

The central point in Mr Beumer's contribution to this debate — at least one of his central points — was the question of whether the book trade, the book sector can continue to fulfil its function without any fixed-price system or distribution system. The Commission has not as yet issued any opinion on this aspect, Mr President. The Commission has expressed no views on this matter, insofar as it intended to introduce such systems at national level, but I should nevertheless like to say here today that as legislation stands at the moment, there is more scope for such things at the private, individual level than collectively. So far the Commission has been primarily concerned with the question of movements across borders and all decisions or rejections by the Commission on that point, whether formal or informal, have hitherto concerned that aspect.

The question on which Mr Beumer concentrated yesterday was whether it was possible to introduce a legally binding price arrangement between Member States. Mr President, an arrangement of this kind would always have to be considered in the light of Article 30 concerning the free movement of goods between the Member States. I am not simply saying that an arrangement of this kind would be impossible but rather that the methods applied would be very much the determining factors. I might add that Article 30 provides a relatively limited framework for a solution of this kind. I should like to say in quite general terms that reasonable minimum margins for distributive trade would probably pose the fewest problems. With a view to this, Mr President, I would be glad, if the Member States would like to open consultation on this point — which it is their perfect right to do — to use my influence and for this reason, I have in the meantime, certainly as far as the Netherlands is concerned, where, I understand the problem is most acute, issued an invitation to exchange views on problems of this kind.

Next question. Is it possible to introduce an arrangement on the basis of Article 87? Mr Beumer raised this question too. Mr President, there is legally and in principle nothing to prevent us applying this Article —

I should like to make this quite clear. I wonder, however, whether such strong medicine — as far as I know the Article in question has never been applied, or perhaps once or twice at most — could not be applied to get us out of the present *impasse*.

As regards his question concerning France, I can inform you that the Commission is currently looking into the question of whether the provisions of Article 1(a) in particular, if I remember rightly, of the relevant law is compatible with Article 30. I hope that Parliament accepts the fact that as long as we are still discussing this question with the French authorities I cannot say any more on this subject. Naturally, I should be glad to inform you on this question in due course.

As regards the study, Mr President, I shall be very brief but I should also like to say a few words on behalf of the Commission so that we can make as efficient use as possible of the time available. I am fully prepared to give Parliament full details in writing of the nature of the work currently in progress. I expect to receive results of these projects in 1982 and as soon as these results are available and the Commission has formed an opinion on them, I will inform Parliament.

In the light of this, Mr President, I should like to voice an objection concerning the remarks made by Mrs Van den Heuvel. I deny that the Commission consigned Parliament's resolution to the waste paper basket, as Mrs Van den Heuvel so graphically put it. This was by no means the case, unless you take the view that the Commission should indiscriminately and without demur do whatever Parliament asks. With your permission, Mr President, I am not prepared this evening to make such a statement in Parliament, even within the terms of the specific competency to which Mrs Van den Heuvel referred and I think the Treaties would back me up in this decision. Once more, Mrs Van den Heuvel is mistaken. I have here, Mr President, a telex from the VBBB, that is to say the Association for the Promotion of the Interests of the Dutch Book. This telex was sent in connection with press reports and states in so many words that 'the Commission's decision does not change the *de facto* situation'. This, Mr President, is a statement by the organization which was supposed to have been the victim of the Commission's Decision, which, I repeat, 'does not change the *de facto* situation', and I therefore assume that Mrs Van den Heuvel was exaggerating a little in her description of the disastrous consequences to which this decision would lead.

The Commission also takes the view that there are serious problems in the book sector and is prepared, within the framework of its patrimony as guardian of the Treaties, to look for solutions. It is convinced, that if the parties involved are prepared to play their part, it will be indeed possible to find such solutions.

Mr Narjes, *Member of the Commission*. — (DE) Mr President, ladies and gentlemen, I should like to begin by thanking Mr Deleau most sincerely for his report and his motion for a resolution. He has done an extremely thorough and comprehensive job of analysis and synthesis which, as it stands, can be used as a list of priorities in the Commission's SMUs policy timetable of work.

The dialogue between the Commission and the European Parliament got under way in 1978 with Mr Notenboom's report. Unfortunately, things have not progressed quite as rapidly and as comprehensively as we would have wished. In November last year, the Commission informed Parliament of the progress that had been made so far, and it was my intention, regardless of point 8 in the motion for a resolution, to propose that the various aspects be discussed in detail in the Committee on Economic and Monetary Affairs before the summer recess by way of a detailed report on the state of the art of SMUs policy. Our aim here too is to bring a little more systematic organization to the SMU aspects of a number of policy sectors, such as innovation policy, the Customs Union, the internal market and research and development policy, so that they give a general impression of the measures we have taken.

As I cannot possibly respond this evening to the many suggestions which have been made, I would beg your indulgence if I set out once again the political aspects of our policy on small and medium-sized undertakings. We are especially pleased that Mr Deleau's report devotes particular attention to those aspects of SMUs policy which go beyond the actual central issue. Stagnation and the economic crises of the 1970s have shown how dependent the crisis-hit economies of the European Community — and even the survival prospects of certain Member States — are on the existence of a wide range of viable, efficient, adaptable and competitive small and medium-sized undertakings.

When — as in one case — anything up to 70% of a Member State's GSP is used to cover the deficits of public undertakings, uneconomic holdings and other public sector lumbering giants and for subsidies intended first and foremost for large undertakings, it is precisely there that the yields, the turnover, the taxation revenue and the efficiency of small and medium-sized undertakings are seen to be a genuine mainstay in difficult times. The important thing — politically — from the point of view of the SMUs is the elimination of distortions of competition which work to their disadvantage, less red tape and bureaucratic interference in all its forms and a simpler tax structure — including, wherever possible, a fairer taxation system.

To reply to what was said by one of the previous speakers, and to confirm what the last speaker had to say, I would emphasize that the main responsibility for encouraging and fostering SMUs dynamically and

correctly lies — as it always has — with the Member States. Let there be no misapprehensions as regards the scope of Community measures.

The Community can only supplement the measures taken by the Member States by coming up with ideas and suggestions designed to ensure that the Member States' economic policy priorities take full account of the interests of the SMUs and endeavour to make the outline conditions as favourable as possible to the SMUs.

Following on from yesterday's debate, I should like to say how pleased I am that the importance of an efficient internal market for the development prospects of small and medium-sized undertakings has been spelled out so clearly. Indeed, it is a fact which very largely dictates our day-to-day work.

And it is precisely for this reason that we are trying to reduce the border restrictions within the Community over a reasonable period of time to the importance of those between the Benelux countries, not only in the interests of the companies operating in the border regions, but also with the intention of encouraging a large number of SMUs to take the plunge and try their luck in other sections of the Community, in other linguistic areas. After all, the fact is that language barriers are, of course, a much greater obstacle for SMUs than they are for the larger companies which can afford to employ interpreters and translators for all aspects of their business.

I should like to draw your attention to one aspect which is particularly dear to me, i.e. the question of making it easier for people to set up in business on their own account. The obstacles placed in the way of such a move have become much more formidable in all the Member States over the last few years, not least because the increasingly capital-intensive nature of the production process has meant that potential small-scale businessmen are having to plough in an increasingly large share of their own capital.

It therefore seems to me to be all the more important to make money available to people wishing to set up in business on their own. I would just mention here a proposal — in which I take a particularly lively interest — made by Mr Schnitker, who unfortunately cannot be here this evening. He recently called for the same kind of financial assistance to be made available to young trained craftsmen as to university students in the Member States, either directly or indirectly from public funds. Why, after all is said and done, should there be this discrimination between those who have the courage to set up in business on their own and those who wish to study at the taxpayers' expense and later get a cosy job in the civil service?

Perhaps the building society idea could be used to make it easier for young potential entrepreneurs to accumulate the requisite amount of capital — and, in

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particular, to make the money available more quickly. There is, after all, no point in a person having to wait until he is 50 years old until he has saved enough money to be able to set up in business on his own account. He should be given assistance to make the move in the prime of his life, i.e. when he is 35 or 40 years old.

I should like to conclude by responding to Mr Notenboom's quotation from the bible. I have no intention of appearing to be blasphemous, but I would point out that, from the administrative point of view, the episode he was referring to was a classic case of a negative conflict of responsibilities, in that no one took responsibility for the child, which was consequently left to its own devices.

I can assure Mr Notenboom that the Commission is conscious of neither a negative nor a positive conflict of responsibilities, in the form of a tug-of-war baby. On the contrary, Mr Davignon and I are collaborating closely — and so far with success, we feel — with a view to exercising our dual responsibilities to the benefit of small and medium-sized undertakings.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

11. Nuclear power stations — Safety policy (continuation)

President. — The next item is the continuation of the joint debate on two reports:

- report (Doc. 1-709/81), drawn up by Mrs Walz on behalf of the Committee on Energy and Research, on the issue of Euratom loans for the purpose of contributing to the financing of nuclear power stations;
- report (Doc. 1-852/81), drawn up by Mrs Lizin on behalf of the Committee on Energy and Research, on European nuclear safety policy.

I call Mr Linkohr on a point of order.

Mr Linkohr. — (DE) According to Article 42 (4) of the Rules of Procedure dealing with oral questions with debate, a questioner may speak to the question for not more than 10 minutes, and the relevant paragraph goes on to say that 'one Member of the institution concerned shall answer'. Yesterday, however, the Council was invited to answer the question before I had even been given leave to speak, whereupon the debate was interrupted. In other words, I have been denied the 10 minutes allotted to me for speaking to the question. This seems to me a very odd way of going about things, and I would ask for an explanation

of this state of affairs and that the Rules of Procedure be adhered to.

President. — According to the agenda approved by Parliament on Monday, this oral question forms part of the debate on the two reports.

I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, you cannot base your opinion on the draft agenda. The fact is that the definitive agenda contains the footnote: 'The following oral question will be included in the debate...'. We insist therefore that Mr Linkohr be given another opportunity to put his questions to the Commission, and that the Commission should reply to them.

President. — Let me repeat that the debate on the two reports produced by Mrs Walz and Mrs Lizin includes an oral question by Mr Linkohr and others to the Council. This does not give anyone the right to lodge a special claim to speaking time. The objections which have been raised will be put to the Bureau.

I call Mr Linkohr.

Mr Linkohr. — (DE) I quite see that we are now getting into difficulties, and I am not the kind of person who would wish to hold up a debate in a case like this. However, what we have here is a clear ruling in the Rules of Procedure.

I should like to have it placed on the record that, in my capacity as questioner, I regard the Rules of Procedure as having been broken by the action of the Bureau and that I shall, if necessary, be coming back to this point. The Rules of Procedure state quite clearly that the questioner has just as much right as a rapporteur to put a question. Otherwise, the whole procedure would be meaningless, because then it would cease to be a question and become simply a written question with reply.

To avoid any misunderstandings, and in view of the lateness of the hour, I shall withdraw my protest — temporarily at least — but I should like to ask the Bureau to investigate the matter.

President. — I call Mr Forth.

Mr Forth. — I am very disappointed that Mr Linkohr has relinquished his right to speak because I agree with him that under Rule 42 (4) of the Rules of Procedure — which I invite you, Mr President, to read, and others as well — he is entitled to speak. I hope that you as our President will give Mr Linkohr, as the author of the question, the right, after Mrs Walz has

Forth

introduced the debate, to take the floor and I would invite him to do so.

President. — What Article 42 (1) (4) has to say is as follows:

These questions shall not be included in the agenda of a part-session if that agenda already provides for the subject to be discussed with the participation of the institutions concerned; they will, however, be included in the debate.

This oral question is included in the debate on the Walz and Lizin reports. The objections which have been raised will be put to the Bureau which will, if appropriate, consult the Committee on the Rules of Procedure and Petitions on the matter.

I call Mrs Walz.

Mrs Walz, rapporteur. — (DE) Mr President, the question Mr Linkohr has brought up really ought to be investigated. It was extraordinary yesterday that the President-in-Office of the Council was allowed to reply without even being invited to do so. We were supposed yesterday afternoon to present the energy package and we have done what we are always being asked to do: we have presented an entire package so that a sensible debate can be conducted on the basis of it. Although I wanted to protest at 6 p. m. yesterday — and the President at the time deliberately overlooked it — our turn has now come up at 9.45 p. m. today. That is really not the proper way to behave towards colleagues who have put in so much work, and I would ask that this question . . .

(Applause)

. . . be given careful consideration by the Bureau. If you are down to speak on a particular afternoon, it is intolerable to be called at last at almost 10 p. m. on the next day. I think it is up to the Bureau to take steps here to stem the flood of procedural motions and to take other measures as well — otherwise we shall eventually be making a laughing-stock of ourselves. I beg your pardon for being so blunt.

(Applause)

The Committee on Energy and Research hereby presents a abbreviated report, which in fact comprises the motion for a resolution (Doc. 1-29/80) tabled by Mr Colla and five others on 13 February 1981. The resolution in question was adopted by the committee without the slightest alteration. That kind of thing does not happen very often, and we should therefore like to congratulate the six signatories on this achievement.

The thinking behind the motion for a resolution is based on two resolutions adopted by the European Parliament. Allow me to mention first of all the resolu-

tion contained in my report of 13 January 1976 on the conditions for a Community policy on the siting of nuclear power stations taking account of their acceptability for the population. We had a very full debate on that issue, in the course of which the then Commissioner, Mr Simonet, stated that the Council had already charged the Commission in March 1975 with the task of formulating a programme on the siting of nuclear power stations, the intention being that national experts should participate in the process too. He went on to say that there was a broad measure of agreement between our report and the work the Commission was doing, and I hope that that still holds true today.

The second resolution on which Mr Colla's motion for a resolution is based is that of 20 November 1980 deriving from Mrs von Alemann's report on the siting of nuclear power stations in frontier regions, drawn up on behalf of this committee. Mrs von Alemann's objections were the same as those expressed in my previous report and in Sections (c) and (d) of Mr Colla's motion for a resolution, i. e. that the governments were not taking sufficient account of Articles 37 and 41 of the Euratom Treaty and that the Community consultation procedure had so far failed to reach a satisfactory outcome. The fact of the matter is that the Commission got moving on the basis of the resolution of 13 January 1976 and presented a proposal for a Community consultation procedure. The old European Parliament adopted, on 7 July 1977, a resolution along these lines based on a report again drawn up by myself. Parliament called therein for identical criteria, but expressed the fear that the Community consultation procedure would have only a limited effect because there was no provision for mediating in the case of persistent disagreement between two Member States.

More than two years later, we had the report produced by Mrs von Alemann, in which she noted that these shortcomings still persisted with regard to the application of Article 37 of the Euratom Treaty — or rather, with regard to the Member States' compliance with the relevant provisions. The problems remained the same, and had in fact got worse as a result of the planning that had gone on in the meantime and even of the construction of power stations in border regions.

And we are supposed to be delighted at the fact that the Commission, without mentioning a word to the committee at the final meeting on Mr Colla's report, soon afterwards proposes a new interpretation of Article 37 to the Council. What the committee is calling for goes far beyond this. What we want to see is not just an undertaking to enter into consultations, but a proper arbitration procedure. In the circumstances, we were of course bound to give consideration to alternative means of attaining our goal, and the result of these considerations was Mr Colla's motion for a resolution.

Walz

As a result of the Council Decision of 29 March 1977, the Commission is empowered to issue Euratom loans. What could be more obvious, then, than to use this means of finance as a lever for making the consultation procedure for nuclear power stations in border regions more effective? Hence paragraph 1 of the motion for a resolution we have taken over in this form. Of course, the other Community financing institutions must be bound by the same policy as that pursued by the Commission. It would be nonsense if the Investment Bank were to apply less stringent safety requirements than the Commission for its own lending policy in this sector. The committee therefore wishes no distinction to be made as to whether the loans are forthcoming from the Commission or from the Bank. All we are concerned about is the safety aspect.

Of course, our deliberations also covered the technical and health safety aspects. Without the best possible standard of technical safety, bearing in mind the current state of the art, no population can reasonably be expected to put up with nuclear power stations in their neighbourhood. Absolute, cast-iron safety simply does not exist, but it would seem that, according to the provisions of Article 130 of the EEC Treaty, the criteria set out therein apply likewise to the European Investment Bank, as paragraph 2 of our motion for a resolution says. It is up to the European Investment Bank to make a contribution towards a balanced and smooth development of the common market in the interests of the Community. There can be no doubt that participation in the financing of nuclear power stations in frontier regions can be viewed as part and parcel of this mandate, but no one could reasonably claim that the development was balanced, and certainly not smooth, unless there is a Community consultation mechanism capable of achieving agreement between the two sides.

Co-financing by the EIB is permissible, according to Article 130, in three cases, the third of which — number (c) — is described as follows: 'Projects of common interest to several Member States which are of such a size or nature that they cannot be entirely financed by the various means available in the individual Member States'. That is precisely the case here. Paragraph 3 of the motion for a resolution is the usual 'forwarding' clause. We also demand that the Member States take note of this resolution on the grounds that it is up to the individual Member States to seek agreement in specific cases in the interests of the two or more sides.

We hope that this House will give its approval to our motion for a resolution.

President. — I call Mrs Lizin.

Mrs Lizin, rapporteur. — (FR) Mr President, in view of the nature of the debate forced upon us, I believe

we may even be able to limit ourselves to two minutes since I fear interest is somewhat restricted.

I would like to add to Mr Linkohr's comments that it is also to be regretted that this procedure enabled Mr De Keersmaecker as representative of the Council to give a quite meaningless answer to a very meaningful question, and all the more regrettable that he is now no longer present. This also enables me to thank the Commission for their presence here at this debate; a presence which is not all that usual.

I shall then be brief: the report we are debating today was in fact based on a resolution which considered the dispersion of the Community's nuclear safeguards departments. However, the Committee on Energy did not wish to be restricted to this simple aspect of the question. We wished to analyse and take general stock of nuclear safeguards policy in Europe.

What is in fact striking is that during the development of the nuclear industry in Europe safety was a matter of no great concern. In the period since the signing of the Euratom Treaty there have been two phases in nuclear development: the research phase, during which nuclear power was in the forefront of research and of Europe's progress toward the future; and secondly the industrial phase of the 1970s when real applications reached a significant industrial level. From the point of view of these two phases in the spread of nuclear power, thinking on safety has not been adapted to the second, and safety itself has not kept pace with the industrial development of nuclear power.

It can be said that safety was considered in the Euratom Treaty and that, at the time, its main concern was radioprotection, principally the radioprotection of researchers and workers, and whilst the numbers of reactors operating in Europe — and the consequent physical safety of the power stations and of the population — have grown out of all proportion, there has been no compensatory change in the Community's present policies.

There is a widespread popular movement around this call for greater and more rational security. This movement has received increasing support in Europe, particularly after the accident at Three Mile Island, which was one of a number of incidents which gave a new stimulus to both thought and research.

However, our role here in the European Parliament is not to discuss nuclear security in general, but the efficiency of a nuclear safety policy drawn up by the European institutions. It is not for pleasure or out of idealism that we wish to europeanize security; we want security at a European level because there it is most efficient, most independent, enables us to draw together most experience and, ultimately, to be most objective.

Lizin

The largest countries of Europe have all opted for nuclear power. This we accept as a fact, and it is not discussed in our report. The choice has frequently been reached empirically and, no doubt, always undemocratically, but it is a fact and we have to face it.

Nuclear safety was no doubt considered at each stage, but was never a first priority in the facts we are now facing. In future it must be the first priority: the view of our committee is that we must in a way redefine after the event this *fait accompli*, this economic decision, in terms which are more satisfactory for the people and which establish and guarantee their right to safety.

What, then, is the role Europe must adopt if we are to increase this right of the individual to safety? If we distinguish the three functions of authorization, standardization and monitoring, we can see immediately that it is not for Europe to assume responsibility for authorization. It is not for Europe to usurp the role of the State in deciding on such and such a nuclear plant. Europe can and must, on the other hand, far better than any State take up the task of standardization: far more efficiently, because it is at a European level. As regards monitoring, even though there are no proposals to make monitoring a European responsibility, the management and the principles involved should also be the subject of European standards.

Setting the standards and setting a framework for their application is the task of our report to the House.

What we have found, the basis from which we have been working, is an imperfect Treaty, ill-suited to the present situation of electricity generation, and, in many respects, inadequately enforced; and at the same time, in the actual management of the subject, a standstill if not a decline in safety policies.

Now, when such a policy has become more than necessary to Europe, a number of Member States are treating safety policy as a question of national interest and refusing even to continue with the drawing-up of legal standards which for years has been awaiting the Council's consideration.

The Commission, too, is sometimes guilty of self-censorship and allows excellent proposals made by its own departments or by groups of experts working for them to be shelved.

The fact is that the argument is frequently somewhat facile: since there is no chance of proposals getting past the Council, they are not worth trying. That, I believe, is sometimes a shame.

It is also a way of giving in to those who, for strictly self-centred reasons, wish to draw a veil of secrecy over questions of security.

The situation in Europe as regards security is one of non-information or of partial or occasional information resulting from chance or the more or less fortunate curiosity of individuals, whilst the volume of nuclear energy produced means that information concerning it should be the right of every individual.

Of course, not everyone can become an expert in nuclear energy and capable of understanding every technical aspect of safety. However, every man and woman in Europe who lives near to or not far from a reactor, or who has to do so in the future, has the right to live in safety and to know that there exist reliable, independent procedures which guarantee that account is being taken of his interest in security. The fact is that secrecy harms everyone: it creates suspicion which works as much against those from the power stations as against the general population and the general interest. Indeed, we can only regret that those responsible for nuclear power plants have rarely thought of information as being in the general interest and most frequently secrecy is their general rule.

The report by the Committee on Energy is therefore based on two balances which we would like to see restructured: the first is the balance between radio-protection matters (Articles 30 to 37 of the Treaty) and those which relate to physical safety standards which are still practically non-existent today, whereas they should be regarded as equal to radioprotection; the second is the balance in favour of information and its management. Radioprotection is one of the buttresses of the European fortress. The July 1980 Directive on the basic standards should, in our view, be added to quickly, with particular attention paid to the evaluation and monitoring of the notion of optimization.

Application of Article 37 of the Euratom Treaty — which requires analysis of all effluents — has for a few weeks now been based on new recommendations, the old ones having dated from 1960. The additional data required by the Commission to do its work properly and effectively and especially to do it before permission to build can be granted, are now compulsory. I suspect, Mr Narjes, that it will give you a few happy hours with the electricity companies proposing new sites. We shall ensure that the Commission respects this new recommendation it has given itself.

Lastly, the physical safety of power stations has been completely neglected in the legal arsenal with which the Commission has equipped itself. The Council Resolution of 22 July 1975 is far too weak. There is an urgent need for the Commission to propose legal instruments which codify generalized European standards and specific principles for each type of reactor, dealing directly with the design, construction and export of reactors.

We have also stressed the importance of criteria in the choice of sites, and we recall that very little account has been taken of the conclusions reached by Mrs von

Lizin

Alemann in her report — Mrs Walz has said the same thing — and, if I have properly understood the priorities set by the Belgian Presidency, no reference has been made in them to completing work on these regulations.

As regards emergency plans, they must be coordinated and harmonized. Europe must ensure that for every sector they provide the necessary infrastructures. Here, too, experience must be shared, and the Commission should set up a group quickly to work on harmonizing such emergency measures.

Our Committee has also examined assistance for research in this area, and we have paid particular attention to the need for a report on the reprocessing of irradiated fuel, the storage of waste and finally on the application of the IAEA recommendation that there should be an open form of monitoring.

Our Committee is also proposing that the lack of information regarding safety should be corrected systematically by establishing a European Information Service at the Commission. This already exists in embryo but we wish to see it developed into a fully effective system. It involves a data bank into which is fed all available information about the normal and abnormal operation of reactors situated in the Community.

Ladies and gentlemen, I have explained to you in as much detail as possible — and within the narrow constraints imposed by the ridiculous procedures of this Assembly — what we were seeking in our discussions in committee. The majority of the Committee wanted the report also to include a word of support for the policy of extending nuclear energy and a statement that an appraisal of and increases in safety were in no way the result of a distrust of nuclear power but, on the contrary, of confidence in its ability to guarantee Europe's long-term energy independence. That took a great part of our discussions and I would be lacking in objectivity if I did not refer to it.

Speaking personally, I would say as I did in committee that my own view of the nuclear option was one of neutrality. Safety is a necessary fact when nuclear power is an established fact. A safety policy is therefore necessary no matter what one's own views about nuclear power.

In conclusion, ladies and gentlemen, I can only repeat to you my appeal to your sense of balance when I ask you to accept this report as a document whose intention is to meet the legitimate right of every European citizen to properly organized safety, and to save for another debate our opinions and our differences of opinion on the broader aspects of energy policy.

President. — I call Dame Shelagh Roberts.

Dame Shelagh Roberts. — I am obliged to you for assuring the House that the excess speaking time will be deducted from the speaker's group but may I ask you also, when a speaker opens her speech by saying that she will not require more than half her time and then takes two and a half times as long, whether you are in favour of an additional penalty against her political group?

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) Mrs Lizin has just spoken on behalf of the Socialist Group and I would ask that her time be calculated with the group's speaking time.

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

Mr Linkohr. — (DE) Mr President, according to which rule in the Rules of Procedure do you intend to deduct from the Socialist Group's time the minutes by which Mrs Lizin overran?

President. — I call Mr Pannella.

Mr Pannella. — (FR) Mr President, it is of course to be regretted when a rapporteur uses more time than is allowed. The President should have interrupted her. The fact is that the President has no right to make a group pay for his lack of courage and strictness. Mr President, you only had to stop the speaker after six minutes. It is all very odd. I think you have only yourself to blame, not the Socialist Group.

President. — I call Mrs Viehoff.

Mrs Viehoff. — (NL) Mr President, ladies and gentlemen, I shall restrict myself to discussing the Lizin report, which is supposed to be a report on European nuclear safety policies but, following amendment by the Committee on Energy and Development, it has degenerated into a plea for nuclear energy. If I may give you some examples, the fourth recital states that nuclear energy, as one of the sophisticated technologies of the 20th century, must be harnessed for the peaceful service of mankind for social and economic progress. Paragraph 3 of the resolution states that electricity undertakings in the Community must invest in nuclear power. In paragraph 4, those Member States which have not yet invested in nuclear energy are encouraged to examine the performance and experience of other undertakings. Paragraph 5 calls for standards which would enable an effective electronuclear policy to be implemented throughout the Community and paragraph 8 states that considerable importance should be attached to the Super-SARA project.

Viehoff

What all this has to do with safety escapes me entirely, and from the point of view of the Netherlands, furthermore, it is unacceptable, since a broad public debate is currently getting under way on whether or not we should have nuclear energy, and until the outcome of this debate is known there will be no investment in nuclear energy in the Netherlands. Consequently, these recommendations will not be followed either.

A further objection to the report is the fact that it makes no mention of the series of accidents which have occurred involving nuclear power stations. Only Harrisburg was mentioned, as if that was an isolated example. Why should a report on safety have been drawn up? Because it has become apparent that this safety is lacking and this fact should therefore be demonstrated by means of a list of known accidents.

Nor does the report deal with all the safety aspects of nuclear energy. Such an important question as the safety of reprocessing plants is not mentioned in spite of the fact that one of the resolutions forming the basis of this report quite clearly concerns these plants. If we continue to build nuclear power stations, we will have to build more and more intermediate storage facilities too, but just as little attention has been paid to the safety aspects of these facilities, and this is completely wrong. In view of the fact that the fuel rods from a large number of nuclear power stations are piled up together at reprocessing plants and intermediate storage facilities, these should, like the power stations, also be protected against outside influences, such as aircrashes. This is what the containment vessel is for. However, this protection is lacking in the case of an intermediate storage facility, and no mention is made of this.

The explanatory statement claims that the Harrisburg accident has led to increased attention being given to safety. However, experts in America have said that the revised standards following the accident are so complicated that they tend more to reduce safety than to increase it, and that they could in fact do with designing a new type of power plant. Following the Harrisburg accident, a report appeared in which it was stated that the Nuclear Regulatory Commission was not capable of guaranteeing the safety of nuclear power plants and should for that reason be restructured. However, hardly has this restructuring been done but the electricity companies and the nuclear industry are doing their utmost to obtain licences for the construction of power plants as soon as possible. Thus, nothing has come of the recommendations of this Commission.

The International Commission on Radiological Protection recommends radiation standards. However, these standards are not universally accepted and there is a debate in progress on the consequences of low radiation doses which, according to some are more serious than they are according to ICRP.

Questions of reactor safety must include the question of how safe is safe enough? We can take all sorts of measures but this provides no guarantee and we have to deal with practice as well as theory. There is the example of Mr Etemac who was dismissed from a nuclear power station construction firm because he was concerned about the safety in French nuclear reactors and did not keep this concern to himself. That was going too far so he had to be got out of the way.

As regards decommissioning and the storage of nuclear waste, it is hardly possible to use the word 'safety'. The situation at the moment is that people are not looking for a safe method of storage, but for the least unacceptable way of getting rid of nuclear waste. And, according to this report, the governments should be responsible for the storage of nuclear waste. Does this mean then that the costs must be borne by the governments, that is to say, the citizens?

And then there is the question of the harmonization of insurance. In the joint commentary by the parties to the Paris Convention on civil liability in the case of nuclear accidents it is stated that: 'it would be impossible to obtain unlimited financial cover' and, to quote it once more, that 'the enormous financial consequences to which unlimited liability could lead could seriously jeopardize the development of nuclear energy'. What are we to conclude from this? — that it is not so much the citizens as the nuclear industry which is to be protected in the case of nuclear accidents.

To return once more to the resolution, it is stated in paragraph 17 that safety requirements should not become a pretext for hindering the development of nuclear energy. This is a rather peculiar attitude to take and paragraph 18 contains a rather odd idea too, namely that international cooperation should not be used to achieve the highest possible level of safety but to win the confidence of public opinion in nuclear energy. In spite of the fact that the Lizin report contains a number of excellent things, I must nevertheless conclude that, taken as a whole, it consists at the moment of an unbalanced resolution and an unbalanced plea for nuclear energy and is no longer a report on safety. I must also conclude that it is a dangerous report, in that it suggests that safety exists while the essential elements are still lacking and it refers to safety standards, which are at least questionable. I have tabled a number of amendments which basically reflect my objections. I will not go into them in detail and I would merely like to apologize to my colleagues for leaving immediately as I am unwell, which is also why Mr Linkohr agreed to let me speak first.

President. — I call the European People's Party (Christian-Democratic Group).

Mr Fuchs. — (DE) Mr President, I should like to say how disappointed and amazed I am that a subject which is really of major concern to many millions of people throughout the European Community should be discussed at dead of night in what is only a sparsely populated House. I think this is something to which the Bureau should be giving serious thought.

I should like to congratulate Mrs Lizin for the way in which she has picked out with remarkable skill the essential points in her difficult report, and I disagree here totally with the spokesman for the Socialist Group. Parliament has already been presented with 13 different reports on various aspects of safety in nuclear power stations, a fact which is taken into account in this report. In other words, what was said just now about Parliament not having discussed this question in detail is simply not true. I regard the fact that over 80 amendments were tabled in the Committee on Energy and Research and another 85 in plenary session as a reflection of the seriousness and commitment people are bringing to this question.

Having said that, though, I must admit to having serious doubts as to whether the introduction of a constant stream of variants might not adversely affect the coherence of the whole. There is a danger that what we might finish up with will resemble a mosaic devoid of any real form and that what may be the intentional imposition of an excessive amount of red tape is aimed at preventing the sensible and necessary use of nuclear power.

As far as the Group of the European People's Party is concerned, there are a number of clear and unambiguous goals: the restoration of legal unity in an area of technology which will in the future be of decisive importance; the harmonization of safety standards at the highest attainable — i.e. feasible — level; institutional security — i.e. the processing and forwarding of information by the Commission to the Member States; greater transparency in safety matters so that people's attitude to this important question are dictated by reason rather than fear — this being a contribution towards the absolutely essential matter of exorcising the nuclear power demon; a clear and unambiguous commitment to the fact that, given these safety standards, nuclear power makes a major contribution towards securing our energy supplies and making the Community as independent as possible of imported energy.

I believe the ideas are now perfectly clear, and what is called for now is action on the part not only of the Commission, but also — and above all — of the Council.

President. — I call the European Democratic Group.

Mr Seligman. — Mr President, Mrs Lizin and her colleagues have shown what a lot of trouble we have

with the Socialists in the Committee on Energy and Research. The more they open their mouths, the more the heresies pour out; and that is what has been happening this evening.

The trouble with the Lizin report, of course, is that it is going to swamp nuclear power with layer upon layer of bureaucratic control unless we can amend it, and we shall amend it tomorrow morning. It is a clear case of regulatory overkill and will create a bureaucratic jungle which will double the costs of nuclear electricity and strangle it. Our farmers and industrialists are fed up with ever-soaring energy prices; so are the old people, the schools and the hospitals. So are the glasshouse growers, many of whom are in my constituency in West Sussex. Nuclear power will not only cheapen electricity but also through competition make oil and gas a lot cheaper.

Yet the environmentalists are doing their best to frighten us off nuclear power. Do they realize the damage they are doing? There is no long-term future for oil. We delude ourselves if we think we can fill the gap with windmills and alcohol from artichokes. That is not going to fill the gap. The only thing that will is nuclear power.

Now the environmentalists may not be Communists, but they are certainly doing Russia's job for it. Do we think the Germans would need to have a Russian gas pipeline if their nuclear power programme had been allowed to go ahead as planned? No! Then the environmentalists keep harping on the unknown dangers of nuclear waste disposal. Now the new policy of vitrifying nuclear waste, of holding it to cool off for fifty years and then burying it in the rocks, is a one hundred per cent safe process. It is now standard practice in France and is going to be standard practice in Britain.

The environmentalists try and scare our young mothers about the genetic mutation which will be caused by nuclear radiation. Mr President, the human race has survived thousands of years of cosmic radiation and radiation from the earth far in excess of anything we get from nuclear power. We have survived the fallout from 400 nuclear weapon tests in the last two or three years in Russia, China and the Pacific. If we haven't mutated yet — and I'm not sure about one or two of my colleagues — we never will.

Nuclear fusion and nuclear fission are the only solution to our long-term energy problems. Don't let us swamp them with all these Lizin regulations!

President. — I call the Communist and Allies Group.

Mr Veronesi. — (IT) Mr President, ladies and gentlemen, in line with the stance taken on the relevant committee we support the motion for a reso-

Veronesi

lution in the Walz report. We are particularly impressed by paragraph 1 of the motion, which was the result of a wide-ranging debate by the members of the committee.

The Italian Communists will also be voting in favour of the motion in the report by Mrs Lizin. In our view it is an objective, thorough, balanced and technically accurate document. It provides a complete picture of the current situation and of the problems of safety at nuclear installations, the results obtained — and which are highly reliable — and the questions which the experts are still looking at.

Mrs Lizin's report does not skim over the problems which are still to be solved. What we feel it does do, however, is to clear away this great emotional cloud of resistance that hangs over nuclear installations. Safety — which is what the report is about — cannot be absolute for any human activity. It is a statistical state of affairs based on a balanced assessment of risks and benefits. There is no other sensible way to talk properly about safety.

In this respect, theoretical research and scientific advances have recently made an enormous contribution to the analysis and definition of all the problems involved. This has come about precisely because there was a correct methodological approach and because people identified the real questions to be considered and the mathematical and experimental techniques to deal with them. In this way the crucial points in the cycle were tackled and the relevant safety measures studied.

Some of the paragraphs in the motion have been weakened when compared with the initial draft. If you ask me, some of the supporters of nuclear power have been a little too keen — perhaps dangerously so, Mr Seligman — in tabling amendments in committee to underline their support for nuclear power. We are in favour of this energy source and we believe that its use is inevitable. Consequently, we support the Commission's moves in this direction, just as I said a moment ago about the Walz report. We do not feel there should be any cause to gloat, however, as this would be quite out of place, especially as the general public is tremendously worried.

What this means is that we shall be voting for only a few, very few, of all these amendments which have been tabled. To our mind, they are just a welter of words which are quite unnecessary. We prefer to adopt a balanced and responsible attitude.

President. — I call the Liberal and Democratic Group.

Mr Calvez. — (*FR*) Mr President, I should first of all like to say to the rapporteur that the way in which she has tackled the question of nuclear safety might lead

one to suppose that nothing had been achieved in this sphere and that the entire population of Europe had been living under the permanent threat of mortal danger for more than the last twenty years. Come off it, up to now we have not had even one fatal accident. Why? There must be a reason for this: either nuclear energy does not constitute a real danger, or, if it does, the safety measures adopted up to now have been sufficiently effective in preventing the worst from happening. It is a pity that the same cannot be said for the hazards faced by workers in the coal, oil or chemical industries.

It is not that we wish to deny that dangers do exist. We know that nuclear reactors are neither atomic bombs or absolutely safe installations, but all forms of energy have their own risks. Trying to be objective about this, I have tabled a series of amendments with the purpose of re-establishing the facts. The truth of the matter is, that, in each of our countries which have nuclear facilities, and within the Community as a whole, there are already a great many measures which satisfy safety requirements. Since the rapporteur asks for a data bank to be set up, I can only suppose that she does not realize that the Joint Research Centre already possesses such an information centre which is in contact with other Community Member States.

Perhaps the Commission could tell us what we can expect from a standardized rapid information system on unusual incidents occurring in nuclear facilities.

Finally, it seems necessary to remind some people that we also have the Euratom Treaty, thanks to which — although it is not entirely satisfactory, I suppose — the Community cooperates with the American Nuclear Control Agency in exchanging information and as part of the Super-SARA project. I cannot be said, therefore, that the Community is cut off from the rest of the world and unable to draw benefit from information produced in third countries.

As for the problem of nuclear waste, this is of course the favourite target of the anti-nuclear lobby, but the foes of nuclear energy are always very careful not to disclose the fact that reliable solutions already exist. Europe now has the technique of vitrification and at this very moment in time has a way of permanently storing high-activity waste in a manner that is both convenient and safe. It is of course necessary to continue with research into ways of improving storage conditions and to come up with the most efficient solutions possible. That is where the Community's task lies: to make rapid progress towards sure results and to encourage Member States to demonstrate their storage capabilities.

I should like to close, Mr President, on the question of democratic supervision and its feasibility. In what way is the man in the street competent to monitor safety measures? Do we check that everything is technically in order every time we get on a plane? The search for

Calvez

petrol does not stop when more than two hundred people die because an offshore platform has capsized. Coal mining is not suspended because a death occurs for every million tonnes extracted, and the sale of whisky is not banned because people die of alcoholism every day. I think that we have to be realistic. Let us not obstruct a progressive and forward-looking industry. Engineers and technicians *have* mastered nuclear energy, and all that I ask is that politicians face up to their responsibilities today.

President. — I call the Group of European Progressive Democrats.

Mr Méo. — (FR) This evening, Mr President, ladies and gentlemen, we have an opportunity of examining two fine reports, one by Mrs Walz and the other by Mrs Lizin. Nevertheless, there is a trap to be avoided whenever the question of nuclear energy is raised. We must avoid arguing either for or against nuclear energy and return to the question which is before us — that of nuclear safety. For these reasons, I will confine my remarks to two points.

First of all, we have to acknowledge that the safety of nuclear facilities is an imperative and unassailable question. On the other hand, however, its imperative quality should not serve as a pretext for impeding the development of nuclear energy whenever it becomes vital, namely, every time that it permits our Community freedom from dependence on hydrocarbons as fuel.

Secondly, our anxiety about nuclear safety in Europe is causing us to mull over proposals which — in their attempts to improve such safety — must remain both realistic and feasible. What I mean is, our legitimate concern to reinforce safety must be based on experience, that is to say the experience we have of the standards which are currently in force within the Community and which it would be ridiculous to scrap. Safety considerations have in fact played a determining role, in the light of experience acquired in the last 20 years, when systems were first chosen. In a country such as France, safety obligations, investments and the costs to which they give rise have, in order of importance, doubled the expenditure needed to produce a kilowatt of energy in an hour. I would say, therefore, that safety regulations had not lagged behind production standards and that therefore it is not quite true to say that safety has not kept pace with the development of nuclear industry.

To sum up, and without wishing to enter into the depressing details of the misfortunes caused by competing energies, such as the recent accidents in coal mines or — as referred to just now — the collapse of the oil rig three days ago off Newfoundland, I feel bound to point out that more people have been injured in the course of one year in accidents involving

domestic gas in Paris than as a result of the operations of all the nuclear facilities in the world. So we want to avoid a situation whereby an excess number of new regulatory constraints and an accumulation of restrictive standards — sometimes hard to apply — in fact lead to a drop in the true level of safety in installations. As Mr Seligman pointed out, a bureaucratic jungle can lead to results which are the opposite of what one wishes.

There must be no reduction, therefore, in the true safety level of Community energy supplies. Let us not forget that what is best might not be good, perhaps. Those are the basic points, Mr President, ladies and gentlemen, that I wanted to make in connection with these important reports.

(Applause)

President. — I call the Group for the Technical Coordination and Defence of Non-attached Groups and Members.

Mr Vandemeulebroucke. — (NL) Mr President, ladies and gentlemen, in the course of this week, the credibility of the European Parliament in the eyes of the public has been mentioned very frequently during various debates and there is no getting away from the fact that the people of the European Community are deeply concerned about the safety of nuclear reactors, the various radiation problems and the question of nuclear waste. As I see it, a democratic and directly-elected Parliament has a job to do here. It must be aware of what is really going on among the citizens who, after all, were the ones who put us here. It is these citizens who read, rightly or wrongly, in all sorts of publications, that a number of accidents involving nuclear energy have occurred within the European Community. 104 incidents have been mentioned: 17 in the United Kingdom, 36 in France, 20 in the Federal Republic, 21 in the Netherlands, 9 in Belgium and 1 in Italy. I should like to point out for the benefit of Mr Seligman, Mr Fuchs and Mr Calvez that I realize that some of these incidents were trivial. This may well be so, but the job of this Parliament should have been to react critically at such a list of accidents and look into what was serious and what was not, rather than simply making *ex cathedra* pronouncements on safety or lack of it. It is all too easy to refer to the overfamiliar accident at Three Mile Island, even though the investigation into that accident is far from finished and will last another two years.

As I see it, it is politically irresponsible to pass over in silence incidents and accidents which have taken place within the Community itself. Even at the Tihange nuclear plant, which the Committee on Energy has visited twice, a number of minor accidents have taken place, one before the Committee's visit and one afterwards. Why was no mention made of this in the report?

Vandemeulebroucke

La Hague should have been taken as the basis for this report. I mentioned this question yesterday and I deplore the fact that the rapporteur did not devote a single word to the series of accidents which have occurred in the Cap La Hague reprocessing plant. Two of the resolutions dealt with this question. Nevertheless, she could have obtained very detailed information from a number of colleagues from the Committee on Energy who, under the leadership of their Chairman, secretly visited the reprocessing plant in La Hague. The report also passes over four specific technical questions. Firstly, what about the consumers' say in these matters? The idea of consultation of the producers occurs repeatedly in the report, but no mention is made of the consumers. According to the resolution, the question of the extent to which the cost of contingent decommissioning of power stations may be passed on by electricity undertakings in the price charged for electricity should be looked into. Is it not perfectly logical, therefore, that a system should be devised whereby not only the producers and workers, but also the consumer organizations should have their say too?

Another question: who is to have access to the emergency plans? Nowhere is democratic information and transparency envisaged as regards these plans, which are kept secret. So far, it has been the so-called 'alternative' groups who have, for example, brought the emergency plans of the nuclear plants at Bremen, La Hague and Malville into the 'public eye. In Belgium too, the population is not aware of a single emergency plan and hence does not know what should be done in practical terms in the case of accidents on the other side of the border.

As regards safety measures, experts have long since come to the conclusion that at least two or three systems must be in use simultaneously if the risks are to be reduced to a minimum. The lack of more than one single system at La Hague almost led to a disaster on 6 January 1981, which was not mentioned in the report either. This brings me to the question of the nature of the accidents.

These accidents can no longer be put down to shortcomings in nuclear technology, since this is completely in order from the technical point of view. At the moment, most of the accidents result from imperfections in the steel components themselves, which result in shearing or valves which fail to shut. These real and apparently trivial issues are not dealt with in the resolution, nor is any attention given to the problem of human error, which cannot be measured scientifically in a nuclear laboratory.

Certain political questions have also been left unanswered in this report and Mr Calvez has just announced that he doesn't check everything whenever he gets into an aeroplane either. However, should we not compare the nuclear option with, for example, the construction of a new type of passenger aircraft

where, on the first flight, the hostess wishes the passengers a pleasant flight and tells them at the same time that no one on board knows whether the landing gear will work or not. Is not the political question whether we should grant a licence to an aircraft of this type or not. Thus, the fundamental issue is whether or not we should grant a licence for the operation of anything which has not yet been adequately tested from the point of view of safety, and nuclear energy is still a case in point.

A second political question concerns why the government and the consumer should still have to pay for safety studies. Euratom has existed for 25 years and various nuclear power stations have been built, but we are nevertheless still devoting a disproportionate amount of Community funds to nuclear research while at the same time far too little is being done as regards safe alternative energy sources, which brings me to my third question. Are the instruments provided for in the Euratom Treaty still usable? The Euratom Treaty was drawn up at a time when nuclear energy was still in its infancy and there were countless ambiguities and gaps. Should we not opt for a complete revision along the lines of a comprehensive environmental code of practice, in which the question of energy is not the central issue, but an integrated element? I would refer you in this connection, to the debate on the Weber report.

Mr President, I will conclude. On the basis of these fundamental considerations, I have tabled a number of amendments advocating a diversified energy option, genuine participation by the consumer and a flight towards tomorrow's technology where the passengers will at least be able to rely on the landing gear working. The proposals we have been presented with today are in fact a one-sided and rather cheap public relations exercise in favour of nuclear energy in which problems of safety take second place, and this is unacceptable! For this reason, adoption of this report on safety would be the most unsafe political act imaginable.

President. — I call Mr Eisma.

Mr Eisma. — (NL) Mr President, we are not in favour of the construction of fast-breeder reactors for various reasons of both a political nature, in connection with the safety problems, and of an economic nature. One of our long-term objectives should be to meet our energy requirements by means of solar energy and nuclear fusion. In the short term, on the other hand, that is to say over the next thirty to forty years, we will have to make up our energy shortfall by means of coal with purification of the flue gas and energy saving, which is perfectly feasible up to as much as 30% if we are only prepared to make the effort. Conventional nuclear power plants could make a contribution during that period, but for no longer since the uranium would all be exhausted by then.

Eisma

However, until the questions of the storage of radioactive waste and the safe decommissioning of old power stations have been solved, we do not regard the construction of new plants as a responsible course of action. Adopting a 'wait-and-see' attitude could be fatal here — if not for us, then for our children or grandchildren. Thus we do not agree with the nuclear energy policy as put forward in, for example, paragraphs 3 and 4 of the motion for a resolution, but realize that these attitudes have been introduced into Mrs Lizin's report by means of amendments by the Committee on Energy, and this is something we regret. We also regret the fact that the impact of, for example, paragraphs 6, 7, 12, 17 and 18 has also been weakened by amendments. However, in spite of our objections to the policy which now forms the basis of the report by the Committee on Energy, we should like to congratulate Mrs Lizin on the solid piece of work she has produced. In particular, she has made quite clear how inadequate safety arrangements are at the moment and, given the policy proposed by the Commission and Parliament, we would therefore be glad to support the measures she proposes. This is not to say, however, that the last word has been said on this subject, but we do feel that if her recommendations were put into practice, this could bring about a substantial improvement in the situation.

She also quite rightly devotes attention to the possibility of contamination of the air, water and soil and it is a pity that the Committee on the Environment has not been asked to give an opinion on this question. She also rightly draws attention to the shortcomings in our knowledge of the risks involved in the decommissioning of old power stations. We should like to put the same questions to the Council as Mr Linkohr and others, but in amplified form, i.e. not only as regards the storage of waste, but also as regards decommissioning.

Finally, Mr President, the rapporteur has rightly drawn attention to the particular problems surrounding nuclear power stations in frontier areas. However, insufficient emphasis has been placed on the fact that in such cases the authorities and populations on both sides of the border should have an equal right to information and consultation. We find the idea of a unified nuclear safety zone very appealing in this respect and this idea should be developed in more practical terms.

Mr President, you can be thankful for the third time today that I have kept within the speaking time allocated to me.

President. — I call the Socialist Group.

Mr Linkohr. — (DE) Mr President, ladies and gentlemen, however much I admire Mrs Viehoff, I should like to point out that I — and not she — am

supposed to be acting as spokesman for the Socialist Group. Secondly, I am not quite sure how I am supposed to put an oral question without being allowed to open my mouth. Purely from the linguistic point of view, this seems to me to be rather a difficult undertaking, but I realize that it is now carnival time, and that therefore a lot of unlikely things can happen.

Thirdly, a political group as such cannot be held liable for the actions of its members. In other words, the speaking time taken up by a rapporteur — no matter what political group she may belong to — cannot be counted as part of the speaking time allotted to her particular group. I should be grateful, though, if you would not chalk Mr Eisma's speaking time up to my allotted time.

I think that, on the whole, this debate is really missing the point, which is not whether we are for or against nuclear energy, but rather the need to ensure that the existing installations in most of the Member States of the Community are brought up to a safety standard based on the best that modern technology has to offer. That is the point of the matter, and that is the point on which proposals have been put forward. I really wonder why we bother to compile thick dossiers on safety standards or technical standards for rear-view mirrors, but not for nuclear power stations. That seems to me a paradoxical attitude to adopt.

My comments here are directed first and foremost at those Members from the other political groups who have criticized Mr Lizin's report. If the available technology really is so absolutely safe, I should like to ask the nuclear industry why liability limitations have been introduced. Why is liability for nuclear power stations not unlimited? As it stands, should an accident occur, the amount of money payable is not unlimited, but fixed within very rigid limits. In the Federal Republic of Germany, the maximum limit, is to my knowledge, DM 1 000 million, and there is no compensation available for damages going beyond that amount. In other words, these safety questions also raise legal and insurance problems.

I believe that nuclear energy is bringing about a change in international relations to the extent to which we must develop new standards of cooperation and thus achieve an entirely new kind of cooperation, not only within the Community, but beyond the Community's frontiers. I therefore welcome Mrs Lizin's report to which, along with Mr Walz's report, we shall be giving our support.

I should like to conclude by commenting briefly on the oral question which I was not allowed to put, but which was in fact answered yesterday. The Community must be prepared to accept responsibility for the entire fuel cycle. We must help to ensure that satisfactory solutions are found here and not just proposals put forward. Unless we find a solution to the waste disposal problem, one nuclear power station

Linkohr

after another will be forced to shut down in the Federal Republic of Germany at some stage over the next few years because of the legal provisions in force in the FRG. And that will mean that it will prove impossible for the Community to achieve its energy policy aims.

We must therefore look out for alternative policies, and we must make a distinction between probable, worst possible and best possible eventualities. That is the real energy policy alternative.

(Applause)

President. — I call Mr Turner.

Mr Turner. — Mr President, I am very glad to say I have 1 minute and 30 seconds because my friend, Mr Seligman, missed out 20 seconds of his speaking time.

(Laughter)

May I say straight away that it is foolish and childish to be either extreme in one direction or the other in this case. I live within 6 miles of a nuclear power station and have done so for 15 years and we are now proposing to build a pressurized-water nuclear reactor in the same place. It will be built if the inquiry succeeds in getting started next year. Probably 50 000 of my constituents live within 20 miles of this power station. Now, as far as I know, all the local inhabitants have almost complete confidence in the system set up by the British authorities for this power station, but, of course, they are aware of the danger of un contemplated incidents occurring. I believe myself that there is no harm whatsoever in having a parallel system of safeguards to those provided by the United Kingdom. We may be the best now,

(Applause)

we may have a very safe system now but we cannot be sure that our system will remain the best over the next 10 or 20 years. I believe that when 10 countries get together with a common attitude towards the procedures and the problems of nuclear power, you have the combined experience of 10 countries and do better than when you simply rely upon your own country.

(Applause)

I therefore say that I believe that 10 heads are better than one.

(Cries of 'Hear! hear!')

I also believe that a belt and braces policy is a sensible one when one is dealing with nuclear power, and I must remind my learned friends, who sit very close to me here, that I have lived for 15 years within 6 miles of a nuclear power station and it is no actual joke.

Therefore, Mr President, I am very pleased to speak in favour of Mrs Lizin's report, which we generally support, except for an amendment to paragraph 7 and paragraph 11, which deals with monitoring, standards, siting, emergency planning, collation of information, the taking away and storage of waste materials from nuclear power stations. All of these are of great importance in my constituency because a train passes through there every week with nuclear waste on board. I believe that it is a good thing that this Parliament, and Mrs Lizin, have decided to have a common market programme for coordinating the experience that we all have on this. I believe the Suffolk people who live so close to this power station will be pleased that it is not only the United Kingdom but also the EEC which is looking after their standards and their safety.

(Applause)

President. — I call Mr Markopoulos.

Mr Markopoulos. — *(GR)* Mr President, I congratulate both the rapporteurs on the reports they have tabled, but it is the Lizin report on which I should like more especially to dwell.

The operation of the constantly growing number of nuclear power stations is in any case a reality, but one which is undoubtedly associated with many scientific, economic, social and political problems which are different in each country. For this reason we think that some points in the Lizin report — such as paragraphs 4, 17 and 18, which indirectly oblige the Member States to set up nuclear power stations, and particularly paragraph 3, which clearly states that electricity undertakings must invest in nuclear power — constitute interference in the internal affairs of the Member States, which we feel must be allowed to decide on their own what policy to pursue in the field of energy and technology.

On the other hand, however, this report contains a wealth of sound proposals on the best possible measures to be taken to ensure that nuclear power stations function safely, to improve control and to minimize risks, on the laying down of uniform strict criteria for choosing sites on the basis of seismic and other conditions, on the provision of essential road, hospital and telecommunications infrastructures for emergencies arising from nuclear incidents, and above all on the setting up of a European Information Service for the collection and dissemination of data with a legal department to make it compulsory to report any accident. Since the development to date of nuclear energy has actually been veiled in mystery and has remained far beyond the reach of popular control, we consider that the adoption of safety regulations at Community level, based for the first time on the democratic rule of popular information, will be to

Markopoulos

the advantage of all the Member States of the Community.

For these reasons and because it does not wish to miss the main objective, the Panhellenic Socialist Movement supports the adoption of the report on European nuclear safety policy with reservations on the paragraphs to which I have referred.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) I should like to make a general remark before commenting on Mrs Walz's report.

As the Commission representative, Mr President, I should like to add my voice to those who have said that the debate we are holding today on Euratom loans and on nuclear safety and the debate which we will then have on coal deserved a better fate, given their importance, than that which they have been given. As I do not doubt, Mr President, that you will raise this question with the enlarged Bureau, I should like the Commission's opinion to be added to those of the rapporteurs, who have indicated that it was hardly worthwhile to achieve so much at committee level, only to receive such little publicity in the course of public debate.

With regard to the report presented by Mrs Walz today, I should like to thank her because her report emphasizes our need to establish what has to be done within the context of the Treaty and in the light of evolving technical conditions. When the Euratom Treaty was drawn up, Articles 37 and 41 were in line with the technology of the time and it was therefore quite probably thought that it would be possible to gather the technical details necessary for a judgement to be made within six months. Nowadays, this is no longer the case, I believe. One of the difficulties encountered by our institutions in these new fields arises from the fact that adaptations are not made because people would consider that they constitute a criticism when they are, in fact, quite simply an adjustment. But we have to remember that the world is changing, techniques change and we have to take these changes into account.

I am happy to be able to tell you that, after the customary difficulties, the Council has finally accepted the Commission's recommendation to change the conditions under which Article 37 is applicable. By extending the deadlines, we will be able, not just to give an opinion — which we always did before — but there will be time for our opinion to be taken into consideration before any construction takes place. That, of course, is the crux of the matter. So, I believe that Parliament's wishes are being matched by what is actually happening.

Now, since everything is not as it should be, the suggestion has been made that Euratom loans should not be awarded as long as approval of the consultation procedure on border facilities has not been obtained from the Council. In this respect, the Commission and Parliament are in agreement over the objective.

Personally, I am not in favour of any attempt at amending the regulations and I will tell you why. The regulations are based on Article 205 of the Treaty, implying unanimity on the part of the Council. Now we know that, at the moment, the consultation procedure has not been approved by the Council. I should not like to give the Council another opportunity to halt an activity which is necessary and that is why I hope that Parliament will be satisfied with this: it is up to the Commission — and only the Commission — to determine the conditions of eligibility of a firm seeking a Euratom loan when difficulties persist concerning the installation of supplementary nuclear facilities, for example — and I mean for example — which would be situated in a frontier zone. I might add that the Commission has regularly followed this practice in the course of the last few years. No Euratom loans have been awarded to set up facilities near borders where difficulties could arise. In accordance with the wishes of the motion for a resolution, we will collaborate with the Bank in order to assure ourselves that Europe really does have a part to play in the energy policy that we intend to pursue. If the rules which we would consider to be the best are not followed, it is only normal that the Community instruments will not work. For the time being, anyway, I believe that we have responded to Parliament's concern. We will be able to translate these ideas into a legal form as soon as we have finally overcome the problems besetting the consultation procedure.

Mr Narjes, Member of the Commission. — (DE) Mr President, I should like to begin by congratulating Mrs Lizin most sincerely on her excellent report, in which she so clearly and openly — and hence so helpfully — discussed the problems of nuclear safety.

The present motion for a resolution expresses the essential element of confidence in the use of nuclear energy, and at the same time rightly point out that certain aspects of nuclear safety require improvement at Community level. The Commission wishes to associate itself with the general tenor and judgment of the report. We have always stressed this point, but at the same time we have always made it clear that the use of nuclear energy must be in line with safety and environmental protection and standards; after all, safety is more important than economic considerations.

Moving on to the question of radiation protection, my main interest is in ensuring that the basic standards revised in 1980 are incorporated into national legislation as soon as possible and are thus applied in practice. The Commission will be supplementing these

Narjes

standards by way of proposals for directives on specific cases. I should like to draw your attention here to the proposed directive laying down basic measures for radiation protection in medical examinations and treatment. This proposal is already the subject of a draft report by the Committee on the Environment, Public Health and Consumer Protection.

The Commission has given detailed consideration to the application of the health protection provisions in Chapter III of the Euratom Treaty and has decided to intensify its activities in this field, the first step being the approval of a new recommendation on the application of Article 37 of the Euratom Treaty regarding the examination of all plans for dealing with radioactive waste, something to which the rapporteur has already drawn attention. This new recommendation, a revised version of the earlier recommendation from 1980, will facilitate application of the test procedure in line with the current state of nuclear energy in the Community.

The Community's work on harmonizing the safety provisions applying to nuclear power stations is a typical example of joint, albeit painstaking, work carried out in close conjunction with the national safety authorities, the power station operators and the nuclear power industry.

The first phase was concerned with laying down general safety principles for light-water reactors. You will already have received a document on this question. The harmonization work is now continuing on the basis of these general safety principles.

The fact that nuclear safety is essentially a concern of the Community is brought out particularly clearly by the fact that almost all current Community research programmes in the nuclear field — and I would stress this point — are devoted to the safety aspect, covering the safety of reactors and nuclear material as well as the processing and storage of radioactive waste.

As regards the special case of radioactive waste, the Commission agrees with you that the attendant problems require intensive discussion at Community level. The relevant research and development projects are now encompassed by the Community action plan on radioactive waste adopted by the Council in 1980. This plan sketches out the work of the Community over the next twelve years, concentrating on definitive disposal and the safety aspects. I believe that, by drawing your attention to this plan, we have responded, to some extent at least, to Mr Linkohr's suggestion. We are paying special attention at the moment to the increase in the volume of nuclear waste in the Community and to the ways and means already in use and planned up to the end of this century for dealing with all this waste material.

Our intention is to collaborate closely with the Member States in good time so as to create the right

kind of scientific and technical conditions for safe definitive disposal. It is worth pointing out here the importance of information on the various aspects of nuclear safety at Community level. The Commission has already started work on a project for recording and analyzing the reliability of light-water reactors and their components. I think this is the project Mr Calvez was referring to, and I should like to point out that this project, which is currently in progress in Ispra, is essentially concerned with the scientific and technical long-term assessment of breakdowns in nuclear power plant and its components.

This is not identical to the other question regarding the rapid provision of information on accidents and their effects. Tests regarding the feasibility of combining the two systems via a data bank have shown that the results would then be of optimum quality in both cases. We are therefore continuing the tests with a view to ascertaining how, and in what form, we could make this rapid information available on a more reliable and modern basis for operative purposes.

The special problems of the choice of sites for nuclear power stations have already been the subject of two proposals by the Commission to the Council. The first of these concerned conciliation at Community level on questions of site selection, and the second proposal was for a regulation on the introduction of a Community consultation procedure in the case of power stations which might have an effect on the sovereign territory of another Member State. The Council has not seen fit to date to associate itself with these proposals on the part of the Commission, and has simply given its approval to an exchange of information on nuclear power station sites. As this point has been brought up on a number of occasions today, I should like to stress that the lack of a decision on the part of the Council in such cases is certainly due not to the lack of pressure and political influence on the part of the Commission, but rather to resistance, on principle, on the part of certain Member States in the Council.

I cannot possibly discuss all the points in the motion for a resolution here. However, I hope that I have succeeded, by way of these few examples, to make it clear to you that the Commission's efforts in the field of nuclear safety are in line with what the motion for a resolution refers to as the concept of 'a unified nuclear safety zone in Europe'. I can only associate myself wholeheartedly with this expression, espouse it myself, and hope that we shall in future be able to tackle the difficult problem of the safety of nuclear installations in Europe together.

(Applause)

President. — The debate is closed. The motion for resolutions will be put to the vote at the next voting time.

12. Coking coal — Community supplies

President. — The next item is the joint debate on two reports:

- report (Doc. 1-985/81), drawn up by Mr Rogalla on behalf of the Committee on Energy and Research, on the draft Commission decision (ECSC) amending Decision No 73/287/ECSC concerning coking coal and coke for the iron and steel industry in the Community;
- report (Doc. 1-662/81), drawn up by Mr Rinsche on behalf of the Committee on Energy and Research, on aspects and requirements of coal supplies for the European Communities.

I call Mr Rogalla.

Mr Rogalla, rapporteur. — (DE) Mr President, ladies and gentlemen, we now move on from the nuclear industry and the attendant safety aspects to deal with coal — black gold — which of course is well suited to this darkling hour, and not least because the situation in this sector, the situation regarding coal policy, is very gloomy, a typical example of how we still make things difficult for ourselves in this Community of ours.

That is something I should just like to point out at the beginning of this joint debate to all those who hear very little about coal and assume, from the cosiness of their warm, heated living rooms, that clear priority is being given to coal in terms of energy policy. The fact is that nothing could be wider of the mark, which explains how urgently we need the help of all the Members of this House to see to it that a change is brought about in this situation.

At least we have the consoling thought that, in addition to the Commission — which deserves our respect in this field — the European Parliament at least has persistently made its voice heard in discussions on the coal issue. Of course, the aim of a debate like this — the first in this directly-elected Parliament, unless I am very much mistaken — is to arouse interest and concern among the public at large, although the unfortunate fact is that the public — in the form of a few specialist journalists at least — is no longer present, having already spent a day here in anticipation of our proceeding according to the agenda. If we set store by making the public aware of our European work, we really must take more careful aim and proceed a little more sensibly in working out our agenda.

My subject field is coking coal, and there may be some Members who are not aware of the provisions of the ECSC Treaty on which all this is based. In fact, it resembles the kind of mysterious jumble that Mr Davignon was referring to just now with reference to the Euratom Treaty. The aid available in this field results from the 'limited measure of intervention' — as

Article 5 of the ECSC Treaty has it — available to the High Authority, or rather, the Commission. However, it is important to realize that the possible aims of such 'limited measures of intervention' included such things as the distribution of production at the highest productive level and — above all — the prevention of unemployment, and that the important thing was to prevent profound and persistent disruption to the economic life of the Member States.

It is up to us today to decide how important these ideas still are to us. Coking coal aid is the only Community measure in the coal industry out of a whole range of proposals which the Commission put forward and on which unfortunately no decision was ever taken by the Council. Mr Rinsche, who has drawn up the report on coal, has made a precise list of everything, and I have no intention of covering the same ground here. I would, however, like to draw your attention to the importance of Community financing, at least as regards coking coal aid — which, since 1967, has amounted to 6 million EUA, a fairly modest amount when viewed against the background of overall Community finance.

The important thing now is not to lose sight of coal — a black chapter in the annals of European policy — and to base out much vaunted common energy policy on coal, which is after all our most reliable domestic energy source.

It therefore follows that we must be serious about the target of between 250 000 and 300 000 tonnes per year, and must adjust our economies accordingly. That means, of course, spending more money on coal research. It almost makes you want to despair when you hear that even the sum of 4 million EUA is in dispute.

We in the Committee on Energy and Research therefore decided unanimously on the appeal to the Commission, as expressed in paragraph 6 of our motion for a resolution, to formulate a new coal policy by the final deadline now agreed for the current form of coking coal aid — 31 December 1983. The aim of this policy is to extend financial support for coking coal, to raise the general level of financing of research in the coal industry and to provide financial assistance for the Community in terms of the ECSC budget.

The Commission rightly identified the energy problem as the challenge of the 1980s in its 15th annual report, pointing out that success on the employment front would depend largely on how that challenge was met. The public sector has a vital role to play in the field of energy investment, largely because it has to bear a major proportion of the financing burden.

There is a formal problem here with regard to the involvement of the European Parliament in this ECSC decision on the part of the Commission with the unanimous approval of the Council. It says in the recently

Rogalla

published 15th annual report that the Council had finally agreed to the Commission's draft decision on 27 October 1981. The fact is though, as every expert will know, that the French still have reservations, and according to my information, those reservations still stand. The important thing now is that we should adopt the same attitude as regards involvement of the European Parliament — i.e. expressing an opinion on questions to do with ECSC problems — as the isoglucose judgement called for in the sense of compulsory consultation, so that the legality of a legal act on the part of the Council is dependent on the European Parliament being consulted beforehand. Of course, it is true that we are talking about self-induced consultation and not the kind of consultation laid down in the Treaties, but in the interests of effective cooperation between the Council, the Commission and Parliament, it is important that we should foster constructive relations with each other.

President. — I call Mr Rinsche.

Mr Rinsche, rapporteur. — (DE) Mr President, I should like, with your permission, to begin, in my capacity as spokesman for my Group, by commenting briefly on the Rogalla report, and then move on to present my report on coal supplies.

On behalf of my Group, I should like to express my support for Mr Rogalla's report and to thank him for his work. I wholeheartedly support his demand that this House, as the representatives of the people of Europe, be consulted at as early a stage as possible in the future so that, as elected Members, we can express our views early on in the process and thus ensure that they are given effect.

On this point, I would once again underline the enormous importance of consultation, coordination and cooperation in the Community. If, for any reason, these principles are violated, the inevitable and unwelcome result is bound to be inefficiency, wastage of time and money and disintegration.

Extension of the aid system for coking coal is particularly necessary in view of the current problems facing the coal industry. As a result of the — in part politically induced — recession and the lack of public money, many mining companies are complaining of stagnating sales figures, increasing costs and a reduction in public aid, the consequences being a moratorium on recruitment, a decision not to work to full capacity and a squeeze on any investment which is not absolutely essential.

The time has now come to avail ourselves of all the opportunities open to us in the Community to overcome these problems, and for this reason too, we support the motion for a resolution as tabled.

(Applause)

Mr President, the present report on coal supplies is based on a number of previous initiatives and reports on the same subject, and I should like at this juncture to express my sincere thanks to the authors of those documents. As I do not have sufficient time now to read out all the names, perhaps I could just mention those of Professor Burgbacher and Mr Springorum in proxy for all the others.

To modify slightly a well-known phrase or saying: European policy is the science of the required and the part of the possible. One of the essential requirements of the European Community is a common European energy policy, whose central element was and must be coal. Of course, everyone will know that the Community includes both coal-producing countries and Member States which have no coal production to speak of. In other words, we cannot speak of identical interests so much as of parallel interests.

What we all have in common is an interest in lasting, secure, cheap and — above all — competitive energy supplies. If we fail to attain this major aim of European energy policy, the survival of the European Community would be just as much in jeopardy as the survival prospects and the social security of the people of Europe. There is no disputing the fact that a wide variety of ways and means will be needed to attain this major goal.

Nor can there be any disputing the fact that, in terms of the combined and integrated use of the available resources, the increased use of European coal will gain in importance. This is something which can be proved. The art of the possible consists now of reducing various other requirements to a common denominator. One promising means of bringing the interests of the coal-producing countries into line with those of the coal-less countries is the integration of elements of energy policy, regional policy, infrastructure and transport policy and — last but not least — social policy.

Another important point is to coordinate domestic coal production with a complementary import strategy which must not be allowed to neglect the need for security of supplies. The proposal to convene a European-American conference on coal is therefore well worth further discussion. While I realize that a joint and comprehensive coal policy along these lines is not an easy matter, it must be feasible given ideas, initiative, investment, a sense of reality and a determination to succeed. It is important, however, to realize that opting out of the Community, adopting a beggar-my-neighbour policy and pursuing national self-seeking interests is no solution to the problem. There can be no disputing and no overlooking the interdependence and the obligations on the part of the Community, which cannot be shrugged off without perpetrating major damage. It would be a failure of historic dimensions if we were to miss the chance of establishing a joint energy and coal policy.

Rinsche

What is needed more than anything else is further efforts aimed at rendering miners' work more humane. This is an important point, not only because people must always be the central element of our policy considerations, but also because the essential increase in productivity cannot be achieved without a sense of social partnership and without making it possible for so-called human potential to be fostered and secured.

We also need a more widespread acceptance of technology in the coal industry. There can be no doubt that increasing animosity to large-scale technology is tending to distort our view of the world. In my view, technology constitutes the harnessing of natural laws by human beings for human beings, and in this respect, technological innovation in the production and utilization of coal is not contradictory to the kind of environmental quality we wish to see, but rather an essential prerequisite to enable us to guarantee or restore the quality of the environment in our modern industrial societies.

A common European coal policy can make a major contribution towards creating and stabilizing productive jobs. Hundreds of thousands of additional productive jobs could be created in the fields of coal production, processing and upgrading, coal research, the capital goods industry and the export of the products of highly qualified European mining technology, if only a far-sighted and jointly-taken political decision and optimum state outline conditions were to release entrepreneurial initiative, mobilize innovatory forces and facilitate forward-looking investment.

We need a higher level of investment in energy if we are to safeguard our very future. While energy investment in the United States of America and Japan in 1981 amounted to something like 4% and 3.5% respectively of GSP, the level of energy investment in the European Community in 1981 was only 1.6% of GSP. Energy investment on the part of the Community in the 1980s is put at 250 000 million EUA, but what we need is a greater willingness to invest and improved openings to do so on the part of the mining and coal upgrading industries. The keyword here is the need to improve investors' ability to take risks by eliminating barriers, by creating optimum long-term outline conditions and by providing assistance for people to help themselves.

(Applause)

The Committee on Energy and Research feels that European coal policy needs a new, comprehensive and wide-ranging initiative. I would ask you most sincerely to give your approval and support to this initiative in the interests of safeguarding all our futures.

(Applause)

President. — I call the Socialist Group.

Mr Gallagher. — Mr President, I wish to make it absolutely clear from the outset that we on the Socialist benches of this Parliament welcome the Rinsche proposals on coal and shall support them when that vote takes place. In fact we would have welcomed anyone's proposals on coal, because we, like Mr Rinsche, feel that this has been a totally neglected area. In fact, I wish to protest about the length of time which has passed since this report was completed at the committee stage and before it was laid before this plenary sitting.

(Applause)

That is one particular instance of the concern this Parliament shows about energy matters in general. Secondly, I personally think it is disgraceful that the energy debate, both yesterday and today, has been pushed back so far, especially when so many people came along here yesterday to hear it. I suggest that had the agenda been juggled about so as to affect the question of farm prices or something of that nature, then it would have made headlines in every newspaper throughout Europe. I want to protest as loudly as I can against the practice of pushing the energy questions back as far as is possible on the agenda of this part-session.

There have been other coal proposals made, both by the directly elected Parliament and by the previous Parliament, neither of which the Council saw fit to act on in any particularly constructive manner; and I can only hope that the attitude will be entirely different to these proposals you have before you today.

I understand that the Commission have their own coal proposals, although I must confess that I have not read them. I have, however, heard in discussions with people what is possibly in them. I hope that they include Mr Rinsche's recommendations but I understand that certain fundamental parts of that document are not specific enough, certainly to suit the sort of discussions that we have had in the Energy Committee. I also understand that the Commission document includes no proposals for coking coal. I may be wrong about these things: I am only repeating what I have heard.

It is rather strange that according to all the political parties, the aim of this Community is supposedly to make itself self-sufficient in energy; for all we have heard on the question of energy in the last two or three months is talk of the Russian gas-link and also imports of cheap American coal. That I find very difficult to understand when it is repeatedly said that the aim is to make ourselves self-sufficient in energy. I think we should be looking to expand our own Community mining industry. There are various reasons, but, just to pick out two, one is the problem of employment, and the second is the stability of prices, because we all know has happened to oil prices.

Gallagher

In my own country — and I am not taking a nationalist attitude on this matter — we have a discovery of coal in the Vale of Beaver which is the best find there has ever been in the UK, but we have been waiting two years for our own Ministry to allow planning applications to go ahead. There are other places, too, within this Community where coal deposits are not being proceeded with at the present time. The result of all this is, of course, that in the meantime, even in the period since this report should have come before this sitting, several collieries have been closed within the Community and there are no proposals for their replacement. I find that extremely difficult to understand.

I would point out that none of the amendments that we as a group have put forward are in any way intended to go against Mr Rinsche's proposals: they are there to try to strengthen them, and that is why we have put them forward.

With regard to closures, we do not want to get into a situation where we repeat all the follies committed in the 1950s and the 1960s because we were then relying on cheap oil: I think that would be just as foolish as relying on cheap coal at the present time, which seems to be the whim and wish of certain Members of this Parliament.

I would point out emphatically that we are not against coal imports and I do not wish to give that impression, but we do say that the situation must be controlled so that it does not develop at the expense of our own Community industry.

I hope the Council will act quickly on the Rinsche proposals, because if they do not, then all the grandiose schemes for creating employment and so on that have been spoken about in resolutions of this Parliament for the last 2½ years will come to nothing, because there will be no energy there to enable the industries depending on it to function. So I hope that the Council will reach a very early decision on these proposals.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Croux. — (NL) Mr President, I have only three minutes and will therefore have to be brief.

Mr Rinsche has given an excellent exposé of Parliament's views on a coal policy. The Commission has said that it will be drawing up a new coal strategy before the end of 1983; that is an extremely important statement, and Parliament will be keeping its eye on the Commission. We support the Commission in these efforts, and we welcome the fact that the Commission drew up proposals at the start of this month which it will be submitting to the Council on 16 March. We do

not have time to go into details, so I shall restrict myself to three points.

Firstly: according to a very up-to-date United Nations report 89% of oil reserves and 87% of gas reserves in the world will be exhausted towards the end of the century, i.e. hardly 15 years' time. On the other hand, only 3% of coal reserves will have been exhausted.

Secondly: the international context for energy policy remains extremely worrying. Imports from Poland have fallen dramatically. We know the figures, so I have no need to repeat them. America is called the Saudi Arabia of coal, and there has been a spectacular rise in coal production and exports. The Americans intend to visit the Commission and various countries in May. What will Europe's answer be to the American offers? There is an American law which states that the President of the United States has the power, in times of emergency, to prohibit exports of coal from the United States. This is a matter we should like to bring to the attention of the Commission and the Council.

Thirdly: we must not be afraid of taking measures in the coal sector. Coal is a special product, extremely valuable from the chemical point of view, an economic and industrial raw material not only for the iron and steel industry, but also for the chemicals industry. Coal is a major political and social factor. We therefore call upon both the Commission and the Council to devote the greatest attention to all these considerations.

We regret that Parliament is not paying adequate attention to the energy question and that the Bureau of Parliament has not taken a good look at it, as Mr Davignon has already pointed out. We sometimes accuse the Council of not devoting enough attention to energy, but we wonder whether the Bureau of Parliament itself has devoted enough attention to the organization of the energy debate this evening.

President. — I call the European Democratic Group.

Mr Moreland. — Mr President, Community policy on coal consists of a few loans here, some subsidies on coking coal, a few research programmes and if the West German Government will permit it, an occasional demonstration project. It is not a policy. It is a collection of bits and pieces. It is a rag-bag, and it is a brave rapporteur who takes these bits and pieces, applies rigorous analysis and attempts to define a Community strategy. Fortunately, in Mr Rinsche we have not only a brave man but an able man who has produced a strategy that we commend to Parliament. We believe that his report is very suitably and ably complemented by Mr Rogalla's report.

Our problems in coal policy reflect the essential dilemma of Community energy policy. Community institutions officially recognize the need to reduce the

Moreland

Community's reliance on external sources of energy. Yet equally the Council fails to do more than scratch the surface in developing adequately our own internal sources of energy. This debate and the one we had this morning on the Soviet gas pipeline reflect this dilemma. So while ministers can agree that perhaps 75% of our energy resources must come from coal and nuclear power by 1990, the head of one of our Member State's electricity supply industries can blithely tell our Committee on Energy and Research last May that Europe's coal lies in Colorado. Frankly we cannot afford this attitude, and reliance on imports has its dangers for obvious reasons.

Deliveries of Polish and Russian coking coal have been reduced. Strikes and port congestion have affected US sales to Europe. The increasing demands of other countries such as Japan are forcing up coal prices. Consequently, we cannot rely on a consistent or cheap level of imports. That is not to say we should be protectionist, but it is vital that we have consistency in the level of imports into Europe to ensure that imports do not inhibit development of our own coal resources. The strategy we and Mr Rinsche seek includes an import policy, an increase in financing of new coal resources, a stockpiling policy, an increased research programme and improvements in productivity.

I have a document from the Commission, which I think Mr Gallagher referred to, which grasps this strategy: it is called 'The role for coal in Community energy strategy'. I must say I am a little surprised to have it unofficially although I believe it has gone to Council, for I would have expected that either it would have come after and in the light of the Parliament's views, or alternatively that Members would have had it in time for this debate. I will only make one observation on what I have read, and that is that the Commission rightly suggests that investment should be in economic coal resources and that uneconomic mines should close. Of course that is right but it is equally a simplification — new mines take time to develop and we must remember that the so-called uneconomic mines contribute at the moment 40 million tonnes, so I think it must be a phased closure programme that the Commission ought to be talking about.

Mr President, as my time is up I would only remind this Parliament that in 1973 Community coal production was 270 million tonnes. It is now about 250 million tonnes — that is a fall. We have to reverse that situation and really see that coal becomes a major contributor to the Community's energy policy.

President. — I call the Communist and Allies Group.

Mr Veronesi. — (IT) Mr President, ladies and gentlemen, we intend to support the motion for a

resolution in the Rogalla report, which in fact we endorsed in committee. On the Rinsche report, however, we shall be abstaining. Our decision to abstain — which alters our earlier attitude of steady opposition to the piecemeal measures that have been taken before — reflects our heartfelt recognition of Mr Rinsche's efforts to adopt a fresh approach to these matters.

Paragraph 5 of the motion is justification in itself for our attitude. It is consistent with the appeal it contains for a comprehensive strategy on which a more particular assessment can be based.

I do not have enough time to explain in detail the reasons which prompt us to abstain. Although light has been shed on a lot of things, there is still too much in the shadow for our liking. Let me stress that much of the concern expressed by the committee and by Mr Rinsche is matched by our own concern. Be that as it may, we feel obliged to take a serious, responsible and unbiased look at this problem which is so important for Europe. At the same time, let me say again that it has to be tackled on the basis of a strategy which brings together the various elements of a policy which until now — as Mr Moreland said — has been too much of a rag-bag of bits and pieces for any basic approach and strategy to be discerned. For these reasons we thank Mr Rinsche but — as I said — we shall be abstaining.

President. — I call the Liberal and Democratic Group.

Mr Calvez. — (FR) Mr President, coal is a source of energy which occupies a special position within the Community, because the coal market is completely different, depending on whether one is in the United Kingdom, Germany, France or Belgium. While we might all say 'yes' to coal, this 'yes' will not have the same meaning, which perhaps explains why there is no common strategy.

It is clear that for some Member States it is more logical in economic terms to pay less by obtaining their supplies from third countries. But I feel that we are far too dependent on outside sources for our coal supply. Would it not be preferable to modernize our plant and to encourage research in the very promising field of new technology, such as coal distillation and liquefaction? Above all, should we not be strengthening our support to the ACP states with which we have special links? I am aware that the Lomé Convention provides for such cooperation, but the Community has still to devise a true action programme in this sphere.

I should like to add two points on the price of coal. While it is true that imported coal costs less than Community coal, we still have to pay for it. My second point is a warning. It has been noted that a number of oil companies are quick to invest in the coal

Calvez

industry and we could end up with coal prices at the same level as oil prices. So, while it might be desirable for oil companies to make these kinds of investment, we must nevertheless take care that monopolies do not arise as a result.

Finally, ladies and gentlemen, let us not forget that the problem of coal is not just one of supplies but also one of employment. I feel a certain discomfiture when I think of any miners listening to this debate. A few years ago a great many of them were made unemployed, the excuse being that coal was a fuel without a future, having been superseded by oil. Those who are still working in French or Belgian mines today know that their jobs are still not safe, even though all the governments are proclaiming the need for coal and imports are rising. How on earth are they to make sense of this paradoxical situation? A number of miners have fallen victims to it. What is needed is for the Community to work out a firm and coherent strategy; firm in the sense that Community production must be geared to demand and coherent so that imports do not adversely affect the levels of Community production. I should point out that the Commission has already made proposals along these lines and that Parliament has rubber-stamped them, but we are still waiting for some response from the Council.

Finally, I should like to ask the Commission whether Article 56 of the ECSC Treaty, under which financial aid can be granted for the retraining of workers, could be used to train miners to adapt to a modernized coal industry.

I should like to compliment Mr Rinsche on his report, which has analysed all the problems well, so that my group feels able to lend its support to the proposals which it formulates. The only slight criticism I would make is that the fact that coal is one of the most promising sources of energy in the immediate future — along with nuclear energy and natural gas — does not emerge sufficiently clearly from the report. But to rely exclusively on coal or exclusively on nuclear power will not resolve completely the problem of Community dependence on others. For this reason, we must turn to all the sources of energy available at the same time.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, to the small circle who remain here in the chamber I should like to say a few words about Mr Rogalla's report, to thank him for the support which he has given to the Commission's proposals regarding coking coal; secondly to assure the House that the administrative error regarding the date on which this document was sent for Parliament's observations will not happen again and lastly to confirm — and in a way, therefore, to reply to Mr Gallagher — that coking coal does indeed figure in our thinking on coal in general, as indeed it should.

The fact is — and this may explain the misunderstanding — that we provisionally dealt with the subject in an annex and not in the main body of the document and that the reason we thought proposals should be brought forward as soon as possible was that we wished to reconsider the whole question of coking coal since we did not believe that it was properly dealt with by the present arrangements. And in passing I would like to say that these things turn out for the good since the Council has still not given an opinion on the document: the fact is, as Mr Rogalla knows, that a connection has been made between the social action on the steel programme and the coking coal aid programme; we hope that we should be able to have things moving again quickly.

I am very sorry indeed that despite the very detailed work accomplished, and despite the quality of the report and the number of proposals put forward we are able neither to examine nor to discuss it. That is not a good procedure. In passing I should tell Mr Moreland that I have told the Committee on Energy that our report on coal will be formally submitted for Parliament's opinion and that we could have done without the wait for this debate; on the other hand, had we waited, things would have been delayed and consequently, as the honourable gentleman is fully aware, Mr Rinsche's report was approved by the Committee on Energy in October last. He will see that we have borne its contents in mind to a large extent. I myself was a novice as regards energy matters and this document was of value to us in concentrating our thoughts by reference to the various chapter headings, and I am grateful to him for it.

Mr President, the Commission has decided to make the use of coal an essential element in the Community's energy strategy. It should none the less be noted — the statistics over the last two years show this — that the more we say coal is available as a resource, the less we consume. We all speak out in favour of coal, and we are using less than we did before. The current trend in the Community, be it for home produced or imported coal, is not towards an increase in consumption quite simply because we have not made the funds available for investments to bring it about, either as regards infrastructure or as regards businesses, to enable them to use coal. It brings us back to a European characteristic which we already know well: the belief that words can replace action. For Mr Croux, I have to say that I am not familiar with the document he quoted on reserves, but I can reassure him immediately; his figures bear no resemblance to any of the statistics I have read recently. I ought to add that we do not believe that 99% — I think that is the figure he mentioned — of oil reserves will be gone by the year 2000, or 75% of gas reserves. Gas is being discovered every day and I do not see that as the problem...

Mr Croux. — (FR) It was an United Nations' report.

Mr Davignon. — (FR) United Nations? Well that goes to show that the United Nations can produce a dud report from time to time just as much as we can. The report is wrong. It doesn't really matter: it may increase our confidence in our own reports but I would like to say in all seriousness — and in this respect Mr Moreland is right — that we have indeed never been able to define a coal strategy because we have run contrary to the legitimate interests of Community Member States. What I mean by that is that Member States which do not produce their own coal are interested in obtaining coal as cheaply as possible, whilst States in which coal is produced would like other Member States of the Community to buy their production. That is a dilemma we have never resolved. That is the reason why we thought it worthwhile reopening discussion on a large number of problems relating to coal so as to strike a balance within the Community which would subsequently enable us to develop this resource which we need so much.

In conclusion, Mr President, I should like to say that I have great hopes of the debate in the Council about this document which, as Mr Gallagher said, may perhaps not contain quite all the proposals which he himself would have liked. What should we be trying to do, though? Keep ourselves happy or try and produce a result? My own belief is that in this essential question we should submit to the Member States a concept

which they find politically acceptable — and this is the general tone of the report which is before you this evening — and which will consequently enable us to move on to a process of construction for the Community on the basis of that acceptance. Let me repeat the essential fact: it is not enough merely to say that we need coal, only to find at the end of each year that we have used less rather than more. It is essential that in achieving our strategic targets we define the role we are attributing to coal and then, having done that, that we ensure that the necessary means are available so that we can coordinate and harness our achievements and our objectives. That is what Mr Rinsche's report to this House will help us do; the document the Commission submits to the Council and the Parliament must do likewise. It is my hope, Mr President, that when the time is right Parliament will return to this question with some tangible proposals.

President. — The debate is closed.

The vote will be taken at the next voting time.¹

(The sitting was closed at 12 midnight)

¹ *Agenda for next sitting: see minutes.*

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IN THE CHAIR: LADY ELLES

Vice-President

(The sitting opened at 9 a.m.)

President. — I call Mr Pannella.

Mr Pannella. — *(FR)* Madam President, I am always happy to see you in the Chair, but this morning I am sorry not to see the President. As you know, I like him very much and I am particularly sorry he is not here, because, in Item 3 of yesterday's minutes, we find reproduced the confusion which he had deliberately sustained. We read there, 'Parliament took note of this communication'. That is not true! The President read out a letter and gave us a piece of information. Then he deferred the matter until the afternoon.

I therefore consider that the minutes should be more precise, and I shall say this again to the President.

President. — Thank you, Mr Pannella, for your observation. I will have this matter checked and we can come back to it during the course of the morning when Mr Dankert is in the Chair after 11 o'clock. For the moment, therefore, we shall not adopt the minutes of yesterday's proceedings.

I call Mrs Squarcialupi.

Mrs Squarcialupi. — *(IT)* Madam President, this morning we should be voting on the report by Mrs Scrivener on chlorofluorocarbons in the environment. In fact we still do not have the Italian version of certain amendments to this report. Since this is a delicate subject of a technical and scientific nature, I would ask you to make sure that these amendments reach us as soon as possible, at any rate before the vote takes place.

President. — Thank you for this information, Mrs Squarcialupi. The services inform me that the amend-

ments will be available before the matter is voted on. If they are not, I will, of course, see that this report is postponed until the amendments are available in Italian.¹

1. Votes²

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

We begin with the Deleau report on small and medium-sized undertakings (Doc. 1-854/81).

Paragraph 2: Amendment No 1

Mr Deleau, rapporteur. — *(FR)* I am in agreement with the first four lines of the amendment, but am in doubt as to the definition given of small and medium-sized undertakings, since the Committee on Economic and Monetary Affairs did not have occasion to discuss the point. I leave it to the House to decide.

(. . .)

Paragraph 4: Amendments Nos 9 and 3

Mr Deleau, rapporteur. — *(FR)* I agree to Amendment No 9, by Mr Calvez. Nevertheless, this amendment should come at the end of paragraph 7. It is out of place where it is, but I agree to its wording.

(. . .)

After paragraph 4: Amendment No 2/rev.

¹ For items concerning documents received, authorization of reports, reference to committee under Rule 49(6), application of the Rules of Procedure and procedure without report, see the Minutes of Proceedings of this sitting.

² The report of proceedings reproduces only those stages of the voting which gave rise to speeches from the floor. For other details of the voting, see the Minutes of Proceedings of this sitting.

Mr Deleau, rapporteur. — (FR) I am against this amendment, since its first paragraph is already covered by the iron-and-steel policy, while the rest can be found in paragraphs 7 and 8 of the motion for a resolution.

(...)

Paragraph 7: Amendment No 6

Mr Deleau, rapporteur. — (FR) I could agree to Mr Petronio's amendment on condition that the last sentence of paragraph 7, which seems to have disappeared in Mr Petronio's version, were restored. It is very important in this report.

(...)

After paragraph 8: Amendment No 4

Mr Deleau, rapporteur. — (FR) I am in agreement, but would point out that this amendment is not properly placed between paragraphs 8 and 9: it should form a paragraph 15A if the text is to be properly understood.

President. — May I ask Mrs Nikolaou if she is prepared to have this taken in the place proposed by Mr Deleau?

Mrs Nikolaou. — (GR) Yes, I have no objections to that.

President. — We shall now put this to the vote, but it will come in the place as proposed by Mr Deleau and as agreed by the proposer of the amendment.

(...)

Paragraph 11: Amendments Nos 19, 15 and 7

Mr Deleau, rapporteur. — (FR) I agree to Amendment No 15. As regards Amendment No 19, by Mr Tuckman, since the Committee on Economic and Monetary Affairs has not discussed the matter, I leave it to the House to decide. As for Amendment No 7, by Mr Petronio, I am against.

(...)

Paragraph 12: Amendment No 20

Mr Deleau, rapporteur. — (FR) Madam President, I listened yesterday to the author of this amendment urging that we accept this percentage of 20% in value terms. I feel — and this is a personal view, since the question has not been discussed in committee — that

this would no doubt be a good thing, but I wonder whether it is feasible. In any case, I think it goes against the principle of non-discrimination which obtains in the awarding of public contracts. I therefore leave it to the House to decide.

Paragraph 13

Mr De Goede. — (NL) Madam President, in paragraph 13 could we take a separate vote on the third indent? In my version, that is: 'Possibility of adequate and appropriate amortization calculated on replacement value'. That was a separate point, both in the Committee on Economic and Monetary Affairs and also yesterday in plenary sitting. I should therefore like you to put this phrase separately to the vote.

Mrs Kellett-Bowman. — It would appear that the Dutch translation is very dissimilar from the English, and this may be what is causing the problem.

President. — As the translation was read to me when Mr De Goede read his text, the Dutch was precisely the same as the English text. If there is any difficulty with the translation, I think that this can be sorted out; but there is clearly no fundamental difference in the meaning of the texts.

I therefore put to the vote, as requested by Mr De Goede, the third indent.

(...)

Paragraph 16: Amendment No 8

Mr Deleau, rapporteur. — (FR) I request a vote paragraph by paragraph. I agree to all the indents except the last, which is a repetition since it already occurs in paragraph 10. I think the author of the amendment will agree.

(...)

Paragraph 17: Amendments Nos 22, 10 and 5

Mr Deleau, rapporteur. — (FR) I am against Amendment No 22, since it is already virtually included in paragraph 8 of the motion. I agree to Amendment No 10, by Mr Calvez. As for Amendment No 5, by Mrs Nikolaou, I leave it to the House to decide: I think this is also a case of repetition.¹

(...)

¹ In addition, the rapporteur spoke *in favour* of Amendments Nos 12, 13, 14, 16, 18 and 21.

President. — I can now give the floor for explanations of vote.

Mr Martin. — (FR) Madam President, small and medium-sized undertakings have a considerable part to play in the national economies, and the problems these undertakings are confronted with in the face of an ever-growing concentration of the economy are very real. Mr Deleau's report reflects these problems; nevertheless, it does not satisfy us. It does not bring out the criteria which would justify a policy of support for small and medium-sized undertakings. In our view, financial support and taxation reliefs for these undertakings should aim essentially at job creation and investment, provided that this investment is itself also directed towards creating a response to the growing consumer demand and towards the creation of further employment.

The financial viability of small and medium-sized undertakings is not threatened by employment and salaries: on the contrary, it is austerity, the problems entailed by loans and investments and the low level of popular consumption which have created the difficulties and the very numerous bankruptcies of the last few years.

The use of Community financing instruments such as loans, the Social Fund or the Regional Fund may well enhance the efficacy of measures adopted at the national level; but we do not consider that exports should constitute a primary object in the financing of small and medium-sized undertakings. This antiquated reasoning, which attaches primary importance to financial profitability and the race for outlets abroad, has outlived its usefulness. If innovation and competitiveness have any meaning at all, it is in relation to national, social and also Community needs, in the first place employment, which the report is far from taking sufficiently into account. For this reason, we shall abstain.

(Parliament adopted the resolution)

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President. — We shall now consider the Walz report on Euratom loans for nuclear power-stations (Doc. 709/81)

(Parliament adopted the resolution)

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* *

President. — We shall now consider the Lizin report on European nuclear safety policy (Doc. 1-852/81).

I call Mr von der Vring to speak on a point of order.

Mr von der Vring. — (DE) Madam President, in yesterday's debate it became clear that it was no longer a matter of voting on the objective question of nuclear safety, but a vote by Parliament on the principle of nuclear energy.

Such a vote should not, I think, be undertaken by a hundred Members. On behalf of ten Members of this House, therefore, I request, pursuant to Rule 71, that you establish whether a quorum is present.

President. — Would the ten Members please stand up?

(More than ten Members rise to their feet)

I would remind the House that in accordance with Rule 71a quorum consists of one-third of the 434 Members of the House. Since it is not immediately evident whether this quorum is present, I shall ask Members to produce their voting cards. This is not a vote but merely a way of enabling our officials to establish the number of Members present and entitled to vote.

(The verification was made)

Eighty-five Members have used the electronic voting system. However, it is quite clear that there are more than that present. I must therefore ask the ushers to clear the Chamber of all persons except Members. If Members will then stand, our officials can establish exactly how many are present as of this moment.

(A second verification was made)

There is not a quorum in the House. I am therefore obliged to agree to the request that we should not now vote on the Lizin report.

I call Mr Forth to speak on a point of order.

Mr Forth. — I was going to suggest, Madam President, that one other possibility would be to check the number of signatures on the sheets at the back of the Chamber.

(Laughter and applause)

President. — Mr Forth's proposal is a very practical one. However, if the House agrees, I would suggest that this whole question of the proper way of ascertaining how many Members are in the Chamber for a vote should be referred to the Committee on the Rules of Procedure and Petitions. It is evident that the Rules are not clear on this matter.

President

The vote on the Lizin report is now postponed to the next part-session.

I call Mr von der Vring to speak on a point of order.

Mr von der Vring. — (DE) Madam President, I protest at any attempt to discriminate against the request that it be established whether a quorum is present before an important vote. This is a political question. We have carried out this morning a whole series of votes in which about one hundred Members have taken part. If we need five minutes to establish that 140 Members are not present, then someone here needs a new pair of glasses!

Madam President, I would ask you now to clamp down on all remarks which would call into question our procedure, in particular the procedure for establishing a quorum, which is the right of every single Member.

(Applause)

President. — I would remind Mr von der Vring that the Rules of Procedure were adopted by the whole House. It is quite clear how a request for the establishment of a quorum shall be made, and Mr von der Vring's request has been met.

I would also say, however, that it is quite clear that it is not easy to assess how many people are in the Chamber when it comes to a vote. Since Mr Forth has raised this point — and he has an equal right to raise a point of order concerning the Rules of Procedure — I rule that this should be referred to the Committee on the Rules of Procedure and Petitions to be sorted out.

I call Mr Pearce.

Mr Pearce. — Madam President, I do not think you told us how many people were in fact in the House, and I think that you announced that a quorum was not present. I did not hear you announce the figure, and it is important that we know this so that we can establish whether it is the case that a number of Members opposite who called for a quorum, when invited to push their buttons, in fact did not do so, which would be a course of action that I think would merit a reprimand from the Chair. Would you please tell us the figures?

President. — Mr Pearce, there is no obligation in the Rules of Procedure to give the number of people who were present, but since the information has been requested and it is certainly not confidential, since anybody could have taken the trouble to count themselves, the number was in fact 121 and the number required was 145, and the number who used their electronic vote at the time that I requested an electronic vote was 85. I make no comment as to how

many of those people were or were not in the Chamber later on. This matter is now concluded.

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* *

President. — We now proceed to the Rogalla report, on coking-coal and coke for the iron-and-steel industry (Doc. 1-985/81).

(...)

Motion for a resolution

After Paragraph 6: Amendments Nos 1 and 2

Mr Rogalla, rapporteur. — (DE) Madam President, after due reflection I have decided against this amendment, since the essential point — the modification and extension of the decision on coking-coal — is already contained in paragraph 6 of the resolution.

(...)

(Parliament adopted the resolution)

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* *

President. — We proceed to the Rinsche report on Community coal supplies (Doc. 1-662/81).

(...)

Paragraph 5: Amendment No 5

As the rapporteur is not here and has not appointed any Member to speak on his behalf, I cannot ask his opinion. I must therefore leave it to the House to form its own opinion on the amendment.

I call Mr Herman.

Mr Herman. — (FR) Madam President, since I have Mr Rinsche's recommendations here in writing, I wanted to ask you whether I could say yes or no in his place in order to speed up the proceedings.

(Protests from various quarters)

President. — I'm sorry, Mr Herman, since there are objections to your proposal I must accept them and refuse your proposal, though I am grateful to you for having offered to act as substitute for your colleague.

I call Mr Radoux.

Mr Radoux. — (FR) Madam President, the Rules of Procedure lay down that the rapporteur has to make official arrangements for a deputy, and this is not the case here!

President. — I call Mr Pearce.

Mr Pearce. — Madam President, I wonder if you could get clarification from the Committee on the Rules of Procedures and Petitions of what should happen when the rapporteur is not present. It seems to be especially unfortunate that we have this circumstance, since Mr Rinsche has in fact signed in to this Chamber this morning. So he has been here within the last 63 minutes, and it would have been a courtesy to the House had he informed you personally that he would not be here and given the reasons why. Would you therefore please refer this to the Committee on the Rules of Procedure and Petitions?

President. — I will of course refer this to the Committee on the Rules of Procedure and Petitions, though I would have thought that in the normal course of courtesy to the House, a rapporteur who could not for some reason be present would merely inform the President of the person they appointed to act in their place, and I know that this has been done before. However, at the request of Mr Pearce I will pass the matter on to the Committee on the Rules of Procedure and Petitions to get a formal statement on the way that an absent rapporteur should proceed.

I call Mr Fergusson on a point of order.

Mr Fergusson. — Madam President, can you give us some indication of the stage of the morning's proceedings and even of the time the question of the adoption of the agenda is going to come up, and could you also tell us whether there is going to be any announcement today, and if so when, about the membership of Parliament? I would help us to be really certain that we are going to be in the Chamber at the time we need to be.

(Laughter)

President. — I call Mr Irmer.

Mr Irmer. — (DE) Madam President, I would imagine that our absent rapporteur has other business to attend to, because he thought that the Lizin report was to be voted on. However, by not doing so we have saved at least an hour.

So, instead of criticizing our colleague, perhaps we should try to get him back into the Chamber, for besides attending this debate we all have many other

commitments, and I think it is quite possible that the rapporteur is somewhere in the House but does not know that his report is now due to be voted on.

President. — Mr Irmer, it is, of course, possible that Mr Rinsche was in the House. It was also, of course, perfectly possible for colleagues to have advised him during the course of the voting that his report was being voted on, or he might have seen it on the television monitor, but I have made no criticism from the Chair of the rapporteur's absence. This matter will, as requested by Mr Pearce, be referred to the Committee on the Rules of Procedure. No criticism of the rapporteur's conduct is implied, but this is a matter which must be resolved by the Committee on the Rules of Procedure and Petitions and put to the House, once the committee has come to a conclusion on that matter.

In answer to Mr Fergusson's point of order, the matter raised, quite correctly, by Mr Pannella on the minutes of yesterday's proceedings is being looked into. There will not be an answer before 11 a.m., but I hope that there will be an answer before the end of this sitting this morning. That is the only information that I can give you at this point. When we do get the information it will, of course, be brought to the notice of the House, but that will not, I think, be before 11 a.m.

I call Mr Fergusson.

Mr Fergusson. — Can you say when any announcements on the membership of Parliament are expected, Madam President?

President. — Until I get notice of that question, I cannot comment on the membership of the House. As far as I am concerned, the membership of the House is as it now stands. Mr Fergusson may know of correspondence going on between somebody and the President, but it will be for the President to announce that information. As of now, I have no information that the membership of the House has changed.

Written explanations of vote

Mr Martin. — (FR) In the main, we approve of the Rinsche report, but with one reservation.

We have to develop Europe's coal production, coal imports being of no particular interest since prices are tending to follow the price of oil. Moreover, the report brings out clearly that the multinationals have taken the coal market in hand and are sending prices rocketing. We therefore have to establish a Community policy based on European production and covering Community preference in trade.

In this connection, a new development has recently taken place. France has moved from a policy of liquidation to one of developing its coal-mining industry. Instead of the 12m tonnes for 1990 referred to here, it is

Martin

now 30m tonnes which constitutes France's minimum production target. This is a major reversal which is of importance for the whole of Europe.

This target must be taken into account at Community level so that France, too, may have at its disposal the financial means required for this development.

Mr Alavanos — (GR) We have severe reservations about the expansionist West European approach to the problem of coal supplies and the energy problem in general. As representatives of the Greek people, we are particularly sensitive on this point because of the good — and improving — relations Greece enjoys with socialist and non-aligned countries, relations which are based on the exchange of agricultural produce.

We agree with quite a number of proposals in the Rinsche report on the development of local coal production; but we fail to understand how incentives can be given for the extraction of coal while the ECSC imposes a tax of 31%, I believe, on the value of lignite extracted. This is an unacceptable measure: we condemn it and demand its abrogation.

We shall therefore vote in favour of the proposal subject to reservations as to its supranational character and the unacceptable treatment of Greek coal production.

(Parliament adopted the resolution)

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President. — I would inform the House that since there was no quorum for the vote on the report by Mrs Lizin, and in view of the fact that the draft agenda for the ordinary March part-session has already been distributed, this vote will be entered as the first item on the agenda for Monday, 8 March, pursuant to Rule 71 (3).

If we are to have orderly conduct in this House, those who do not wish to take part in the debates should either sit in their seats or carry on their conversations outside the Chamber. Some Members do not have their earphones on and do not perhaps understand English, but some of their colleagues might tell them what has been said from the Chair. This is not for the President's convenience, but for that of the speakers and those who wish to listen to the debates.

2. EEC — USSR exports

President. — The next item is the report by Mr Aigner, on behalf of the Committee on Budgetary Control, on exports of Community agricultural products to the USSR and the State-trading countries (Doc. 1-846/81).

I call the rapporteur.

Mr Aigner, rapporteur. — (DE) Mr President, ladies and gentlemen, the Committee on Budgetary Control has not taken the easy way out with this report. For over a year we have been analysing the problem of trade in agricultural produce with the State-trading countries, and in particular the Soviet Union, of course, discussing this problem with the Commission and working out proposals for making good what I believe to be undesirable trends.

As you know, the debate that began in the old Parliament years ago was sparked off by the sale in 1973 of 200 000 tonnes of butter to the Soviet Union at a give-away price and with an *ad hoc* subsidy of over 1 000m EUA. That operation could not but be condemned at the time, because not one penny had been set aside in the budget for this enormous subsidy. Nevertheless, the budgetary authority was forced by the legal obligation that had been entered into to approve this amount in a supplementary budget.

The Commission then promised Parliament that it would in future seek Parliament's approval before selling butter in large quantities. Unfortunately, it never fully kept this promise. In some cases, the information provided was inadequate, and it was not until last year that the committee managed to obtain accurate and regular information on the Community's commitments and payments. The own-initiative report now before the House is the outcome of the severe criticism levelled at the Commission by the European Court of Auditors for, among other things, its extremely poor management of the organization of the agricultural market, as it was put during the discussion in committee. The criticism chiefly concerned the following points:

1. The Commission usually bases its export policy on incorrect market information, where it has any information at all.
2. It pursues a policy based on the formula that surpluses must be disposed of as quickly as possible whatever the cost, and in this way it sacrifices the chance of controlling the market and prices, to the Community's detriment.
3. The Directorate-General for Agriculture — and this we find the severest criticism — is so behind the times and inflexible in its policy that a reasonable discussion with it is no longer possible. Even logical proposals are arrogantly brushed aside.

Ladies and gentlemen, I would remind you that will the urgent motions on the European Community's embargo following the Red Army's invasion of Afghanistan were similarly referred to the Committee on Budgetary Control for its consideration. We cannot therefore be accused of making a political judgement to which we are not entitled. Parliament itself referred these motions to us for our consideration.

Aigner

These motions were tabled by Mr Tyrrell, myself, Mr De Clercq and Mr Hord. The findings of our deliberations have been included in this report and resolution.

On this subject, it must unfortunately be stated unequivocally that not only was the embargo not respected, but the Community has exported considerable quantities of agricultural produce to the Soviet Union and its satellites. You can see the alarming results of our investigation on page 20 of my report. I will quote only a few figures here. Exports of wheat rose from 5 000 tonnes in 1979 to 500 000 tonnes in 1980, exports of beef and veal from 22 000 tonnes in 1979 to 97 000 tonnes in 1980 and sugar exports from 225 000 tonnes to 833 000 tonnes in 1980. The information and answers the Commission has given to the various urgent motions bears about as much resemblance to the truth — to put it somewhat humorously — as chalk does to cheese.

The argument that the Commission could not have known at the time of the application what contractual commitments were in the licensing pipeline — is on this the committee unanimously agrees — no more than an attempt by the Commission to cover its tracks. Even a rough estimate would have been quite enough to provide Parliament with comprehensive information and would have been quite possible. What is particularly striking when an assessment is made of this situation is that, with its present working and decision-making methods, the Commission is incapable of controlling quantities or prices. That is perhaps the worst criticism. It has become the helpless plaything of speculative trade and market forces.

Typical in this connection is the statement by the biggest monopolist in the trade with the Soviet Union in agricultural produce. He is so well known that he can be publicly named here: Mr Doumeng, the owner of the Interagra company, who controls almost all trade with the Eastern Bloc through many companies.

When asked during an interview how he had managed to become a billionaire so quickly, he answered tersely: 'Through the stupidity of my business partners.' But the Directorate-General for Agriculture is this man's principal business partner!

(Applause)

Ladies and gentlemen, I would recommend anyone interested in further details of the market-dominating position of this company to read its application to the Court of Justice. When you think that in a single transaction involving 25 000 tonnes it is complained that a net profit of 30 million was lost, you can imagine roughly what speculative profit was made on 100 000 tonnes...

President. — Mr Aigner, I would request you to conclude. You are allowed only five minutes.

Mr Aigner, rapporteur. — (DE) Madam President, I also have to reply to four urgent motions. I shall therefore need a little more time to explain the situation very briefly.

President. — Mr Aigner, the rapporteur is usually allocated five minutes. I was following the normal practice of this House. However, if the House agrees that you carry on for another five minutes, I am perfectly happy that this should happen.

Mr Aigner, rapporteur. — (DE) Madam President, the Bureau's decisions I have here make no mention of five minutes, but I thank you for being so helpful.

Ladies and gentlemen, an assessment is not, of course, enough, and the committee therefore makes proposals. We do not want simply to criticize, but also to look to the future. Our proposals are based on the following fundamental considerations.

Anyone who supplies 50% to 60% of world market in certain agricultural products does not need to be told by traders and monopolists what the world market prices are.

(Applause)

As a simple graph will prove, there is a direct, conspiratorial link between the Commission's export subsidy rates and the trend in world market prices.

It is, to say the least, an offence against the European taxpayer for the Soviet Union to have to buy agricultural products from the European Community because of its wretched ideologically-based agricultural policy and for the European Community to be nevertheless taken for a ride as a result of the tactical tricks played by those who monopolize this market. We must insist that the Community supply its internal market and therefore the European consumer with cheap agricultural produce instead of helping the Soviets out of their difficulties by offering them our agricultural surpluses at give-away prices.

(Applause)

This may cost more for the time being; but I am convinced that in the long run the gain will be greater than the higher costs temporarily incurred by selling these goods on the internal market.

The 1981 result shows that the basic considerations are not mere theory. The constant pressure exerted by your committee has resulted in the Commission adopting a course of regular reductions in export subsidies, despite its original intentions. The price demanded on the world market for our agricultural surpluses has been constantly increased. Notwithstanding the Commission's fears, the volume of exports

Aigner

has not fallen as a result. The opposite has been the case: the Soviet Union has never bought as much in the way of agricultural produce as it has done this year.

According to the Commission's own figures, it has saved some 1 600m ECU in the agricultural sector alone. Unfortunately, it has contravened the budgetary provisions and the nature of the Community's own resources by paying the amount saved back to the Member States. For example, the Federal Republic of Germany alone has had over 1 000m back this year.

Anyone who claims that this saving is entirely due to the trend in world market prices and exchange rates is simply confusing cause and effect. It is primarily the European Community which dictates world market prices, partly as a reaction to the policies of other countries which produce surpluses of agricultural products. In any case, anyone involved in this world market will confirm that there is no such thing as an objective world market price: it is always simply the result of utilizing surplus production.

Our proposals for better Community financial and agricultural policies are quite simply essential. I will now outline them very briefly.

We call for a separate policy on exports from the Community to the State-trading countries, and to the Comecon countries in particular. There are, of course, State-trading countries in Africa and other continents, but they are not potential buyers and are more likely to be recipients of development and food aid.

We propose to the Commission that it create a department to administer trade in agricultural produce with State-trading countries and draw up medium-term plans for such trade.

The advance fixing of export refunds in trade with State-trading countries must be abolished.

The provisions concerning the differentiation of exports according to country of destination should be further developed where State-trading countries are concerned and not phased out, as the Commission intends. We are aware of the difficulties in establishing a new system of this kind.

The Commission must drop the view that control over the use of market organizations is entirely a matter for the Member States. Here again, your committee has devoted years of meticulous work to drawing up proposals whose implementation would prevent hundreds of units of account from being wasted. I would simply remind you of the beef 'roundabout' in Ireland.

I am pleased to say that Mr Tugendhat and Mr Dalsager have come to accept our views to some extent.

I would also reiterate the appeal by the Committee on Agriculture and the Committee on Budgets for a more transparent breakdown of the appropriations themselves.

Madam President, the committee has done some good work here and submitted proposals which the Commission should accept.

To conclude, I should like to say a special word of thanks to Mr Dalsager. I know how pushed for time he was today. We thank him very sincerely for nevertheless complying with our request that he state his views on our proposals.

(Applause)

President. — I call the Socialist Group.

Mr Key. — Madam President, on behalf of the Socialist Group we welcome the Aigner motion for a resolution as it was agreed in the committee, and I personally thank Mr Aigner for the work he has done over the last 12-18 months. I think the first thing to emphasize is that the Budgetary Control Committee is responsible for the management of the Community's budget and not for debating whether we should have a common agricultural policy or whether we should engage in trade with State-trading countries. I will therefore concentrate my remarks on the management aspects of this problem.

The whole report, and the whole tenor of the report, reveals that in the past the Commission have not, whether they know it or not, really got hold of the method and management of sales of export products to the State-trading countries, and this has led, as we all know from the many debates in this House and from the many comments in the media, to excessive subsidization of exports to non-EEC countries and peoples. So this has led to great expense, for which the taxpayers of this Community have had to pay. I think the Commission would accept that they have not had a common approach to agricultural exports. I think they would admit that in the 1970s they did not have adequate knowledge and understanding of what the market situation was and that many times — this has been revealed by reports of the Court of Auditors and many other people — we have not charged sensible sales prices and have often paid excessive export restitutions. This has obviously led to great expense.

We therefore, as a Socialist group, endorse the recommendations in the report asking for a consistent export policy which would pay particular attention to the mechanism of the CAP and not distort the Community budget. We want to ensure that the management of the market is geared towards a sensible continuity of market supply, fairer terms of trade and sound budgetary management. We therefore endorse all that.

Key

The second issue which has arisen in this report and in the debates surrounding it is the problem of the embargo. Our group reserves its judgement pending the views and replies of the Commission, but we do ask one or two specific things of the Commission, and we would like to know their answer to them.

An embargo was imposed by the United States on the export of agricultural products to the USSR, and the Community responded in 1980 by agreeing not to replace North American exports by West European exports but simply to maintain traditional patterns. The Commission, on occasions, gave formal assurances to this House to that effect. The figures, as revealed in the report, show that we exceeded our exports many times in that same period. What I want to know from the Commission is why and how this occurred and who was responsible, and we shall listen very carefully to their answer.

The issue of the embargo and the general aspect of budgetary control of this item are serious matters. The tone of the report by Mr Aigner is very firm, and I think people are very concerned about it. Obviously, the matter cannot rest here. For my part, as the rapporteur for the 1980 discharge decision, I shall obviously be taking this issue up again when we come to discuss it in the next few weeks, but I look forward to the views of the Commission today.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Marck. — (NL) Madam President, I agree entirely with the rapporteur when he calls for effectiveness and tighter budgetary control in any Community policy on exports of agricultural produce to the Soviet Union and the State-trading countries. I am also of the opinion that certain monopoly positions should be acted against and prevented. Moreover, I should also like to stress the need for a consistent policy on the export of agricultural products.

The EEC is the biggest supplier of dairy produce on the world market and must therefore export agricultural products, not only so-called surpluses but also the same quantities of products which have to be imported under preferential arrangements. Whether such exports go to the East or to the West is not of such great importance. The Commission asserts that export is cheaper by half than storage. It is indeed important to look for and to continue looking for the cheapest way out. The policy pursued hitherto is therefore to the Community's advantage and must be continued. The Commission must, however, take care to ensure that these exports do not result in a fall in prices on the world market, since this would lead to an increase in refunds and a number of advantages in exporting would be lost.

The Commission has a management committee which must give the go-ahead for adjustments to refunds, but this procedure does not function ideally. I would therefore argue in favour of a more consistent export policy as an essential tool for directing the problems with which we are dealing today along more favourable lines. In addition to the outline agreements on multiannual supplies of agricultural products, other facilities must be made available to the trading organizations, such as buffer-stocks earmarked for export, a short, medium and long-term credit policy, export promotion funds, etc. Personally, therefore, I would favour the extension of the present debate to cover a general export policy of that kind, whether it is directed towards the State-trading countries or not. But I do agree that special rules must be worked out for the sale of agricultural produce to State-trading countries and that measures are needed to prevent the fixing of lower refunds, in order to arrive at a price-level in the EC which is equal to that of the exporting countries competing with us.

I have thus sought to present a few considerations intended mainly to highlight the broader background to this debate, i.e., the need for a dynamic export policy which would also take into account the interests of the farmers and the positive effect it would have on the Community's balance of payments. It is of crucial importance in this connection that correct rules be followed by the trading partners and that strict control be maintained over the budgetary resources applied.

President. — I call the European Democratic Group.

Mr Hord. — First of all I would like to congratulate Mr Aigner. I congratulate him not only on his report but also on his sheer determination in pursuing the shortcomings of the Commission.

(Applause)

Madam President, I am both saddened and sickened to discover so much information that has exceeded our worst fears — worse than any Pandora's box. The Commission insistently told Parliament in 1980 that exports to Russia would not exceed normal levels. The Commission, as we have been told, was instructed on 15 January by the Council of Ministers not to export more than in the three preceding years, and our own House brought forward an approved resolution that there should not be any sales to Russia which included subsidies. But, following these two actions, what do we see? I would submit that in all this high incidence of sales, the Commission acted without budgetary authority.

Mr Aigner has told us of some of the exporting that went on in 1980, the total volume being four times what they were entitled to according to the Commission's dictum. In terms of volume, exports were

Hord

3 200 000 tonnes, whereas the average for the three preceding years was only 720 000 tonnes. Is this what we call restraint? — All this with taxpayers' subsidies! It has not yet been possible to quantify the total cost to the taxpayers, but it must run into hundreds of millions of pounds.

We see that animal feed went up to 44 times its previous level; wine exports, to 7 times; sugar sales, to 5 times. Wheat, which affected by the United States embargo, had an incredible uplift of 340 times, and if you add the flour exports to the wheat you will see that the Community sold over a million tons of cereals to Russia, whereas the average was a mere 37 000 tons during the three preceding years.

I think, Madam President, that this deplorable performance has, firstly, to be related to the instructions that the Commission received and secondly, to the replies that this House received to so many written and oral questions. Mr Roy Jenkins, who was President of the Commission at the time, told us that their sales would conform to traditional levels, and he talked of 75 000 tons for butter; but in the event the Commission utterly failed and exported 142 157 tons.

Even that figure cannot be relied on, because the Court of Auditors themselves have drawn attention to the way in which the Commission changed its rules so that transactions in 1980 would appear in the 1981 accounts — these are not my words but those of the Court of Auditors — at very low rates. Low rates clearly meant high levels of subsidy by the taxpayer. As I say, Madam President, we are still waiting for the Commission to tell us how and where they secure the appropriate budgetary authority for such actions.

But then, Madam President, I reflect. In the light of the pomp and circumstance which accompany the regular presentations by the Commission of formal statements on the progress and the future of the Community it seems to me, in view of what takes place, that most of these statements can only be described as hollow and unconvincing. This week we had a statement by President Thorn, and in the diary of our Parliament I note that the English translation, which gives a *précis* of his speech, states: 'The Commission has special mission at this juncture to convince the Members States and the general public that there is no alternative to the Community'; that it is the only remedy for the ills that plague us. But tell that to the man in the Uxbridge High Street or any high street in Europe! How is he likely to be convinced that the Community is the only way forward when he sees such a pathetic performance in such an important political area? I would say to President Thorn and Commissioner Dalsager that if they want to know what public opinion is, they should come with me to the doorsteps and meet the voters, meet the people. Better still, let them come with me to Hillhead, where we have a by-election and where former president Jenkins is currently trying to get a

Westminster seat, and see the reactions you get on the doorstep when you tell the people how you sold four times as much agricultural produce to the USSR you were obliged to!

Madam President, the facts are clear. The Commission has failed utterly, and I believe that the next step is that we should seriously consider whether the parliament should grant a discharge. Mr Key has already drawn the House's attention to the seriousness of the situation, and I hope that the House will examine the very serious issues in detail when the time comes. Today, I must say, we see more clearly than ever before that the Commission has a responsibility which, I regret to say, they appear not to perceive.

(Applause)

President. — I call the Communist and Allies Group.

Mr Martin. — *(FR)* Madam President, this is a subject with which this Parliament has a positive obsession: whenever butter is assumed to have been sold to the Soviet Union, some people indulge in a frenzy of doctoring figures and of distorting reality. Butter sales for them are nothing but an excuse to deploy their cold-war strategy.

We already had an opportunity of discussing this question during the November 1980 part-session. This Commissioner for agriculture at that time rightly pointed out that 'all these stories spread about the large quantities of butter sold to the Soviet Union are pure fiction'. It is unworthy of this House to institute an official debate on the basis of mere rumours.

This remark is more relevant than ever, and we ought surely to have better things to do in this Chamber. The Committee on Budgetary Control seems to specialize in this kind of mock debate. It is only right that it should keep a watch on the use of Community funds — that is its job — but it should not go as far as to turn itself into a political affairs committee or a Court of Justice! The Commission serves as a scapegoat in this affair for those who wish to conduct a political campaign against the socialist countries and to call into question the principles of international trade between countries having different social systems.

No, Mr Aigner, you will not succeed in turning back the clock of history. What are your arguments? In the first of them, you claim that sales of butter to the USSR are too heavily subsidized. The Commission has replied on several occasions and has stated with proof in support that this was not the case and that there were no preferential prices. But there are none so blind as will not see!

Moreover, the Committee on Agriculture has rightly stressed that exports are cheaper by half than storage.

Martin

We need do no more than compare the figures. In 1980, the EEC sold 100 314 tonnes of butter to the Soviet Union as against 134 479 in 1979 in other words, 25% less. On the other hand, the value of these exports increased over the same period by 2% from 120 440 to 123 003 ECU.

Secondly, you argue that the EEC did not apply the embargo called by the United States. In fact, the Community applied an even stricter embargo than that of the United States itself by extending it to butter, although this is not one of the products usually forming part of the traditional patterns of trade of the United States.

Mr Aigner claims to be concerned to 'ensure that the procedures of the CAP should not be distorted to the detriment of the EEC budget'. I entirely agree with him. Let him therefore compile a report on the cost of making exceptions to Community preference. Just you do that, Mr Aigner! And, since he is so interested in commercial operations and monopoly positions, let him look more closely into the activities of certain multinationals such as Unilever, who make their butter from margarine! Mr Aigner, can you tell us the cost of the concessions granted to the United States to enable them to bring in soya beans, vegetable fats, maize gluten, etc., free of customs duties?

Although Mr Aigner's campaign to influence opinion has no serious basis in fact, the Commission has been taken in by it. For example, by deciding against a reintroduction of the system of sales of butter and butter-oil to the Soviet Union using refunds or by making a 40% reduction in the refunds for exports of barley.

We urge the Commission not fall into this crude trap and ask it instead to take measures to develop exports on all fronts without political discrimination which, of course, means that it must extricate itself from the increasingly constraining patronage of the United States.

President. — I call the Liberal and Democratic Group.

Mr Irmer. — (DE) Madam President, ladies and gentlemen, the real issue in Mr Aigner's report is not so much exports of agricultural produce to the Soviet Union as the reputability of the entire common agricultural policy and hence of the European Community itself.

The agricultural policy has always been vehemently criticized by the public as being too costly. The report now makes it abundantly clear to us that the problem of the common agricultural policy has much less to do with the costs at the producers' end than with the fact that the care which the taxpayer has a right to expect is not exercised in the marketing of agricultural surpluses. It is to the credit of Mr Aigner and his work that he has brought this publicly into focus.

Of course we must endeavour in marketing to sell our goods at the highest possible price, and this is precisely what has not been done, according to the report, in the case of the butter sales to the Soviet Union. After all, we know how much ill feeling is generated among the public when the European housewife sees what she, as a consumer, has to pay in the shop for a pound of butter and then learns of the knockdown prices — and they are public knowledge — at which this produce is being sold to the Soviet Union.

It is not a question here of a demand that we should not export to the State-trading countries. They are an important market for us. But we are not only traders; and if a decision is taken for political reasons, as it was in 1980, not to supply them with any greater quantities, we are entitled to ask why that decision was not adhered to. The Commission cannot go against decisions taken by the Council and by Parliament, even if they seem unreasonable. Do not misunderstand me: I am against embargoes and, at the time, I thought an embargo was wrong because it was unworkable; nevertheless, the Commission cannot simply ignore decisions of the other institutions: this would be contempt of Parliament.

I would ask our colleagues of the Communist Group not to quote wrong figures: the quantities involved were 70 000 tonnes of butter in 1979 and 130 000 in 1980. And a word to the British Conservatives: we, as Liberals, cannot go along with your amendments. In our opinion, they dwell too much on the past and so would emphasize the wrong points in Mr Aigner's report, which looks forward to the future.

Mr Hord, you have said with disarming frankness what your real concern is in this matter: it is to prevent Mr Jenkins winning the seat he is contesting. That is an honourable purpose which should be called by its name.

I should also like to do some plain speaking to Mr Martin, of the Communist Group: on other issues, you relentlessly pick faults with the Commission, even when it is in the right. Yet amazingly you suddenly praise the Commission to the skies on this issue. I can tell you precisely why: because the small farmers and small consumers of Europe are helping to finance your party by way of these practices! The party financing scandals which have emerged, for example, in the Federal Republic are chickenfeed compared with the way the French Communist Party is being financed by the EC agricultural policy *via* Mr Doumeng. That, ladies and gentlemen, is a scandal, and I should like it placed on record here!

President. — I call the Group of European Progressive Democrats.

Mr Nyborg. — (DK) Madam President, I am afraid I cannot rise to the same heights as Mr Irmer, but from as high as I can go I will hand Mr Aigner a bouquet to put in his vase. This is a formidable piece of work he has produced and we all appreciate it, although I must admit I think Mr Aigner has somewhat exceeded his brief. As Mr Key pointed out earlier, these are perhaps not problems which are all specifically the concern of the Committee on Budgetary Control. But there are two sides to the question: on the one hand, trade with the Comecon countries and, on the other hand, the more general issue of exports of agricultural products to third countries. I think we should be very careful not to mix these things together too much.

Although there are certain formulations in Mr Aigner's proposed resolution which could perhaps be improved on, I have not tabled any amendment, as I am in agreement with the principle and spirit of what Mr Aigner has put to paper. It is a somewhat different matter where the explanatory statement is concerned, since, as I said before, I fear that rather too many things have been mixed in together. When we speak of aid to Poland for high-level political reasons and we bring that into the context of budgets in general and refunds for agricultural exports, etc., etc., I do not think we are being entirely consistent. I suspect that the Committee on Budgetary Control had no knowledge of the opinion of the Committee on Agriculture. The proposed resolution, which is based on the arguments in the report, proves, on a close study of the opinion of the Committee on Agriculture, to be more concerned with the problems relating to the production of surpluses of certain agricultural products than with matters arising from an export policy involving the Comecon countries.

As I said at the beginning, I think that the proposed resolution is, by and large, entirely acceptable, and I hope that as many as possible of us vote for it. But I would ask the Commission in its further work with this proposed resolution to maintain a clear separation between trade with the Comecon countries and policy on exports of agricultural produce as such. They are not quite the same thing.

President. — I call Mrs Desouches.

Mrs Desouches. — (FR) Madam President, colleagues, the report which has been put before us today is an ambiguous one, and I think the rapporteur's remarks have only served to increase that ambiguity.

Indeed, the text of the proposed resolution is correct in itself, both in what I would call its apparent motives and in its form, even if some paragraphs might perhaps have been better drafted. I think we are all in favour of efficacious, stringent budgetary control, greater consistency in exports, defence of the Community

budget, observance of the rules of the CAP and better information to Parliament.

Unfortunately, this report is accompanied by comments, and these alter its direction to a considerable degree, render it infinitely more partisan and, it must be said, damage its credibility.

Moreover, the text of the proposed amendments is much more in the spirit of the comments than of the report, and they convey a concern to criticize trade with the Eastern Bloc countries which goes far beyond budgetary policy. A number of speakers have said so before me.

I would add that the comments and amendments are supported by arguments which to me seem highly dubious. I only need quote one or two.

How can we accuse the Commission of 'panic selling and of obtaining deplorable results' and at the same time concede that the USSR has an organization which allows it to negotiate with its partners 'from a position of strength'? How can we be in favour of a free trade economy and at the same time be amazed at the USSR for 'using the principles of free trade to its own advantage'? Such reasoning is, to say the least, surprising.

What can the words 'enable the Community to sell its products under the real market conditions' really mean, when we know and admit that the USSR enjoys a dominant position on the side of demand and that Community surpluses really do exist?

If it is correct, as was shown by a work produced by a Community official, that in 1973 the countries of the Eastern Bloc were the only source of demand for our 200 000 tonnes of butter surpluses, then under those conditions there could not be any market prices.

It is rather curious, I must say, for the explanatory statement to point out that 'there has never been any question of demanding that exports to the USSR should cease.' Why, therefore, does this cautionary note appear in the explanation? Should we really have suspected on reading these comments, and bearing in mind all that has been said, that there was truly a move afoot to stop exports to the USSR and that this report might be sliding insidiously from budgetary control to political discrimination?

To sum up, we can agree with the report as it stands, because it is basically concerned with budgetary control, but we cannot approve the comments and we shall not give our support to the amendments.

President. — I call Mr Habsburg.

Mr Habsburg. — (DE) Madam President, I should like to thank Mr Aigner for accomplishing a gigantic task; after all he has succeeded in bringing clarity into a very obscure area. At the same time, I should like to say that Mr Irmer has clearly spelled out what is really worrying the people in our country. On all occasions when questions can be put to Members, this is the subject which is most often raised.

Since Commissioner Dalsager — I am glad to say — is here with us, I should like to refer to something in this connection which is of particular concern to our electors. The Commission still does not seem to realize that a completely different approach has to be adopted to trade with State-trading countries from that adopted where countries having a market economy are concerned. The State-trading nations are an organized monopoly. Accordingly, a different policy must be pursued from that applicable where free market forces compete with one another.

I should like to draw the Commissioner's attention to a dangerous development. On the timber market in particular, there are signs that we are about to experience a Soviet dumping operation such as occurred during the great economic crisis before the Second World War. I would ask the Commission to deal most urgently with this matter, so that we are not overtaken by a course of events which could damage our economy and increase our unemployment.

(Applause)

President. — I call Mr Tyrrell.

Mr Tyrrell. — Madam President, in the first sentence of his explanatory memorandum Mr Aigner refers to sensational events. I am bound to say that I regard the events he reviews in his report as fully meriting that description. When I and others put down the resolutions which gave rise to this report, my own on 16 June 1980 and the second on 13 February 1981, we did not then know the full facts as we now do. Even then, however, in the first of those resolutions, I and my colleagues, who came from a number of different groups, expressed grave concern at the position that had arisen. The second resolution, of 13 February 1981, gave a warning to the Commission as to the steps Parliament might consider taking, particularly in relation to the budgetary discharge.

So, Mr Irmer, this is not a matter of simply looking to the future. This is an inquest on what has gone on in the past. We have here a Community policy which has utterly failed, and we must find out why it failed. If there is guilt involved, then that must be exposed. If there is incompetence, it must be rooted out, because the lessons for the future must be learned. That is why I hope that your group, who themselves were responsible for putting down one of these historic motions

that have only just come before the House, the one in the name of Mr De Clercq and others, will reconsider our amendments, which are, of course, factual amendments dealing with the history of the matter.

The history of the matter has been dealt with fully by Mr Aigner, and I am only going to refer to a few aspects of it to bring out the full gravity of the story as it now appears. It was in the last days of 1979 that Afghanistan was invaded by the Soviet Union, and we in the free West had an immediate response to it. It was decided that, in order to show our horror and to support the Afghans, we would restrict trade with Russia, particularly in the agricultural sector. It was on that basis that Mr Haferkamp told the House on 16 January 1980 that the Council had decided that deliveries from the Community should neither directly nor indirectly make up for the supplies of agricultural produce to the Soviet Union which would not then, as a result of the American decision, be forthcoming from the USA. He went on to say: 'The Commission has done whatever is necessary to implement this policy and to respect this principle'. So there we were right at the beginning with a clear policy, a policy completely supported by the Parliament. Indeed Parliament in its resolution of February 1980 went a little further and cut off not only traditional supplies but all supplies of subsidized agricultural produce. So there one had a clear Community policy for the Commission to implement, and the Commission gave the assurance that they were implementing it.

At the same time, the wretched tribesmen in Afghanistan were girding their loins for a fight to the death, with some comfort doubtless in their minds that the Russians were going to be desperately short of grain because the Community was going to cut it off. Of course they little knew that the Community was, in fact, going to increase its exports of grain tenfold during that year. At the same time, the Afghans did not know that the Community was going to double its exports of butter and butter-oils to the Soviet Union, thereby enabling Russia to sell off our butter at a profit to its own people and its colonial peoples and thus have money for guns. The Olympic athletes from many countries, who were bravely making what was an enormous personal sacrifice, also thought that the Community was going to stand by its promise.

The Commission started well. They introduced a new tender system for sales which would enable them to have firm control over sales. They would not have to sell without knowing about it, and they could decide when they got the tender whether the price was acceptable or not. There were no sales in February, no sales in March, none in April. If there were tenders, they were not accepted. Then, on 28 April, the Commission suddenly went back on its tracks: they accepted a tender from Russia for 20 000 tonnes of butter, and that was the beginning of the rot.

Tyrrell

That, of course, was challenged in the House. I put down a question, which came up in July and was answered by the then President, Mr Jenkins. He said that the amount of butter exported so far that year was 37 000 tonnes, 8 000 of which had been exported in the first part of January before the new scheme, and that the average they were aiming at was 75 000 tonnes for the year, an average figure which they fully expected to maintain. He also said — and this was what was so astonishing: 'We have abandoned the tender system'. We now know, indeed we knew then, that instead of the tender system, which gave them control, they had reintroduced the export credit refund system, fixing exactly the same rates for Russia as they were fixing for the rest of the world. That was quite extraordinarily puzzling, but Mr Jenkins seemed to think that that would give the Commission some control over sales. I could not see why it should. The tender system had done so, but that had gone. The result was that the Commission went into the second half of 1980 having deliberately stripped itself of the machinery which was enabling it to implement the policy that the Community had laid down.

Even as late as November 1980 Mr Gundelach told this House: 'There have been sales to Russia, but only the quantity worked out in the position taken by the Council and discussed in the European Parliament, some 70 000 tonnes and no more'. That was on 21 November 1980! Mr President, what on earth was going on? Here was the Commission not only tearing down the machinery that would enable it to implement the Community's policy, but telling the House that the policy was being implemented when, as we now know from the table in the appendix to Mr Aigner's report, they were nowhere near it, either in butter or in grain or a range of other foodstuffs.

Mr Irmer, this is not a matter of agricultural policy. I am not taking any part in the agricultural debate here. I am simply dealing with the political issues. If we are going to have a Community policy which is rightly or wrongly — I don't care whether you agree with it or not — agreed between the Member States and designed to answer a political action by the Russians, it must be implemented.

That is the issue today, and that is where the Commission has dismally failed the people of Europe. It has dismally failed the free world. And when we come to a repeat situation, as we have done now in 1982 with the Russian activity in Poland, people are saying: it is no good having a trade embargo, the trade embargo failed. Of course! It did fail, but why did it fail? It failed because the Commission of the European Community was not fit for the job. Whether that was incompetence or whether it was knavery or whether it was a bit of the two is a matter which I hope Mr Aigner's committee will pursue when it reviews the budgetary discharge for that year 1980.

(Applause)

IN THE CHAIR : MR DANKERT

President

President. — I call Mr Adamou.

Mr Adamou. — *(GR)* Mr President, the Aigner report is unacceptable and hawkish, despite the rapporteur's efforts to put it in a different light. We therefore categorically reject it. The various technical economic measures proposed are only an excuse for restricting exports of agricultural produce from Member States of the Community and placing them under the absolute control of the supranational institutions of the Community and of the COCOM. The fact that this report is being discussed today at a time when the Community is faced with the problem of agricultural prices and of finding outlets for agricultural produce is a brutal provocation of EEC farmers.

Today, the ratification of the eight-year agreement on economic cooperation between Greece and the Soviet Union appears in the Greek press. This agreement provides outlets for a considerable part of Greece's agricultural produce and opens up even more favourable prospects, which we hope the Papandreou government will take advantage of.

We should like to take this opportunity of stating that 85% of this year's increased production of citrus fruits — a vital product as far as Greek farmers are concerned — went to the Soviet Union and other socialist and non-aligned countries, whereas EEC countries took only about 10%. The principle of Community preference was thus demonstratively ignored.

As representatives of Greek farmers, we know how they feel, and we should like to state quite categorically that they have no intention of allowing the mad cold-war tendencies of certain elements in this House to hinder the development of good relations between Greece and the Socialist and non-aligned countries, on which the improvement of Greek farming depends.

I should like to tell Mr Aigner that we intend to give his report wide publicity in Greece: it is one of the most convincing arguments yet put forward in favour of Greek withdrawal from the EEC.

President. — I call Mr Delatte.

Mr Delatte. — *(FR)* Mr President, it is true that the common agricultural policy is often criticized, but I would ask those who claim to defend it not to use it as a means of concealing other European problems which are preoccupying them and which are not making sufficient progress. The concerns voiced in the Aigner

Delatte

report show the extent to which Members are worried by the sale of food products to the USSR and the State-trading countries. The report notes indeed the need to sell to the Eastern Bloc agricultural produce for which the Community is in the market, but a number of criticisms have been levelled at the Commission regarding sales effected on previous occasions. On this point, I shall not enter the internal political debate of our British colleagues in which, as we heard earlier, Mr Hord is arraigned against Mr Jenkins; but the rapporteur proposes amendments aimed at associating Parliament more closely with the decisions to be taken when sales are to be made to Eastern Bloc countries, and this is to be welcomed.

In order not to prolong the debate, I shall stick to presenting a few reflections on some of the arguments put forward and to pointing out that, of course, the monopoly positions condemned must claim the Commission's attention and a greater diversification of operators must be found in order to obviate criticism of this kind; we also know, however, that an effort has been made on this point, for — thank God — Interagra alone does not have the monopoly of sales to Eastern Bloc countries.

Regarding the embargo, I would remind Mr Aigner that it was a failure, and a total failure at that, which was the fault of its originators: the decisions taken were not observed by the United States, which sold grain to the USSR through intermediary countries. I would mention, as an example, the fact that one million tonnes of grain passed through Federal Germany disguised as inward processing goods. But the American grain, processed in Germany, went to the USSR during the embargo. So don't let anyone tell us that the Commission has been at fault through bad management; even the originators of the embargo did not apply it.

But the embargo is over. Let us try to be objective, therefore. It is true that the system of prior determination of refunds raises questions regarding their level after the event. It is always much easier to make an assessment after the event, and it is always possible in certain cases to realize that some savings in management could have been achieved. But the reappraisal of the system of prior determination of refunds in force to date raises a problem on which we must ask ourselves some questions.

It goes without saying that, when we enter into a contract in which we are the sellers, the Commission, which must authorize it and which has responsibility for fixing the level of refund, is obliged to act according to its best judgment; but it often has to respond within a fairly short time-limit in order to meet competition, of which there is no shortage. Experience in 1981, moreover, has shown us that positive management results were obtained, because EAGGF (Guarantee) expenditure went down by 1 040 million ECU on the dairy market alone. To

those who talk of surpluses which are unlikely to be absorbed, I would say that, at the present time, when butter is sold to the USSR or to other Eastern Bloc countries, no refund is paid. Perhaps the Commission would kindly confirm this. I would add that in 1981 we sold butter which cost the Community budget nothing and, indeed, brought a return through the levies applied at the time of the sales. Don't let anyone say, then, that surpluses are badly managed: I myself think it is fortunate that we have had surpluses, since otherwise we should not have obtained the contracts which are today bringing in foreign currency to Europe.

While I agree that the Commission should increase its vigilance on the question of sales to State-trading countries, I feel that the requirements put forward in paragraphs 9 and 10 of the report, if adopted, would be a serious handicap, for prior consultation of Parliament imposes an additional time constraint which would be completely incompatible with commercial practice, which, as we all know, demands quick decisions. This is why I shall vote against paragraphs 9 and 10 of this report, which are incompatible with the need to act quickly in market transactions.

President. — I call Mr Früh.

Mr Früh. — (DE) Mr President, ladies and gentlemen, we are on very slippery ground with this subject. It is regrettable that so much emotion is creeping into this debate. It has been claimed that assemblies have no greater burden to bear than a subject such as this; but I can assure you that I explain this subject at every meeting of housewives I attend in such a way that emotions are not added to the burden.

The attempt is being made here to influence a country's internal policy. I would be extremely cautious about this. If accusations are going to be made about the decisions someone has taken, someone who used to be in a position of considerable responsibility, it must not be forgotten that there are people here who had responsibilities of this kind at that time and still have, and the posts occupied were and are not unimportant.

I am very grateful to you, Mr Irmer, for putting a finger on a festering wound so openly by referring to party financing. This is a subject that is always talked about in whispers, but now someone has come right out with it and it will go on record. That is a very good thing. But you also referred to the Federal Republic as a kindergarten. I have nothing to say about that; but you should realize that there is one party in the Federal Republic that does not have any debts. Ask certain people in our government who perhaps ought to know, what accounts they are living on; then we could perhaps stop talking about this subject during this difficult debate.

Früh

I should like to thank Mr Aigner for his report. There was a real need for it. I very much welcome paragraphs 1, 3 and 6 and a few others, which I hope the Commission will adopt as a basis for a better approach in the future.

A brief comment on the work of the Committee on Agriculture. We too have drawn up a report on this subject and would have liked to see the Aigner report drawing rather more on our efforts.

We should not pretend that there are clean slates everywhere except in the agricultural policy, where there are things that need eradicating. This has also been stated very clearly by the Committee on Agriculture: whenever the possibilities for a substantial increase in Community consumption of agricultural produce at an appropriate cost to the budget have been exhausted, the taxpayer would have to dip into his pocket if the practices so thoughtlessly demanded here were introduced without any knowledge of what they would cost.

But the Committee on Agriculture — this is a political matter — has said something quite decisive about this. Others may well wonder if they have done what was needed.

It says here in the conclusions that the European Parliament must call on the European Council, the Foreign Ministers meeting in political cooperation and the various Councils of Ministers to adopt a clear strategy towards third countries and to define the role the Community should play in the world. No one will deny that that is a highly political problem. It is something that cannot simply be reduced to the level of housewives just to gain applause or to hit the headlines in various newspapers.

In its trade relations with the rest of the world, the Community must — and this is something I should like to make quite plain to certain people who go completely deaf when it comes to deliveries of pipes and other products and also large credits that may now have been lost — treat agricultural produce and manufactures in the same way.

I felt I had to say a few words in explanation on behalf of the Committee on Agriculture. I am only sorry that we have so little time, and I hope that during the debate on the discharge we can keep the perennial subject we have been discussing today as far in the background as possible and concentrate on the matter in hand.

I would warn against constantly chopping away at our only really common policy, which certainly has many defects, but then what policy has not? For it has achieved one thing: in a very insecure world it has ensured that 270 million people are fed. It provides food in emergencies and disasters. It can also provide political assistance.

Since postal charges were dropped, the number of parcels sent from the Federal Republic of Germany to Poland every day has risen from 10 000 to 65 000 and this is in addition to supplies from the Community. I ask you where all these food parcels would have come from if the common agricultural policy had been a complete failure. The agricultural policy is thus not a permanent scapegoat but an instrument of peace! — Although I hope that that this will not be taken to mean that I am politically on the side of those who defended this matter just now.

President. — I call Mr Rinsche for a personal statement.

Mr Rinsche. — Mr President, owing to an unfortunate mistake, for which I am not responsible, I was not in the Chamber at the time when my coal report came to be voted on. I apologize for this slip and thank Mr Irmer for trying to save the situation.

President. — I call Mr Pearce.

Mr Pearce. — Mr President, as I was the one who raised this matter, may I thank Mr Rinsche for his explanation which, as far as I am concerned, is completely satisfactory.

President. — Now we will go on with the debate.

I call Mr Brøndlund Nielsen.

Mr Brøndlund Nielsen. — (DK) I should like to express my support for Mr Aigner's report on Community sales of agricultural produce to the Soviet Union and the State-trading countries. I would emphasize that this report should not be taken as an attack on the common agricultural policy but as an approach to the special problems which arise in trading with Communist Eastern Europe. I would add that the management of the common agricultural policy in the direction of exerting greater influence on markets has shown a distinct improvement recently, and I should like to convey to the Commission my satisfaction with this trend. But we should be wrong not to strengthen our trading position in relation to the Communist countries.

Many speakers here have made the point that we are dealing with monopoly traders, and although the Communists in the East make much of their critical attitude to capitalism and profit, we have to note that they frequently know how to exploit the trading position they hold as monopoly purchasers — and, we might add, as holders of a monopoly on power in their countries, for they do not even flinch from allowing their own population to suffer serious food shortages

Nielsen

if that can play a role in the trading situation. I think we must press for a strengthening of the Community's trading position and for firm action on the part of the Commission to bring that about.

I should like to stress in this connection that, generally speaking, I do not want the Commission to be an organization for trade and distribution. I do not think that is a task for the Commission; it should be left to the free market. But in dealings with Eastern Europe it may be the right approach.

I have emphasized, then, that this report should not be seen as an attack on the common agricultural policy and I will say in connection with paragraphs 9 and 10 that, because of the way in which the common agricultural policy is structured, it cannot be tied in with exact forward budgeting and control other than insistence upon strict observance of the rules. It is impossible to predict what it will finally cost, because it depends entirely on a series of variables affecting the market situation.

I will conclude by repeating that this is not an attack on the common agricultural policy, but a useful contribution to the work of securing greater control over trade with Eastern Europe, and I should like to thank Mr Aigner for his work in this connection.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) Mr President, to begin with, I should like to comment on the points set out in the motion tabled by the Committee on Budgetary Control and Mr Aigner. Although there are a number of points in this document which have been the subject of discussion or on which the Commission does not agree, I do not wish to overstate the disagreement between Parliament and the Commission. The reality of it, when all is said and done, is that we have interests in common, and we share the aim of seeking to render our export refund policy as cost-effective as it is possible to make it.

I think we have made substantial progress in our efforts to reduce the volume of export refunds while increasing our exports at the same time. We are grateful for the support we have received from Parliament in connection with the arrangements which have been made, which have not always been popular. I believe Parliament has helped us to a greater awareness of our responsibility in this matter, and I think our combined efforts are reflected in the fact that EAGGF (Guarantee Section) expenditure in 1981 was lower than in the previous year.

Regarding points 1 and 2 in the resolution, I should like to say that the Commission welcomes Parliament's acknowledgement of the fact that exports to the State-trading countries constitute an important market for

the Community's agricultural exports. It so happens that a major proportion of our customers are State-trading countries or operate through State agencies; but the State-trading countries are not only the East European States. I think, therefore, that we can accept the necessity of continuing to export to these worthwhile markets. The question is, however, how we can do so most cost-effectively. Parliament may rest assured here that the Commission is already applying tendering systems in some sectors, and under such systems we only proceed with those tenders which are most effective and most advantageous to the Community budget. If the State-trading countries do not tender in accordance with the existing price-level on the world market, they cannot receive exports from the Community.

In some sectors we already apply a certain variation between the export refunds on different markets. The difference is greatest in butter, for which we had a long period without refunds in our trade with the Soviet Union, but we apply export refunds of 1 050 ECU per tonne to other countries of destination. The reason for this is that it was necessary to have fully effective machinery for controlling quantities exported to the Soviet Union.

Parliament will know that we have proposed that a tendering system be introduced for certain dairy products and that we are not ruling out the possibility of varying the tendering arrangements according to country of destination. However, we have not yet received Council approval or an opinion from Parliament on this proposal. I must emphasize that we are concerned that all these decisions be taken on the basis of the market situation for the product concerned. In a general way, our export tendering system is applied to all countries of destination, and this is a principle which has worked well since the inception of the common policy.

Regarding points 3-7, I should like to say that the Commission agrees with the author of the motion in that, if we can achieve better planning and fuller information concerning our exports to State-trading countries, especially those in Eastern Europe, this will be an advantage. The Commission has sent a communication to the Council outlining our ideas for long-term agreements which might possibly be applied in these circumstances.

We do not think, however, that there is any need to set up an entirely new department to conduct this form of export business. We would not rule out the possibility of varying the refunds on exports to different destinations where the market situation makes it desirable to do so. We already apply such variations in respect of some products.

I would, however, stress that, to the extent that we do apply tendering systems, it will be of advantage from the point of view of the budget to have the widest

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possible geographical coverage in order to maximize competition between exporters.

With regard to point 8, the Commission welcomes the proposal that we should have greater powers in regard to intervention bodies and better sources of information.

To sum up, I should like to say, against this background, that the Commission agrees to a large extent with the main objectives for the future as set out in Mr Aigner's report, that the Commission will take every opportunity to improve the system in order to ensure sound financial management and that the Commission is of the opinion that it can achieve the main objectives of the Aigner report using the existing machinery. If necessary, we shall look more closely at the improvements outlined and at the new proposals which have been put before the Council and Parliament and present further proposals.

This debate and the documents we have heard presented today contain a wealth of statistics. Some of these statistics, I think, fail to present an entirely correct view of what the Community decided and how the various procedures for the control of exports functioned during the so-called embargo period. Allow me first to remind Parliament that the Community's decision was not that there should be a cessation of exports of agricultural produce to the Soviet Union. On the contrary, what the Community decided was to apply the principle that Community supplies to the Soviet market should not replace exports from the USA, either directly or indirectly. The Council asked the Commission to make the necessary arrangements in respect of grain and grain products and to propose possible arrangements for other products, while at the same time preserving traditional trading patterns.

I wish to stress as emphatically as I possibly can that this was what the Commission decided, nothing else. There has never at any time been any question of stopping exports to the Soviet Union. All that concerned us was that the Community should not replace American products on the Russian market. If there are any doubts on that point, I am willing once again to give you all copies of the resolution which was adopted at that time concerning the so-called embargo. It is also important to remember that neither the United States nor other exporters suspended their agricultural exports to the Soviet Union. All of these exporting countries merely introduced a series of controls in respect of various products.

The documents which have been presented to Parliament indicate that the Community takes exports for 1979 as its reference basis. This is not correct, however. In the various discussions that took place in organs of the Community, it was the general consensus that the average of the three years preceding the period of the so-called embargo should

be taken as the reference basis for traditional patterns of trade.

Mr President, it would also be wrong to give the impression that this embargo operated for exactly one year and accordingly to take the figures for 1980 alone. In fact, the so-called embargo was in operation from the end of January 1980 to April 1982, and we ought by rights to look at the exports covering the whole of this period. This is particularly important because it was always understood by all of the countries involved that, in regard to the so-called embargo, there would be a certain carry-over in the first few months because licences had already been issued or transactions were already in progress. It would therefore be wrong to focus attention on the first part of the period of the so-called embargo and ignore the last part.

In that connection, I should like to acquaint Parliament with certain facts. The product most affected by the so-called embargo was grain, and the Community's main export products are wheat and barley. During the entire period, we issued no licences for the export of wheat to the Soviet Union. I repeat, ladies and gentlemen, the Commission did not issue a single licence for wheat. During the entire period, total Community exports to the Soviet Union were 576 000 tonnes. These exports were transacted under licences which had been issued for the application of the so-called embargo controls. I would stress that the Commission took measures to control exports of wheat and barley immediately after the American decision and before the decision which was taken in the Council of Ministers. It cannot therefore be said that the Commission did not react quickly. With regard to barley, average exports in the last three years before the embargo period were 281 000 tonnes, and the figure for the year of that period in which exports were highest was 406 000 tonnes. During the entire embargo period, we issued export licences for 300 000 tonnes, and actual exports in 1980 were 222 000 tonnes.

I should like once more to emphasize the stringency of these measures and the effective functioning of our embargo controls for grain by presenting them in relation to total Soviet imports during the embargo period, so that we can get an idea of what was happening with our trading partners. The figures we have today look like this: total Soviet grain imports during the first quarter of the embargo period were 7 million tonnes; in the second quarter, 6.9 million tonnes; in the third quarter, 5.9 million tonnes; in the fourth quarter, 8.8 million tonnes; and finally, in the fifth quarter, 9.1 million tonnes. Total imports of grain to the Soviet Union in the 1979-80 crop-year were 30.4 million tonnes and in 1980-81, 34 million tonnes. In the last two quarters of the so-called embargo period, the United States supplied the Soviet Union with 3.9 million tonnes and 3.7 million tonnes respectively. It is against this background that I would

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repeat the observation of the Director General for Agriculture that, among all the exporters of agricultural produce, it was actually the Community which was most conscientious in applying the embargo. I got confirmation of this in my talks with the American minister of agriculture during my visit to the United States a short while ago.

There has been much discussion here in Parliament of the exports of butter to the Soviet Union. I shall now once more give Parliament the figures for the Community's butter exports during the embargo period. The picture is as follows: average Community exports to the Soviet Union in the years immediately before the embargo period were 70 000 tonnes. Exports in the year immediately prior to the embargo period i.e., 1979 were 135 000 tonnes. Exports in 1980 were 100 000 tonnes and, expressed as a yearly average spread over the entire embargo period, this would give an annual export figure of 75 000 tonnes.

As you can see from the figures I have given, the Commission has honoured its commitments under the resolution adopted at the time concerning the American embargo on the export of agricultural produce to the Soviet Union. There are, of course, a great many products which I have not mentioned here, Mr President, mainly those which are not covered by our refund system and which therefore fell outside the control of the Commission as far as export and import trade with the Soviet Union is concerned, but neither were they covered by the Council resolution which was adopted for the purposes of the embargo.

President. — I call the Committee on Budgetary Control.

Mr Aigner, Committee chairman. — (DE) Mr President, allow me briefly to sum up what is important to our committee here.

Mr Dalsager, you have instilled into us the hope that you are endeavouring to develop new machinery. Continue to talk to us.

We shall review the figures you have given us when we discuss the discharge. I asked you to have your staff supply these figures to you under oath so that, if we find them to be incorrect, we can apply sanctions.

Also, I request a roll-call vote. What is at issue here is to give a boost to agriculture and to repudiate speculation, and we want to know who is for the speculators and against the farmers and consumers.

President. — The debate is closed. We proceed to the vote.

I call Mrs Desouches.

Mrs Desouches. — (FR) Mr President, since a large number of speakers have pointed out that the problem is an important one, I request that you ascertain whether a quorum is present, pursuant to Rule 71.

(More than 10 Members rose to their feet to support Mrs Desouches' request)

President. — I rule that there is no quorum. The Aigner report is automatically referred to the next plenary sitting as the first item on the agenda.

I call Mr Patterson.

Mr Patterson. — Mr President, I am sorry to have to disagree with you, but I ask you to read Rule 71(3) very carefully. There is no provision in our new Rules for this kind of quorum count. What the Rules state is that 'if the vote shows that the quorum is not present, the vote shall be placed on the agenda of the next sitting'. There is no provision under our new Rules for this kind of procedure. The vote has to take place, and it is the vote that determines whether there is a quorum.

President. — We can, if you want, in order to comply with that interpretation, also vote on the first amendment. But anyhow the vote on the first amendment then counts as a *constat du quorum*.

I call Lady Elles.

Lady Elles. — Mr President, may I report to you that the same problem arose earlier this morning. When people were asked to vote by roll-call vote, not everybody in the Chamber in fact did so. It is, therefore, not a reliable means of assessing whether there is a quorum or not. The figures were read out to the Chamber: 85 voted by electronic vote and the services of the Parliament counted 120 Members present. So I would suggest, Mr President, that this is not a satisfactory means of checking whether a quorum is present and that the matter should be referred to the Committee on the Rules of Procedure and Petitions, as was decided earlier this morning.

President. — If that was decided this morning, then I fully agree with that decision. I think it should happen the same way.

I call Lord Harmar-Nicholls.

Lord Harmar-Nicholls. — Mr President, if the Rules say that the question whether or not there is a quorum shall be decided on the vote, whatever discrepancies there may have been earlier on we must adhere to the Rules.

Harmar-Nicholls

If the Rules are at variance with what somebody has counted, that has nothing to do with anybody. We shall have adhered to the Rules. And if the Rules say the vote does it, I really feel that this President should insist that we adhere to those Rules.

President. — Lord Harmar-Nicholls, I have to point to paragraph 2 of that same Rule 71, which does perhaps not quite conform with paragraph 3. Rule 71(2) states:

A quorum shall exist when one-third of the current Members of Parliament are present in the Chamber.

That means that one should nearly force the Members present to vote if it is the vote which decides the issue. But I cannot force Members to vote, so I have to find another way of counting. So there is in fact a problem of interpreting the difference between paragraphs 2 and 3 of Rule 71. That's why I proposed to do it on the basis of 71(2). But Mr Patterson said it should be done through the vote. Well, that is the problem of approach, that is why Lady Elles remarked it should be sent back to the committee because it is a problem which had not been well considered, I think, by the Committee on the Rules of Procedure and Petitions. That was decided this morning. I have made my count of the Members effectively present. Under paragraph 2 that was the first thing to do, because that is the order of the Rules. My count says there is no quorum. I can have it confirmed by a vote on an amendment, but that does not change my *constat* that there is no quorum. That is the problem. So if you want to vote, that is merely a supplementary step — but it doesn't change anything.

Mrs Kellett-Bowman. — Can we have a roll-call vote for the supplementary step you are about to take, Mr President?

President. — So, according to Rule 71(3) we shall now have a roll-call vote on the first text — not on the quorum, because I can't take a vote on a quorum.

An electronic vote will be taken on the first indent of the preamble of the report by Mr Aigner.

(The vote was taken)

The result of the vote is:

For:	70
Against:	12
Abstentions:	3
Number of those voting:	85

There therefore is no quorum, and this item is deferred to the next part-session.

I call Mr Sieglerschmidt on a point of order.

Mr Sieglerschmidt. — *(DE)* Mr President, even under the wise leadership of Lady Elles, the result would

certainly not have been any different if we had followed the Rules to the letter. I did not ask to speak earlier, because I did not want to make the situation even more complicated unnecessarily; but the Rules of Procedure are quite clear on this point: the presence of a quorum must be shown by the next vote.

Rule 71(3) begins as follows: 'All votes shall be valid whatever the number of voters.' That is the head sentence. No-one need bother about that. Now a request is made supported by ten Members. Then the rule says '... unless the President ... at the moment of voting ...', i.e., it must be the next vote. There is absolutely no other interpretation. Of course, Mr President, you may request an interpretation from the Committee on the Rules of Procedure and Petitions, but it will not be able to give any other interpretation.

This does not, of course, answer the question, what happens when Members are present at the vote but do not in fact vote. This problem is possibly best solved by a roll-call vote. If we introduced here what is possible in some parliaments, i.e., if we made unexcused absences at roll-call votes punishable by a fine of, say, 50 EUA, it would surely have an effect.

President. — The matter is not as clear as you make out, Mr Sieglerschmidt. According to Rule 71(2), a quorum exists 'when one-third of the current Members of Parliament are present in the Chamber'. Here a problem arises in connection with paragraph 3 which you have not resolved. If only paragraph 3 is valid, paragraph 2 is pointless. The matter has been referred to committee and remains so.

I call Mr Enright.

Mr Enright. — I would just like to inform you, Mr President, that my very good friend Mr Forth drew attention this morning to a particular anomaly which I personally would like the Bureau to look at. A quorum had actually signed into this House, though a quorum was not present one half hour after the opening. I should like the Bureau to look into the financial implications of that.

President. — Mr Enright, it is possible that a quorum is in the House, but according to Rule 71(2) I have to see whether the quorum is in the Chamber, which is a different problem.

I call Mr Patterson.

Mr Patterson. — There is a further point in Rule 71(4), and this may account for the discrepancy between your count and the figures obtained by the electronic vote. It says that the ten Members who requested the quorum shall be counted in that quorum

Patterson

even if they are no longer in the Chamber. Now the question I want to ask you to refer to the Committee on the Rules of Procedure and Petitions is in what way it can be ascertained that those ten Members are still in the Chamber if they are not voting. I think this is something which also needs to be settled. As I say, it may account for the discrepancy in your figures.

President. — I call Mr Forth.

Mr Forth. — Following what my colleague Mr Enright said, I should tell you that we counted something like 200 people who had signed in earlier today, so colleagues can work out for themselves the discrepancy between that and the 80 who are now here.

The main point I wanted to make, however, is this: I am aware that under Rule 66 Members of the Commission and the Council shall be heard at their request, and I am also very much aware that the Commissioners are most keen to give us the fullest information on all matters. But I have to say that I really do feel that we get excessively long contributions from Members of the Commission from time to time and this is our House, we are Members of it and our time is very restricted. I would therefore ask the Commission, most respectfully, whether it would seriously consider making its contributions brief and crisp, if necessary giving us additional details in writing, because otherwise we feel that there is an excessive amount of time being taken.

President. — Mr Forth, I think that this point of order that you have raised is unrelated to the questions with which we are dealing.

I call Mr Pannella.

Mr Pannella. — (FR) Mr President, I should like to speak on a completely different subject, which we have become accustomed to regard also as a procedural matter. Two hours ago, I received a telephone call from Rome, from someone who is a member of my party and who is also a voter — at least, I think so. He asked me: 'Is it true that the European Parliament issued an invitation to President Reagan and that he replied that he did not have the time to come to the European Parliament?' I knew nothing about it, Mr President, I had not read the newspapers! It seems that, as a Member of Parliament and also a member of the Bureau, I have to read the newspapers if I want to know what is going on. In that case, I might as well stay at home instead of coming to Parliament!

I congratulate you, Mr President, for the ability, as one might say, to admit that one has made a mistake shows strength and wisdom. The day before yesterday, I think you gave a press conference at which — and it was highly commendable of you — you regretted and,

in a manner of speaking, withdrew certain statements you had made. That is very gratifying to me, and it proves that you are a good President. But, Mr President, five minutes after expressing your regret at having said those words which, as it were, said more than was really in your mind to say, you said something which it was not for you to say! You said you felt that the single seat, not just of Parliament, but of the Community institutions, should be Brussels. That's fine, Mr President, but it was not for you to say that concerning the institutions and not just Parliament alone. Then, Mr President — and that was really the end for me — I read the AFP wire saying that the President of the European Parliament had stated at a press conference that he had tried to invite President Reagan but that Mr Reagan had replied that unfortunately he had not the time to take up the invitation.

Mr President, this is a serious matter. We had in fact decided, a year ago in the enlarged Bureau, that we would not extend any more invitations to heads of state. Secondly, you said: 'I tried to invite him' — that's what the wire says. You did not say anything to us. I have asked other members of the Bureau about this, but they knew nothing about it either. It is not the problem of Mr Reagan or of Mr Brezhnev...

President. — Mr Pannella, I do not quite understand your contribution to this debate.

Mr Pannella. — (FR) Mr President, you allowed someone to speak — and I can understand why — when regrets were expressed that you had made certain statements regarding Mrs Veil: I do not think you can apply double standards. As a Member of Parliament, I am extremely embarrassed by the fact, which is incomprehensible to me, that not only did you take an initiative of which we were not informed but you talked about it to the press and, Mr President, you added that Mr Reagan had not found the time to concern himself with us.

I will say quite simply that, once again, I wish Members of Parliament and members of the Bureau did not have to read the press in order to find out that you want to go to Turkey or that you have extended or tried to extend an invitation to Mr Reagan or that you are in favour of a single seat in Brussels, etc. In all honesty, if that is not the proper way to do things, issue denials and insist that they be published!

President. — Mr Pannella, the statements you refer to on the subject of Brussels or Mr Reagan do not exist. I am not the AFP... You are worrying about things that have no connection with reality.

I call Lord Harmar-Nicholls.

Lord Harmar-Nicholls. — Mr President, I would like to return to the question of the quorum. I was rather surprised that you gave the order for the doors to be locked. In my experience in parliaments, you are entitled to enter the place of voting until the vote has been taken. Normally, when counts are made, people who are within the precincts of the parliament house are allowed in. Where the numbers are as near as they were this morning, I would have felt that if the doors have not been locked, it may happen that sufficient numbers arrive to enable the voting to continue. Now is there a rule which says that the doors should be locked? Because if there is not, I would with great respect suggest that it is really altering what is the normal procedure for seeing that you get the right answer.

President. — Lord Harmar-Nicholls, the matter is quite simple. In order to ensure that the Members asking for the quorum do not then leave the Chamber, while the Rules state that one should count the people in the Chamber, people are allowed in but not allowed out.

I call Mr Collins.

Mr Collins. — May I make an attempt, perhaps a vain attempt, to bring us back to earth, Mr President, on a point of order? I draw the House's attention to the fact that the Committee on the Environment, Public Health and Consumer Protection has still five items waiting to be taken. It is now five past twelve, and I would like therefore the House to refer to the Committee on the Rules of Procedure and Petitions the question whether or not it might be possible to introduce a timelimit for contributions by the Commission.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — President, could I say to the House that the Commission is always ready not to give a view on anything at all, but I always thought that one of the things that Parliament wanted was a reasoned reply from the Commission to reasoned points raised in the Parliament.

(Applause)

President. — The next item is the report by Mr Woltjer (Doc. 1-1034/81), on behalf of the Committee on Agriculture, on

the proposal from the Commission to the Council (Doc. 1-868/81) for a regulation amending Regulation (EEC) No 1758/81 on the common organization of the markets in the sugar sector.

I call the rapporteur.

Mr Enright, deputy rapporteur. — Mr President, the empty chairs there in which the Council should be sitting are symbolic of the disgraceful way in which they have behaved throughout the sugar negotiations: they have shown about as much sensitivity as a pig troughing about in its own sty. I think it utterly disgraceful that they are not here this morning, as I do the cavalier way in which they have treated some of the least-developed countries. For once, I should like to congratulate the Commission, who have behaved quite impeccably throughout these negotiations and have shown considerable skill and determination in achieving the 8.5% for principally the African, Caribbean and Pacific countries. I could wish that they had shown the same determination in some other directions.

Since time is short, I will keep it brief; but I would like a reply from the Commission on two points of concern. One is, not in the short term, not in the medium term, but in the long term the prospects for the ACP refining their own sugar. We cannot continue for ever in a situation in which they have to export their raw sugar-cane and depend upon, basically, one firm within the Community in order to sell it subsequently.

My second point is the fact that we have basically given to one firm within the Community 2 million European units of account: I should like to see the profit-and-loss books of that particular firm and ask the Commission to investigate whether that part of the agreement is justifiable in any way.

That said, Mr President, it is crucial that we pass quickly this entire regulation this morning so that those people who require the money can get it as quickly as possible.

President. — I call Mr Martin.

Mr Martin. — (FR) Mr President, since April 1981 the ACP countries have been urging, justifiably, and with the support of the French Communist and Allies Group, that the price of raw as well as white sugar be increased by 8.5% for the 1981-82 season so as to put an end to the discrimination to which they have been subject. Several months of action have proved necessary, in all the Community and joint bodies, in order to induce the Commission finally to propose the 1% extension which was needed.

True to its habit, the British Government has obstructed the Council's decision, using blackmailing tactics all the more scandalous because they were aimed at securing an additional gift for the Tate and Lyle refining company.

Martin

Naturally, while protesting against this unjustifiable delay, which has been prejudicial to the interests of the ACP countries, we are very pleased that the decision has finally been made. It is the result of the perseverance of the ACP countries, to which we gave our full support.

This delay must not be repeated when the time comes to fix agricultural prices for 1982-83, on which negotiations have just begun. We urge therefore that the 1982-83 prices be fixed on time, on the first of April, and that no distinction be made between the price of raw sugar and that of white sugar. We can assure the ACP countries that we shall be keeping an eye on this matter.

We would also like to call the attention of Members to the dangers of the present regulation on sugar, whose quota system is to be replaced in three years by a system of production control through prices; such a system would result in a drop in the price of sugar which would have serious consequences for the ACP producers. We regret that the Woltjer report does not mention this, but in spite of these reservations and in order not to delay further the price increase for ACP sugar, we shall vote in favour of the Woltjer report.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — Mr President, there are two reasons for this amendment. First of all, the flow of supplies of ACP sugar to Community refineries has become more regular, bringing about a marked drop in the average storage time for such sugar. Secondly, the increase in the price of raw Community sugar for 1981-82 was smaller than the increase in the case of white sugar — that is, plus 7.5% and plus 8.5% respectively — and this difference has a bearing on the negotiations regarding guaranteed prices for ACP sugar for 1981-82. These negotiations are still running, and as of today the Commission and representatives of the ACP countries at ministerial level are meeting in Brussels to put the finishing touches on the final package. That explains the Commission's request for urgent procedure.

The ACP countries have pointed to the 8.5% increase in the price of white Community sugar for 1981-82 and have asked for the same increase in respect of their preferential sugar. This is bound to affect Community refineries, who are prepared to accept such an increase in place of 7.5% only if the impact is cushioned by excluding preferential sugar from the storage compensation system.

The Commission's proposal is designed to do exactly this. The proposal will not have financial implications for the Community budget in the future. The budget would only have to bear the negative balance of the storage scheme as at 30 June 1981, which is quoted at a little over 2 million ECU.

As Parliament will be aware, the Council has continued to consider the proposal since it was submitted by the Commission and itself called for Parliament's opinion last December, while at the same time the Commission has continued the negotiations to fix guaranteed prices for preferential sugar for 1981-82.

The ACP countries continue to call for an increase of 8.5%, while the Council recently reached a common position on the question of amending the basic regulation on the sugar sector. The Council is prepared to accept an increase of 8.5% in guaranteed prices, but not the total exclusion of preferential sugar from the Community storage scheme. Instead, the compensation system would cease to apply to preferential sugar for a trial period of three marketing years, starting in 1982-83, followed by a review in 1985. It would be understood that in the event of the scheme being resumed, the negative balance I have already referred to would not be recovered, subject to an upper limit of just over 2 million ECU. The Commission considers that these changes in its original proposal to the Council are acceptable because the measure will not be final and will make it possible to conclude the negotiations on guaranteed prices for ACP sugar in 1981-82 without further delay.

Finally, the Commission would like to point out that price proposals for 1982-83 include a price increase for raw Community sugar designed to close the gap which appeared in 1981-82. The proposed rise for raw sugar is 10% and for white sugar 9%. The Commission's aim has been to return to coordinated increases for white sugar and raw sugar, as practised in the past, in order to prevent a repetition in the future of the problems encountered this year.

Mr President, the Commission hopes the Parliament will be able to approve the resolution. I would like to thank Mr Enright for his remarks. He raised one question which I am afraid I am unable to answer today. I will convey what he said to my colleague, Mr Pisani in this case, and I hope it will be possible to provide him with the information he has requested.

President. — The debate is closed.

We proceed to the vote.

(Parliament adopted the various texts)

4. Work involving DNA

President. — The next item is the report by Mr Cera-
volo (Doc. 1-810/81), on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

President

the proposal from the Commission to the Council (Doc. 1-448/80) for a draft recommendation concerning the registration of work involving recombinant deoxyribonucleic acid (DNA).

I call the rapporteur.

Mr Ceravolo, rapporteur. — (IT) Mr President, ladies and gentlemen, the recommendation we are now examining concerns a type of technology currently in a phase of rapid and extraordinary progress: genetic engineering. Many believe that its future developments, theoretically impressive as they appear to be, will characterize the coming years even more than the atom characterized its own time. Not everyone is familiar with the details of this prodigious technology which operates at the genetic level — for the present only on micro-organisms — to alter the genetic inheritance, to induce it, for example, to produce certain useful substances or to carry out certain functions.

Many are aware, however, that this work of scientific research and technological experimentation is expected to produce important practical and commercial results in the near future: in agriculture, where efforts are being made to alter, even to a profound degree, the characteristics of certain plants to make them more useful to men; in industry, both in the field of mining and in the area of productive structures basing their activities on fermentation and enzymatic processes; in biological research, in cancer research, in medicine and pharmacology, where the first great successes have been made.

Along with these advantages and positive aspects, genetic engineering has from the moment of its birth caused anxiety concerning possible risks for man and for the environment. Scientists themselves were the first to sound the alarm, and some governments have responded to it, establishing rules for the classification and carrying out of experiments according to their degree of danger, in some countries going so far as to prohibit experiments done with pathogenic agents.

Naturally, there is developing around these anxieties a sort of literature of terrorism-cum-science fiction concerning the possible uses of genetic engineering. Time does not permit me to go into this aspect of the question.

What does interest us is the fact that action has been taken also on the Community level. The Commission drew up a draft directive — on which I was also the rapporteur — which restated the anxieties felt elsewhere concerning possible hazards and sketched out a series of precautionary regulations on the Community level to prevent distortions in competition. As rapporteur, I gave a positive evaluation of this directive. Subsequently, the Commission withdrew the proposal, replacing it with the recommendation which we are now examining.

The Commission made this change on the basis of information to the effect that the dangers connected with work on the formation and use of recombining DNA, contrary to what was believed in the first few years, would probably be slight or non-existent; that the measures of control and safety voluntarily applied in most Community countries were sufficient to minimize the risk of accident; and that each country should be free to adopt what measures it considers suitable.

The recommendation asks the Member States to adopt a common definition of work on recombining DNA, and to prevent laboratories from initiating such work without informing the competent national and regional authorities and submitting to them documentation to explain the nature of the activities planned and to enable the proposed safety measures to be evaluated. The Commission believes that this will be sufficient as far as problems of safety are concerned, since the studies made have so far failed to establish the existence of risks.

Parliament's Committee on the Environment, in what was actually a rather brief sitting with a very short debate, has accepted by a majority vote the Commission's views on the propriety of a simple recommendation.

Permit me to say that, for the minority — to which I, the rapporteur, also belong — the reasons advanced for withdrawing the directive and replacing it with a recommendation are not convincing. The absence of risk recorded so far refers to the use of well-known non-pathogenic bacteria, but the field of possible experiments is virtually unlimited, in regard both to bacteria and viruses and to the number of genes. All the risks connected with pathogenic agents not dealt with in the recommendation have still to be evaluated, and the problems of a Community harmonization to prevent distortions of competition still remain. Finally, there is still the opinion that this minimum control which the Commission feels obliged to exercise should, if it is to be truly effective, be applied by means of a more binding instrument — as a directive would be — and not through a simple recommendation.

I believe I have now presented both the majority and the minority opinions with objectivity. Now the Assembly must decide on this matter, which is not a question for experts alone, as it might appear at first glance. We must be aware that with genetic engineering we are dealing with a new technology which can produce great benefits for man and for the environment, but which is also linked to certain hazards and moral and social questions which should not be underestimated.

In any case, we must give public opinion a clear indication that fears based on science-fiction fantasies are unfounded, but we must be able to guarantee that

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reasonable vigilance is being exercised to prevent the emergence of hazards for man and the environment from the further development of genetic engineering.

President. — I call the Socialist Group.

Mrs Weber. — (DE) Genetic engineering is undoubtedly an area of research which may prove to be extremely important for medicine, the pharmaceutical industry, agriculture and environmental protection. Nevertheless, hypothetical dangers cannot, in my opinion, be excluded, even if what was feared in the past has not come true. Little green men are not emerging from the molecular biology laboratories, as some people had feared.

Nonetheless, hypothetical dangers are still dangers. A hypothetical danger is not eliminated simply because it cannot be accurately assessed. The principal problem is surely that the assessment of the risks is still based on the quantities used in laboratories, which do not exceed 10 litres.

A number of problems will not emerge until the scale-up — that is, until we reach large quantities of over 1 000 litres. Only recently we debated the report of our colleague Gerhard Schmid on molecular biology. On that occasion, he said that with this order of magnitude risk-free enclosure would be economically impossible.

Another difficulty is that it is no longer public institutions alone but also private bodies which account for most of the research carried out. In both cases, the research is done behind closed doors. We believe that controls over private research establishments should also be substantially improved, because it is here that the main source of possible dangers lies.

We must not leave the continued development of genetic engineering and safety standards to the discretion of the research-workers or profit-oriented industry: they are not the right people for the job. This new technology must be handled with great care. As Mr Ceravolo has just pointed out, this first step in so important an area of research cannot be regarded as a neutral phase which is none of the politicians' business and their involvement in the decision-making process should not have to wait until the second step is taken, when it is a question of deciding what to do with these research findings. As we have already seen with nuclear energy, many research-workers who believed they could take the first step with a clear conscience were shocked and bewildered when they saw what they had in fact done, because in areas such as these it is not always possible to predict the entire course of future developments.

I therefore feel that it is wrong to adopt no more than a recommendation in this area: hence my amendment.

The Commission should withdraw this draft recommendation and put forward a new proposal for a directive, as was originally intended.

After all, if there are no risks involved, I wonder why we need a recommendation at all. But if there is any risk for the public, I believe a directive is the right course of action, rather than, to all intents and purposes, consolidating the present situation with a recommendation, with each country and each research establishment being allowed to act as it will. I believe there is an urgent need for a directive at European level which makes for greater safety for the public and greater safety in research.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mrs Lenz-Cornette. — (FR) Mr President, the work on genetic engineering began about ten years ago, and biologists were quick to realize that it was becoming possible to transfer a gene from an animal, a plant or a bacterium to the call of another animal, plant or bacterium. By means of this transfer of genetic material, it would be possible to bypass the natural biological barriers which had up to now preserved the genetic inheritance of each species and to create new species. This naturally aroused certain anxieties concerning the risks that might be presented by these artificial associations of genes.

The discussion has been going on for more than six years now, extending well beyond scientific circles and resulting, in the countries where such work was carried out, in the strict regulation of the conditions under which these experiments may be conducted. This is the first time that scientists themselves have alerted the international scientific community to the possible risks entailed in experiments on genetic recombination. At the Asilomar conference in 1975, 140 scientists from all over the world described the safety measures to be adopted by researchers in order to prevent themselves from becoming contaminated and avoid the spread of potentially dangerous strains created in the course of their experiments.

In this way, rules were laid down concerning the different physical and biological proximities. It is always difficult to evaluate the risks presented by experiments involving chemical or genetic or recombination *in vitro*. In any case, we know, as Mr Calvez said yesterday about atomic energy, that up to the present there have been no accidents in the course of this research. I would agree with him that this means either that the risks are minimal or that the safety precautions taken have been efficacious.

I imagine that this is the main reason which led the Commission to withdraw its draft directive in 1978 and to present us with a draft recommendation.

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According to this recommendation, in each Community country every laboratory must describe the work it intends to carry out, all the evaluations on safety, all the protective measures, and the training of the researchers, as well as furnishing documentation for examination by national experts to be authorized for this purpose. These latter are to meet at least once a year to evaluate the situation, so as to make possible rapid action in the country itself, by the Commission or even the Council in case of accident; I repeat, however, that up to now there have been no accidents.

I believe that we too, like the researchers, should be vigilant, but without being either too restrictive or too peremptory. It is above all a question of national responsibility, and I think that directives should not be drawn up to compel a country — and I am thinking especially of Mr Ceravolo's country — to create legislation on this matter simply because most of the other States already possess it.

It is also feared that private laboratories may not follow the necessary safety precautions; I must say at this point that small laboratories do not indulge in this type of research, for a ticket of admission to the field costs around five thousand million dollars. Specialists in biology, bacteriological biochemistry, virology, etc. are needed, and these specialists have up to now demonstrated their sense of responsibility; it is highly probable that they will continue to do so in the future. They know that if there are risks, these risks concern them first of all, but also all research and humanity as a whole.

In conclusion, measures must be planned for use in case of accident, but we must have confidence in the future, and we must have the courage to take risks. Research and innovation always entail risks. We know, for example, that the discovery of radio-activity permitted both the construction of the atomic bomb and the discovery of treatments for cancer. We know that the risks involved in recombining DNA research lie not so much in the conditions of the experiments as in the choice of experiments. It is easy, however, to estimate the certain risks to which our society would be exposed by restricting experiments designed to facilitate progress both in basic research and in practical application in the fields of medicine and agriculture — progress difficult, nay, impossible to imagine six years ago.

This is why we have approved the multi-annual programme for research and development in the field of bio-molecular engineering, a programme running from 1981 to 1985, and my group, along with the majority of the Committee on the Environment, Public Health, and Consumer Protection, also proposes approval of the recommendation. The Commission first proposed a directive, but, since no great dangers were found to exist, it has withdrawn it and proposed a recommendation, which we support.

President. — I call the European Democratic Group.

Mr Sherlock. — Mr President, I have prepared many highly technical speeches and you will rejoice to know that I have torn them up. I intend to keep to my usual and customary practice, either late on a Thursday night or on the Friday morning, of merely grumbling.

That five matters concerning the environment should be relegated to this dead-end slot on a Friday morning is disgusting. It is the environment that affects everyone of you, your wives and your children: this is what you are talking about at this dead-end hour when your appetite and your thirst are both in excess of your powers of concentration. It is really very bad. But I would like to draw the attention of the House — because I do not intend to spend even too much time on the production of venom — to the fact that when considering the inter-relationships of the various bodies with whom, like the Commission and the Council, it must continue to work, it might just look back at the work of its committees every now and then. Now this committee, the Committee on the Environment, Public Health and Consumer protection, works extremely hard. It beavers away on highly technical and at the same time highly political problems. It produces considered opinions, and when those considered opinions are attacked in this House, as they were, for example, in the case of the Lizin report this morning and Mrs Weber's excellent report yesterday evening, the resulting 85 and 89 amendments make automata of those who take the trouble to be present, because they lift their arms not with any understanding of the significance of the helical structure of desoxyriboneucleic acid, but merely because the Whip tells them to do so. The task of working out a technically presentable model is the work of a committee: I strongly commend it.

In this case, the committee has produced five documents making considered recommendations. My first task is, in the case of each of the five — because this is mainly an omnibus address — to urge you, those of you who are still sitting here, to vote for the committee's findings. Do not indulge in fiddling with individual views at this time of day! They have all been gone through by the committee and they have all been rejected. Above all, if you will pardon the expression, Mr President, when we get to looking at the figures in some of these, let us not indulge in a Dutch auction. It is not a function of this House. I beg of you, support the well-thought-out recommendations of your committee. If I had been speaking yesterday, I would have made the same observations on the careful report of Mrs Weber.

Your colleagues have devilled away very hard: give them a little support before they slip away for their lunch.

President. — I call the Liberal and Democratic Group.

Mrs Pruvot. — (FR) Mr President, since everyone this morning seems to be airing his grievances, I will say that in my opinion the future of Europe — and this will please you, Mr President — is also its culture; moreover, the reports of the Committee on Culture are often no better treated than those of the Committee on the Environment.

Putting that point aside, I would point out that the Liberal Group is entirely in favour of Mr Ceravolo's motion for a resolution, but on one condition: that the two amendments tabled be rejected. I will explain why.

Considered at first as extremely dangerous, genetic manipulations have subsequently proved to be harmless. The greatest risk, that of the creation and multiplication of new pathogenic strains, appears today to have been overestimated. Similarly, none of the dramatic scenarios imagined — new diseases, cancer — appear to have any foundation. In fact, the perfecting of apparatus for the automatic chemical synthesis of genes, the growing mastery of technical difficulties and the ability with which scientists work in this field today must be reassuring to the most doubtful. Moreover, genetic manipulations have extended their field of action, moving from bacteria to the cells of mammals. The introduction of these techniques has caused a revolution in basic medical and biological research. They provide an exceptional tool for studying material ranging from DNA to protein. Caution is necessary, however: the pharmaceutical companies in particular should use DNA with the utmost prudence.

The problems of control should also be considered with great attention, for man must be protected against the harmful effects of genetic engineering when applied to him. The Commission's recommendation allows the reconciliation of these two necessities, i.e., the development of research and effectual protection through information supplied to the competent authorities. We approve of the Commission's proposal taking the form of a recommendation, for we feel that a recommendation is more appropriate because it allows the Member States to be more flexible in actions aimed at promoting research and adopting protective measures. Restrictive legislation runs the risk of producing the opposite effect. We therefore reject the two amendments which call upon the Commission to reissue its proposal in the form of a directive.

Moreover, the Commission, in its explanatory statement, points out that experts will analyse, revise or adapt national and Community provisions at least once a year. We shall be attentive to this, and we will not fail to ask the Commission to report to us on the state of DNA research in all the Member States.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — Mr President, it is, of course, quite impossible for the Commission to do justice to this report, or indeed any others, in the time available, and I hope the House will therefore forgive me if I am brief.

Mr Ceravolo points out that the anxiety initially felt in scientific circles about the risks of genetic research has not been confirmed by the facts, and various other distinguished scientific bodies have, I think, come to the same conclusion. His report also points out that even without regular intervention by the State, the sense of responsibility is keenly felt in the field of science and has resulted in a high standard of safety in genetic research. This sense of responsibility and the measures which have been taken without urging from other quarters should not be underestimated. In our view, we should promote them and not seek to cripple them through precipitous State action.

The uniformity of the safety criteria is also largely guaranteed. The European Science Foundation has performed outstanding coordination work in this respect. The Commission should, and will continue to, promote these measures taken by the scientists themselves wherever and as long as the maintenance of the desired common safety standards can be assured by the means.

This, Mr President, brings me to my last remark which is also a reply to Mrs Webers's and Mr Vié's amendments. The Commission has decided in favour of a Council recommendation based on present scientific knowledge and safety standards currently in force in the Member States. The principle of *rebus sic stantibus* is therefore particularly applicable. Should the situation change, the Commission would put forward new proposals. An initial step has been taken with the proposal for a Council recommendation. Participation in, and influence on, further developments have been secured. In our view, requiring more at this point would amount to using a sledgehammer to crack a nut.

President. — The debate is closed. We proceed to the vote.

I call Mr Griffiths.

Mr Griffiths. — Mr President, I would like to ask your advice. I understand that we have adopted one or two new practices. I was out of the Chamber for about an hour. Could you answer this question? When it comes to voting, are we going to check on the people present before we start each vote on the Friday morning, or was this practice just adopted once, or twice this particular morning?

President. — Not at all. We only check if there are ten Members asking for the establishment of a quorum.

I call Mrs Weber.

Mrs Weber. — (DE) If we decide that the Commission should withdraw its proposal for a recommendation and put forward a proposal for a directive in its place, which we can only do in the resolution, there is, of course, no point in voting on the Commission's proposal for a recommendation first.

President. — The order is established. First the recommendation, then the resolution. It is, I think, quite clear to Members what happens. If they reject the recommendation, then the resolution disappears, and so on. So I think there is no problem about that. We vote on the recommendation first. If the recommendation is accepted, your amendment and the amendment of Mr Vié fall.

(...)

Motion for a resolution, sole paragraph: Amendments Nos 2 and 1

Mr Ceravolo, rapporteur. — (IT) Mr President, I do not believe that the amendments fall, for they say only that the proposal should be withdrawn and presented again in the form of a directive.

The amendments are not fundamentally aimed at making changes in the content of the recommendation; they request only the application of these standards by means of an instrument more binding than a simple recommendation.

I am astonished that some of our colleagues thought that the instrument of the directive entailed changes in the content of the recommendation. What is intended is only the withdrawal of the recommendation and the presentation of its content in the form of a directive: only the form of the legal instrument would be changed.

President. — Mr Ceravolo, I am afraid we do not share the same opinion on this point. We have just voted on a proposal for a recommendation, and by voting in favour of it we have given it our approval. Parliament is no longer in a position to reject it in its present form — that of a draft recommendation — since it has just accepted it as it is. If we had wanted to ask the Commission to present a draft directive, we should have rejected the draft recommendation. We have not done so, and as a result the House would not be consistent with itself if it adopted one or other of the amendments that have been tabled.

I call Mr Spinelli.

Mr Spinelli. — (IT) Mr President, if this amendment were such as to preclude the adoption of the Commission's text, Parliament should have made a decision on the amendment first.

We should have begun by deciding whether we wanted a recommendation or a directive, and then, if there had been a majority in favour of the resolution, we would have voted on the draft recommendation. In fact, you have prevented the expression of support for a directive.

President. — Mr Spinelli, I think there is a mistake. It was clear to Members that if they did not want a draft recommendation, they should vote against it, and many of them have done so, but not the majority. The majority has decided otherwise, with the result that the amendments now serve no purpose. These amendments expressed the wish of certain Members to see the draft recommendation rejected and replaced by a draft directive. That is clear, and that is why we cannot logically put these amendments to the vote. Theoretically, the House could take the opposite view, and if it did so it would not be being consistent with itself. I should therefore prefer these amendments to be either withdrawn by their authors or allowed to fall. I propose that these amendments be declared inadmissible because they serve no purpose.

Are there any objections?

That is agreed.

We proceed to the motion of a resolution, which consists of one sole paragraph.

I call Mr Pannella on a point of order.

Mr Pannella. — (FR) Mr President, at about half-past nine, we were told from the Chair that at eleven o'clock or half-past eleven we should at last be given an opportunity of voting to see whether or not we approve the Minutes of yesterday. Could we talk about it now, Mr President?

President. — Mr Pannella, I remind you that we are in the process of voting on a motion for a resolution. The problem of the Minutes will certainly be raised during this morning's sitting. You have been promised this and it will be done.

(Parliament adopted the various texts)

5. Flavourings in foodstuffs

President. — The next item is the report by Mr Ghergo, on behalf of the Committee on the Environ-

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ment, Public Health and Consumer Protection (Doc. 1-643/81), on

the proposal from the Commission to the Council (Doc. 1-271/80) for a directive on the approximation of the laws of the Member States relating to flavourings for use in foodstuffs and to source materials for their production.

I call the rapporteur.

Mr. Ghergo, rapporteur. — (IT) Mr President, ladies and gentlemen, the problem of flavourings used in human foodstuffs is of deep topical interest because of the ever-increasing use of these substances, and it is even more significant in view of the wide distribution of food industry products.

After having studied the problem for many years with the help of a committee of experts created for the purpose, the Commission has proposed to the Council a framework directive laying down certain rules and general principles on the basis of which specific directives will subsequently be issued. The directive on which Parliament must now express its opinion is intended especially to furnish standard definitions and terminology, distinguishing for this purpose three groups of flavourings: artificial flavourings, nature-identical flavourings, and natural flavourings *per se*.

This last definition is reserved for flavourings extracted from natural flavouring products or from food products by means of appropriate physical processes. On this point, the Committee on the Environment, which dedicated many meetings to the study of the directive, proposes a technical supplement to the Commission's text in the form of amendments, in order better to guard the interests of consumers.

As for the group of nature-identical flavourings, the Committee on the Environment, although sharing some of the reservations which have been expressed, believes that the proposed formula is acceptable, especially in the light of the specific directives to come. The directive proposed by the Commission provides for positive lists, that is, lists of substances which may be used to the exclusion of all others, for the three groups of flavourings.

The Economic and Social Committee, in its opinion on the present directive, has declared that it has no intention of questioning the principle of positive listing adopted by the Community in previous directives on food additives like colourings, preservatives, anti-oxidizers, emulsifiers, thickening agents, etc.; while the Committee on Economic and Monetary Affairs, although recognizing that it is not competent to examine the provisions of the directive in detail, has given an opinion in favour of a system of mixed lists.

The Committee on the Environment, in its meeting of 20 October 1981, gave majority approval to a draft

amendment calling for positive lists for artificial flavourings, and negative lists, that is, lists of prohibited substances, permitting the use of all others, for natural flavourings and nature-identical flavourings.

This, Mr President, is the official view of the Committee on the Environment. I feel obliged, however, for reasons of conscience, to express my personal conviction that the system of positive listing is superior, especially from the standpoint of consumer protection. The two systems can be summarized thus: one, that of positive listing, permits the use only of substances which have been proved harmless; the other does no more than prohibit those which have been proved dangerous. Nor, in my opinion, should the problem of cost be raised — that is, that positive listing entails a great deal of expensive testing. In fact, tests are needed both to permit and to prohibit: thus, both systems must be based on a toxicological examination of the substances. On this point, I will naturally defer to the vote of the Assembly.

The draft directive presented by the Commission includes no time-limit for the issue of specific directives on this subject. The Committee on the Environment, feeling that the framework directive would be ineffectual if it were not soon followed by the specific directives, has proposed a two-year time-limit within which these directives should be submitted to the Council.

Another problem dealt with in the directive is that of the purity requirements to be satisfied in order to avoid the presence of substances injurious to health. Some general principles are laid down in this regard. Moreover, the proposed directive includes an initial list of substances for which maximum permissible quantities are to be established. As for the purity requirements, the Committee on the Environment has suggested a two-year time-limit within which the specific directives must be presented to the Council. Similarly, on the issue of regulations on the methods of analysis to be adopted in order to guarantee the purity of substances for use in food, the Committee also proposes a two-year time-limit.

Finally, although the draft directive provides for the modifications in the technical annexes of the specific directives to be approved by the Commission with the agreement of the Scientific Committee on Human Foodstuffs, the Committee on the Environment proposes that, when such modifications result in the inclusion of new substances in the lists, the decisions should be made by the Council, on a proposal from the Commission and with an opinion from Parliament.

The draft directive contains specific regulations on the labelling of flavourings sold as such, but no regulation is suggested on the labelling of food products containing flavourings and offered for sale to the public. Consequently, the Committee on the Environment has proposed that the Commission present to the

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Council, within two years of the adoption of the directive, regulations on the labelling of products containing flavourings and intended for human consumption, regulations similar to those laid down for flavourings sold as such and intended for use in the food industry. The Economic and Social Committee came out in favour of this in its opinion on the directive.

On the basis of what I have said and with the modifications provided by the amendments, which I shall be able to explain when the vote is taken, the Committee on the Environment suggests that Parliament approve the proposal. I will say briefly that there are ten amendments. I am in favour of all those presented by the Committee on the Environment, with the exception of Amendment No 3, which would overturn the system of positive listing and on which I defer, as I have already said, to the vote of the Assembly. I am against Amendments Nos 1, 7 and 8, and in favour of Amendment No 10. Amendment No 9 has been withdrawn.

President. — I call the Socialist Group.

Mrs Van Hemeldonck. — (NL) Mr President, ladies and gentlemen, the Commission's proposal for a directive on flavourings in foodstuffs has two very legitimate aims. It seeks, firstly, better protection of the interests of trade and industry through the harmonization of national legislation as international trade constantly increases, and secondly, to protect the consumer against dangerous substances in foodstuffs.

The implementation of this directive will represent another step in the direction of a European Consumer protection policy, and there is a great need for this, because there is far from being a genuine consumer policy in the Community. It is very often a secondary consideration when trade barriers are abolished. Central to the Commission's proposal is the positive list, a list of admissible substances and materials that may be used as flavourings, and this has the approval of my group; but unfortunately, Mr President, the majority of the Committee on the Environment, Public Health and Consumer Protection felt that this protective and very important article should be amended. The rapporteur was forced to include in the final version of his report a negative list of natural substances. My group, Mr President, puts health first and wants to protect the consumer, and this cannot be done by banning substances and materials only after they have been proved to be a health hazard. Do innocent people really have to fall victim to the constant advances in the chemical industry? As long as doubt persists about the harmlessness of a substance, it must be considered inadmissible and not therefore marketed. The label 'natural' is no guarantee that a substance is harmless. My group will consequently be voting against Amendment No 3.

In this Parliament we are constantly surprised by the attitude of certain Members. We regularly demonstrate our sympathy in words and deeds with the people of countries outside the Community; we offer assistance of all kinds to countries which have been hit by natural disasters, by hunger, by underdevelopment and so on, which is very appropriate and laudable; but when it comes to exports of dangerous substances, for example, people are evidently of no importance: all that matters is sales and profits.

If we in the Community ban certain substances on health grounds, we must be consistent and not want to endanger other people. Furthermore, there is a good chance that these substances will come back to the Community again in goods imported from third countries. I need only quote the example of the pesticides which are forbidden here but are exported and come back to us in imported products, with all the disadvantages this has for people in and outside the Community. Making money with dangerous substances is immoral, and it places a very great responsibility on those who are involved, including the Member of this Parliament. We sincerely hope, Mr President, that many Members of this Parliament will support our amendment, this being in the interests of all people in and outside the Community.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mrs Schleicher. — (DE) I believe that there is no real need for any kind of legislation on flavourings. To date there has been no evidence of anyone ever suffering a serious illness or being poisoned as a result of the intake of flavourings. Flavourings are always present in foodstuffs in such small quantities that the flavour can just be detected, because no one would eat the product if the flavour were too strong.

I can see the point of attempting to find an arrangement that is the same in all the countries of the Community, and I feel the arrangement the committee has adopted will satisfy everyone and can therefore be approved. The most important thing for the consumer is that, where there is any danger, the arrangement should include negative lists, which are equally practicable for industry and the consumer. I regard everything else as very problematical, very costly and too complicated for the authorities.

President. — I call the European Democratic Group.

Mr Sherlock. — Mr President, this spot, which should have been my colleague Mr Turner's, I reserved specifically in case one eventuality occurred. That eventuality has occurred. Yet again this morning we are faced with a rapporteur who is unfortunately not

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entirely in sympathy with the findings of this committee. He recommended rejection of, I think it was Amendment No 3. That amendment stands in the name of his committee. He must, if he is making personal recommendations, make it beyond a peradventure clear that he is doing so. I re-emphasize, support every recommendation, as Mrs Schleicher has urged you, of this hard-working committee.

President. — I call the Liberal and Democratic Group.

Mrs Scrivener. — (*FR*) Mr President, ladies and gentlemen, I believe that on this matter, an important one, the Committee on the Environment was wise to take the measure that it did, for, in fact, it is a mixed measure.

This Amendment No 3 — which, I join other speakers in reminding you, was approved by a large majority in the Committee on the Environment — provides for the creation of negative lists (and not positive lists) for flavourings which are either natural or nature-identical. From a practical viewpoint, I would like to say to my colleagues that if Amendment No 3 were not adopted, it would be tantamount to saying that a list of over 3 000 products must be drawn up, which is very difficult in practice and naturally entails a considerable risk of error. For example, all the herbal flavourings we have known for generations would be put on the positive list; this is completely ridiculous. It is much better to reserve our attention for positive lists of products which are either artificial or new.

Once again, I believe that the committee has made the right decision. Amendment No 3, therefore, must be adopted. The same applies to Amendments Nos 7 and 8, which are its counterpart in the resolution, harmonizing it with the directive. If this is not done, complete confusion will obviously be the result. This, Mr President, is what I had to say on this matter.

President. — The Non-attached Members have the floor.

Mr Buttafuoco. — (*IT*) Mr President, in indicating our support for Mr Ghergo's report, I wish to stress that, as the rapporteur has made clear, the central issue of the directive under examination is the system to be adopted for identifying flavourings which can be added to food to improve the taste or smell: that is, whether to compile positive lists of the substances which may be used, to the exclusion of all the others, or to compile negative lists of prohibited substances, to the exclusion of all the others.

The superiority of the former system is evident, and the principal aim is precisely that of avoiding the use of substances not included in positive lists. We need only consider that, with the second method, all sub-

stances are permitted until they are proved to be harmful. In order to exclude a substance, it would virtually be necessary to wait until it had caused harm, as has in fact occurred in various cases. Moreover, the principle of positive listing has been universally adopted except in the Community, by the Council of Europe.

For this reason we, who wish to see an effectual system of consumer protection, especially in regard to health, which shall be compatible with the legitimate interests of industry, shall vote against the amendment to the directive which proposes the principle of negative listing. We favour positive listing, which, moreover, is already planned by the Commission.

President. — I call the rapporteur.

Mr Ghergo, rapporteur. — (*IT*) Mr President, I wish to point out to Mr Sherlock that I did state explicitly what the committee's point of view was. I then added that I wished to make some observations on my own behalf. This is a point of fair dealings to which I attach great importance, and I think this will come out very clearly in the report of proceedings.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — The basic question, Mr President, is whether all flavourings, especially natural and nature-identical flavourings, should be governed by a system of definitive positive lists, or a negative list would be sufficient.

The Commission's view is that there is a conflict of objectives between the simplicity and the risks of a negative list and the health and consumer policy objectives of a positive list.

After reflection, the Commission has decided that positive lists should be drawn up. (I am cutting my speech rather dramatically, Mr President.) Having weighed up the conflicting objectives, the Commission's considered opinion is that negative lists have to be judged unsatisfactory from the health point of view. It believes its view is all the more well-founded since its proposals have been drawn up with the assistance of the Scientific Committee on Food, experts from the Council of Europe and the WHO. For these reasons, the Commission is unable to accept the modifications to Article 5(1) contained in Amendment No 3. The modification proposed as paragraph 2(c) of Article 5 in the same amendment is in principle quite acceptable. The changes proposed in Amendment No 4 are, I am sorry to say, quite unrealistic in our view and therefore unacceptable.

The completion of a positive list will take some years. I do not exclude that in the intervening period provi-

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sions which have the effect of a negative list may, for the time being, be justified — indeed, provision is made for this in Annex II to the proposals — but they can never be the final objective.

A final word, Mr President, on the question of controls. This is also an important point. However, I do not consider it a convincing argument against the positive-list. It would be difficult to enforce compliance with such a list, but random samples are commonly made in this field.

The Commission would like to make it clear that the difference in opinion between Mr Ghergo's report and the Commission's proposal is in fact only superficial and concerns only the method of procedure. On this last point I should be very happy if the reservations expressed could be cleared out of the way, especially since Mr Ghergo himself fully supports the system of positive lists in Section 4 of his explanatory statement.

The first change in Amendment No 2 is to make mixtures equivalent to defined chemical substances. This is a terminological impossibility and is incompatible with the positive list as this is geared to substances. The Commission cannot, therefore, accept that change.

The second point seems to intend that natural flavouring substances should be obtained exclusively by physical means, and so the Commission can accept that change.

Amendment No 5 in the report comes out against the committee procedure for the continuous updating of already established lists. I must say that we are surprised by this request. Until now the Commission has always had Parliament's full support when it comes to the transfer of responsibility from the Council. The committee procedure is vital for the Commission's internal market policy in general, because it is flexible, fast and efficient. The Commission hopes very much that Parliament will adopt a positive attitude on this question.

On the question of labelling flavourings in foodstuffs, referred to in Amendment No 6, I am happy to follow the committee's wishes, but I do not believe it would be systematically correct to amend the proposal. Rather, the existing directive on the labelling of foodstuffs should be amended along these lines. So the amendments to this directive cannot, I fear, be accepted.

Amendments Nos 1 and 10 relate to the extent to which the Community legislation on flavouring and foodstuffs in which they are used should apply to products exported to third countries. Clearly the question also relates to Community legislation in general. I must say I have some sympathy for the ideals prompting these amendments, but the Commission

does not believe that they should be included in a proposal on flavourings.

I am sorry, Mr President, if his speech is not very elegant, but brevity is the order of the day.

President. — The debate is closed. We proceed to the vote.

(...)

Article 13(2): Amendments Nos 1 and 10

Mr Ghergo, rapporteur. — (IT) Mr President, I am in favour of the amendment, which offers a compromise between the two views possible on this question — that is, whether or not to prohibit the export of substances forbidden within the Community.

The amendment proposes that such exports be allowed, provided the purchaser is properly informed. If the amendment is to do its job properly, however, it should state that such information must figure *on the wrapping* of the product. On condition that this is added, I reaffirm my support for it.

President. — I call Mr Sherlock.

Mr Sherlock. — Mr President, that was not the opinion of the committee.

President. — Mr Sherlock, I have to deal with the rapporteur. I cannot judge what the opinion of the committee is. I can only hear what the rapporteur is saying. If you have a problem you have to fight it out in the committee, not in plenary sitting, because I am unable to judge.

(...)

Paragraph 4: Amendment No 7

Mr Ghergo, rapporteur. — (IT) I am against it, Mr President, since this amendment has been rendered superfluous in the voting which has already taken place, when the principle of negative lists was rejected.

(...)

Paragraph 5: Amendment No 8

Mr Ghergo, rapporteur. — (IT) Mr President, while the directive is clearly in favour of the principle of positive lists, this amendment, contrary to what was said in the directive, suggests mixed lists. For this reason I am against it.

(...)

(Parliament adopted the various texts)

6. Approval of the Minutes

President. — I now propose to satisfy Mr Pannella and certain other Members of this House by proceeding to the question of approving the Minutes of yesterday's sitting.

I call Mr Pannella.

Mr Pannella. — (FR) Mr President, in view of the late hour, all I wish to say to you, for the sake of good form and *en passant*, is that I have proof here that the newspapers have heard it said that you have invited President Reagan, and I am sorry that I had to find this out through the newspapers.

As regards the minutes, Mr President, it says on page 3: 'The President read out the letter', which is correct. It then goes on to say: 'Parliament took note of this communication', which is wrong. Indeed while you were reading out the letter, Mr President, I raised my hand to ask for the floor. You said: 'No, Mr Pannella, I beg of you, not now, this afternoon, at 3 o'clock.' So no one spoke, Mr President. Parliament did not take note of this communication.

But allow me to say, Mr President, that you are tiring yourself out for nothing, because it is not the 'taking note' that I am questioning. The Rules of Procedure do not say much on this subject. Note is taken where there are incompatibilities, as it says in Rule 7 of the Rules of Procedure, whereas a vacancy is established in the case of a resignation.

In these circumstances, Mr President, I shall never vote for minutes which state that Parliament did something or other after you had read out the letter, when in fact Parliament had done nothing. Whatever else we may have done, we did not take note of Mr Clément's resignation.

President. — I should, perhaps, offer a word of explanation. After Mr Clément's letter had been read out yesterday, you rose to your feet to ask for the floor. At that moment — and this is recorded in the report of proceedings — I asked you to postpone the general discussion on the interpretation of the Rules of Procedure until the afternoon, when the Committee on the Rules of Procedure and Petitions, to which the matter had been referred, would give us its conclusions. I went on to propose that you take note, for the moment, of Mr Clément's letter. I asked you to take note of it and you raised no objections.

Mr Pannella. — (FR) Mr President, you should not only play the same tune as the press, but also prevent people from tampering with the records. You used the words 'I beg of you', which is an expression of courtesy, Mr President. Let there therefore be no more tampering with the report of proceedings when there

are differences of opinion between the President and Members! That is a tradition that should stop. If you like, I will send you the documents, the tapes, to prove it. In any case, Mr President, you say, according to these records, that you asked us to take note. You did not, therefore, ask us to establish a vacancy. This is an instrument that serves no purpose at the legal level, because the instrument of 'taking note' does not apply where a letter of resignation is read out. But then you asked us to take note. But, I stress, we were not put in a position to do so or to refrain from doing so, because 'taking note' is done by consensus. Taking note is not, as Mr Sieglerschmidt, says, a passive action. It is a voluntary act, which you are trying to impose on us. I reject this, Mr President, as a Member of the European Parliament, just as it is also wrong of you to think that the French and Italian Members are yes-men. That they are not, either there or here.

I therefore feel, Mr President, that this procedure is neither very pleasant nor very elegant. Mr Clément's seat is not yet vacant, and that is your fault, not mine. We have never established this vacancy.

President. — Mr Pannella, I find it rather serious that you should accuse I do not know whom of 'tampering with the Minutes'...

Mr Pannella. — (FR) The verbatim report of proceedings: it is not the same thing.

President. — Like yourself, I am in favour of an absolutely verbatim report of everything said in this Chamber. This has not been our tradition hitherto, but this is what I believe is needed. On that we are agreed, but your accusation I cannot accept.

Mr Pannella. — (FR) I ask you to make an enquiry, Mr President. I am at your disposal, with the recording...

President. — Mr Pannella, you did not ask for an enquiry; you made an accusation, and that is serious enough.

The act of 'taking note' has hitherto been prompted by the traditions of this House and based on a certain interpretation. The Committee on the Rules of Procedure and Petitions has been asked to consider whether this interpretation, which appears to cause us certain difficulties, was the right one. That was a problem of a general nature and not one relating solely to the case of Mr Clément or anyone else. You are now attempting to hold up Mr Clément's resignation on the basis of a letter which conforms in every respect to those we have accepted hitherto. — I am speaking, not of the first letter, but of the second.

Mr Pannella. — (FR) All I am saying is that you did not allow us to establish a vacancy: you neither proposed it nor permitted it. Mr Clément has there-

Pannella

fore still not resigned, not because I wish it to be so, but because you did not enable us to register the resignation.

President. — Mr Pannella, what I am saying is that I recall the words I used: 'For the moment, I ask the House to take note of Mr Clément's letter.' The interpretation of this Rule has proved adequate in the past. Perhaps it was not the right interpretation, but this is the practice we have followed so far. If you wish to change it, this will have to be done through the Committee on the Rules of Procedure and Petitions.

I call Mr Patterson.

Mr Patterson. — I entirely agree with you, Mr President, and if we go back to Tuesday, you will find that at that time you did ask the Committee on the Rules of Procedure and Petitions to interpret the phrase in Rule 7(3), 'shall establish that there is a vacancy'. Now, the Committee on the Rules of Procedure and Petitions met and it did rule. They arrived at an interpretation of Rule 7(3). On Tuesday, it was made clear that the whole matter of Mr Clément's resignation was suspended until such time as the Committee on the Rules of Procedure and Petitions had ruled.

Now, yesterday — and I have the minutes here in English — the whole problem has arisen because an incorrect procedure was used under Rule 111(3). Somewhere on the agenda was a statement by Mr Nyborg. Mr Nyborg's statement was referred to the Committee on the Rules of Procedure and Petitions. That is as may be. But the Rules of Procedure — and I refer you to Rule 111(3) — make no mention of the Chairman of the Committee on the Rules of Procedure and Petitions: what they say is that the interpretation shall be forwarded 'to the President' — you — 'who shall inform the Parliament'. You did not, Mr President, inform Parliament of the findings of the Committee on the Rules of Procedure and Petitions, and until you had done so it was impossible to decide one way or another on Mr Clément's resignation.

Now, the first point is that you have got to take action, here and now. Either you must fulfil the provisions of Rule 111(3) and deliver the opinion of the Committee on the Rules of Procedures and Petitions, which will enable us to decide one way or another on Mr Clément; or if you interpret the whole thing the other way, the matter is now back in the Committee on the Rules of Procedure and Petitions and we cannot decide one way or another on Mr Clément until next week, when the Committee on the Rules of Procedure and Petitions has decided. It is very unfortunate, because poor Mr Clément meanwhile does not know his position, nor, presumably, does his successor, who, I see from the Minutes on page 52, was notified to you yesterday. This is a very unsatisfactory matter, and it arises because Rule 111(3) was not carried out properly.

I leave it with you, Mr President, but one thing is certain: either way this matter is still in dispute, and we can neither decide that there is a vacancy established nor can we accept any replacement.

President. — I will say it again in Dutch, since then I think all misunderstandings can be avoided. In my view, the Parliament has referred, not the Clément case, but the interpretation of a particular Rule to the Committee on the Rules of Procedure and Petitions. On that we are agreed. This means that the Clément case has not been suspended as a result of this reference to the Committee on the Rules of Procedure and Petitions, provided we are agreed that Mr Clément's resignation can be accepted on the basis of the procedure followed hitherto.

You were right when you say that the Committee on the Rules of Procedure and Petitions reports to the House through me, but that will concern the general matter of how to interpret this Rule and not the specific resignation of Mr Clément. On this matter, I have not received the opinion of the Committee on the Rules of Procedure and Petitions, and that is why I was unable to offer the Parliament any information on it yesterday.

That is the situation at the moment. In my view, therefore, there are no objections to Mr Clément's resignation, provided his letter of resignation — and on this I thought we were agreed — conforms to our present practice. Consequently, this discussion is, I feel, unjustified. Mr Clément's letter, which is in conformity with the practice followed hitherto, is now being coupled to a procedure for securing a new interpretation of one of the Rules of Procedure, and that, in my opinion, will not do. Is that clear?

Mr Patterson. — There is almost agreement except on one point. Am I to understand that the Committee on the Rules of Procedure and Petitions met at your request in order to rule on this matter of Rule 7(3) and that you never received the ruling of the Committee on the Rules of Procedure and Petitions in order to carry out the provisions of Rule 111(3)? In that case, it is a very serious matter, because it was precisely because the matter was urgent that the Committee on the Rules of Procedure and Petitions was forced to meet in such great haste. If the matter is only a general one and has no connection with any real case, then we could have dealt with it next week or the week after or the month after, but it was *precisely* because the matter was urgent, because there was a real resignation and others to follow, that the Committee on the Rules of Procedure and Petitions met with such urgency. You cannot get over that fact, and if you go back to the Minutes of Tuesday, you will see that is what was the case. So, I really do believe, Mr President, that unless you carry out *à la lettre* the provisions of Rule 111 and inform the Parliament of what the Committee on the

Patterson

Rules of Procedure and Petitions stated to be its opinion, the ruling on Rule 7(3), we cannot proceed any further in the matter of Mr Clément or anybody else. The urgency of the matter is apparent from the way in which everybody proceeded.

President. — Mr Patterson, I do not know how the procedure in the Committee on the Rules of Procedure and Petitions has been. I cannot judge on that. The only thing I know is that I have not received an opinion so far, but I think — and you still relate the problem of Mr Clément with the ruling of the Committee on the Rules of Procedure and Petitions presented to you through the President — I think it is impossible for this Parliament to stop the demand for resignation if that demand is in conformity with all that we have accepted so far. Whether our procedures then are good or false, I do not know; that is not the problem; but if we do not accept the resignation of Mr Clément this time, then we change, without being informed by the Committee on the Rules of Procedure and Petitions, the practice followed so far without a new ruling on the interpretation. That is what, in fact, is going on, because there is no provision to stop a resignation if it is in conformity, and that is the problem.

I call Mr Fergusson.

Mr Fergusson. — Mr President, I have occasionally appeared in courts at home — on the floors of courts — and when that happens it has usually been because somebody has stolen something from me; I am called in English legal terms the 'loser', and my God, Mr President, I know what it is like to be a loser, because lawyers run rings round you; all common sense tells you that you are right, but at the end of the day you lose because for legalistic reasons everything has somehow gone wrong, the property that has been stolen from you is never returned and no-one gets paid and you don't either. And I find this happening now.

I am not an expert on the Rules, as everybody else is here, arguing about various paragraphs and so forth; but I know that all common sense tells me that what has been happening with respect to the tourniquet is absolute nonsense and it is up to the Parliament, irrespective of these Rules, to make jolly certain that this Parliament becomes respectable. We have the ability to suspend the Rules, to stop anything we want to, and what I suggested when I raised this on Tuesday was that we should consider this thing, consider Mr Clément's resignation, consider the question of who should be a substitute for him, and the whole thing should be on ice until we got our Rules clear.

I also know that this week another resignation is imminent. You have not announced it yet. Perhaps you are going to. We don't even know. All I know is

that Mr Clément's substitute is named in the Minutes. Nobody knew that this was going to happen. Everyone thought that this was on ice until the relevant rules were cleared up. Could we stop? Could we make it a little clearer to Parliament what is going to happen? This is a piece of nonsense. We know it is nonsense. Could we not send this back to the Committee on the Rules of Procedure and Petitions and forget all these matters, forget the resignation, forget the substitute? After all, whatever the committee eventually decides must surely be retroactive as far as Mr Clément is concerned. The more we go into these things, the more we say that this is certain, the more it becomes suspect. Could we therefore reaffirm the ruling that was given on Tuesday morning that the whole matter is on ice until the Committee on the Rules of Procedure and Petitions has finally decided?

President. — In my opinion, that is the conflict we have in fact. The ruling of Tuesday was on the general interpretation of the relevant Rule arising out of the Clément case. After Tuesday a letter, which conformed to the normal practice, arrived. It was signed by Mr Clément and handed personally by Mr Clément to me. At that moment it became difficult to refuse resignation, because there is no doubt about the voluntary character of the act.

I now have a letter which is in complete conformity with the Rules.

I call Mr Prout.

Mr Prout. — Mr President, I understand your difficulty and I sympathize with your position. But the fact of the matter is that on Tuesday the reason why we had urgent procedure was precisely because of Mr Clément, not because of the general issue. The issue arose not generally but out of a particular case. Now I don't see how you can get around the point that Mr Patterson has made. I am sad that you can't get around it, because I understand your position very well, but the fact of the matter is that Rule 111(3) says that, 'should the committee decide that an interpretation of the existing rules is sufficient' — which it did, which it did — 'it shall forward its interpretation to the President, who shall inform Parliament'. Until you inform Parliament the matter is still in the Committee on the Rules of Procedure and Petitions, and the matter that went to the committee was the matter of Mr Clément's resignation itself. How do you answer that?

President. — I would answer that in a different way. The matter that went to the committee was Mr Clément's first letter and its acceptability under the existing Rules.

President

In the meantime Mr Clément has handed in a new letter, in which he confirms that he had sent in an earlier letter. This second letter is in complete conformity with the Rules, which led to the acceptance of the resignation. On the basis of that second letter, which Mr Clément handed to me personally, stating also in that letter that it was of his own free will that he resigned, the question arises whether we, notwithstanding our procedure, can stop a resignation or whether under the present Rules we can prevent the substitution of a new Member, even though not yet accepted by your committee. There I have the greatest hesitation, because we have the problem that we have not got a European electoral law affording scope for interpretation. The whole procedure is based on national electoral laws.

Mr Prout. — Mr President, you seem to be raising more and more difficult issues here. It is true, of course, that European elections are based on national laws, but those national laws must conform with the European Act of 1976. This, after all, was really the reason why the matter was referred to the Committee on the Rules of Procedure and Petitions in the first place.

The point was never whether or not Mr Clément's letter was in order. The point was whether or not Parliament in certain circumstances can consider the validity of a resignation because the national rules laid down by a particular country did not conform with the European Act of 1976. That was the point you referred to the Committee on the Rules of Procedure, and the fact that Mr Clément put in a different letter on Wednesday does not in any way alter the significance of that fact.

President. — Mr Prout, if we understand each other correctly, you now say that you do not contest the resignation of Mr Clément. That is the problem at issue.

Mr Prout. — That is not the issue, Mr President. It is a matter for future debate whether Mr Clément's resignation was justified or not. The point at issue, however, in the Committee on the Rules of Procedure and Petitions — which has not yet reported under Article 111(3), so that the matter is still open — is whether or not Parliament can in certain circumstances consider the resignation of a Member. That is the point. That was the point that you referred, and you did not refer it as a general matter. You referred it to the committee as a matter of urgency because it arose as a result of Mr Clément's resignation. That is the point.

You might say it is a technicality, but technicalities matter to democracies. The heart of democracy is to obey the democratic procedures that have been laid down. The fact of the matter is that Rule 111(3) says

that until you have announced the result, it is still with the Committee on the Rules of Procedure and Petitions. Therefore Mr Clément's resignation is still with the Committee on the Rules of Procedure and Petitions.

President. — I do not think so.

Mr Prout. — There's nothing you can do about it.

President. — I call Lord Harmar-Nicholls.

Lord Harmar-Nicholls. — I wish my colleagues would stop talking about Mr Clément. Up until yesterday there was some point, because there was some doubt about the authenticity of a letter. That authenticity has now been cleared up by a second letter and Mr Clément has resigned, and has been seen to have resigned. I do not believe that he any longer enters into it, and I defy this Parliament or any committee of this Parliament to tell any Member they cannot resign if they want to, whether it is reported to Parliament or not.

Now what is behind this — and I do not agree with my colleagues on this either — is they feel that the rules of certain groups from a certain nation are having a control over Members which they think they ought not to have. Now on that issue — and they ought to treat that separately from Mr Clément, who is now out of it — on that particular issue I believe that each nation and each group should have the complete freedom to adhere to their own rules; and if the members of that group know, when they put themselves forward as a candidate, that those are the rules, they should adhere to those rules. The idea that this Parliament can start nannying about and telling every group and every individual when they are a Member and when they are not and when they have got to attend — it will cease to be a Parliament. I do not agree with my colleagues. I think that they are deliberately muddying an issue which could be very dangerous, if it is that they are pursuing the line they are.

Mr Clément has resigned. His second letter has confirmed it. Whether it has been reported or not, he is no longer a Member of this Assembly, and that ought to be accepted by everybody.

President. — I think that is exactly what we are discussing, and that is what the point at stake is.

I call Mr Pannella.

Mr Pannella. — (FR) Mr President, I was always unwilling to judge a letter with which I was not familiar, and I raised not a problem of fact, but rather one of law.

Pannella

Mr President, I have been requesting you since Tuesday to make it possible for us to establish the vacancy occasioned by the resignation of Mr Clément, and you have been preventing this.

Mr President, the other day you read us Mr Clément's letter of resignation, and so we have accomplished the first phase of the act which should effect the vacancy and permit the succession. There is no problem of interpretation there.

It is laid down in the Rules, in paragraph 3 of Rule 7, that Parliament establishes the vacancy, and, in paragraph 4, that Parliament takes note thereof. 'Taking note' and 'establishing', Mr President, are two different legal instruments. We are thus in the middle of a disagreement about the minutes. I say that Parliament did not take note of the vacancy of the post. This has no importance in any case, since we were to 'establish', not 'take note'. In my opinion, you proposed to us the wrong legal instrument. Will you then permit us, Mr President, to establish the vacancy of Mr Clément's post, upon which we are all agreed?

You referred the problem to the Committee on the Rules of Procedure and Petitions, but we have not been given the opportunity of hearing the communication of the chairman of that Committee, who rightly protested against this.

This matter establishes a precedent: there will also be the case of Mr Fanton. We must therefore settle this legal problem at once.

President. — Mr Pannella, I repeat what I said just now. Yesterday morning, I proposed that the House take note of Mr Clément's letter. Yesterday afternoon, I noted that the Parliament did so in accordance with the procedures followed so far. After this, you interrupted me.

We can leave the Minutes in abeyance until the next part-session, if you wish.

Mr Patterson. — Mr President, there is a solution which is very simple in the case of Mr Clément and which will be in accordance with what the Committee on the Rules of Procedure and Petitions has recommended. You have not been informed yet, but this is what we did. As Mr Pannella says, it is Parliament that establishes the vacancy. I am quite prepared to take your word for it that the letter is genuine. Therefore in the case of Mr Clément all you need do is now to put that to Parliament, which will then establish a vacancy here and now. Further resignations we can then deal with when the Committee on the Rules of Procedure and Petitions has actually informed you of what it said. But let us establish Mr Clément's vacancy, if that is going to simplify matters, by vote.

President. — No, Mr Patterson, it is absolutely impossible to vote on whether or not there is a vacancy. That would be prejudging the procedures and that is what the Committee on the Rules of Procedure and Petitions should inform me about. It cannot be done. The only thing that we can do is to adopt the Minutes; that is all.

I call Mr Fergusson.

Mr Fergusson. — Mr President, I think that cannot be right. If by voting against Mr Clément's resignation we prejudice the issue, then also by accepting it we prejudice it. I do not think that the second letter really has anything to do with the original protest. When his resignation was announced to the House, the question about the form of the first letter never even came before us and in fact did not arise until it came before the Committee on the Rules of Procedure and Petitions in the first place. I protested, I *did* contest, the resignation of Mr Clément and I was assured that nothing would happen until the Committee on the Rules of Procedure and Petitions had looked at it and reported. That is the only point. Forget the letters and the form of the letters. Equally, if Mr Fanton now resigns I will protest against that. If I am not here for it, I protest in advance against that, because until the thing is cleared up, nothing must be accepted; nothing must be prejudged — and that includes Mr Clément, against whom we have nothing at all. So, I say, that the objection about Mr Clément remains on the table irrespective of how many hundreds of letters, all in order, he has sent to you since. Until the committee has reported, that objection must be sustained.

President. — I would like to stop this debate. I propose that the approval of the minutes of yesterday's sitting be postponed until the March part-session, the first part-session after this one, so that the minutes will not be adopted today. That is, I think, the only solution for the moment.

As there are not objections, that is agreed.¹

7. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

Bon voyage!

(The sitting closed at 2 p.m.)

¹ For items concerning membership of committees, motions for resolutions entered in the Register under Rule 49, reference to committee, tabling of amendments, forwarding of resolutions adopted and dates of the next part-session, see the Minutes.

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